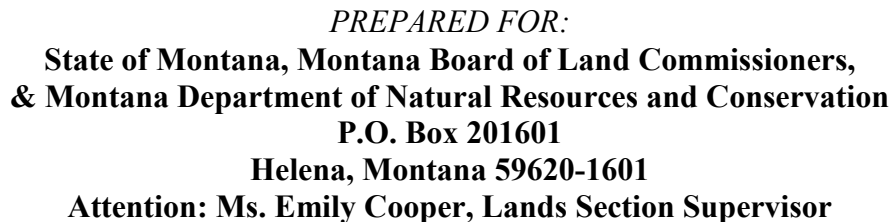


**LOTS 24, 33, & 34**  
**COS # 18885**  
**BIGFORK, MONTANA**



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



704-C East 13<sup>th</sup> Street, #509  
Whitefish, Montana 59937

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## 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: Lots 24, 33, and 34 of COS #18885, of Section 5, Township 27 North, Range 19 West, Flathead County, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 8, 2016. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. This visual inspection, review 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 values of the fee simple interests in the individual subject lots, the individual subject improvements, and 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 owners will exhibit sound management and sales practices. The values are based upon the **Hypothetical Conditions** that each property is a legal parcel and that each parcel has legal and adequate access.

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We were not provided with soil studies for the subject sites. 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 sites. 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 properties and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimates of the properties.

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

16-034ec

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lots 24, 33, & 34 of COS #18885, Section 5, Township 27 North, Range 19 West, Flathead County, Montana
<b>Site Sizes</b>	See Property Description
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	See Property Description
<b>Census Tract</b>	30-029-0013.02
<b>Flood Zone</b>	Zone X, Map Panel 30029C1875G – Dated September 2, 2007
<b>Zoning</b>	SAG, Suburban Agricultural

### HIGHEST AND BEST USE(S)

<b>As Is</b>	Recreational and/or Residential Use
<b>As Improved</b>	Recreational and/or Residential Use

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

<b>Report Date</b>	September 2, 2016
<b>Inspection Date(s)</b>	July 8, 2016
<b>Effective Date of Value(s)</b>	July 8, 2016
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Values</b>	Property Valuation Section of Report & Page 82 of Report
<b>Individual Improvement Values</b>	Property Valuation Section of Report & Page 82 of Report
<b>Individual Total Market Values</b>	Property Valuation Section of Report & Page 82 of Report

<b>Extraordinary Assumption(s)</b>	None
<b>Hypothetical Condition(s)</b>	See Scope of the Appraisal

### MARKETING & EXPOSURE TIME

The appraised value for the subject property as improved is based upon a 6 to 12 month marketing time and 6 to 12 month exposure time. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

### APPRAISER INFORMATION

<b>Appraiser(s)</b>	Elliott M. Clark, MAI & Christopher D. Clark
---------------------	--

## **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 properties that are 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 properties that are 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.



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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 properties to determine whether or not they are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties together with a detailed analysis of the requirements of the ADA could reveal that the properties are 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 properties. 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 properties.
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 value will be discussed.
13. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation or specific valuation.
14. The appraisers are not building inspectors and this report does not constitute building inspections for the subject properties. 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 properties.
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 properties are Lots 24, 33, and 34 of COS #1885, Bigfork, Flathead 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 8, 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 applicable lessees for each property, Flathead County Records, and the area Multiple Listing Service.

Area trends in development were researched based upon information from various offices of the Flathead 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 properties are based upon the **Hypothetical Conditions** that each property was a legal parcel as of the report effective date and that there was legal and adequate access to each property.

### **Highest & Best Use**

Our opinion of the highest and best uses for the subject properties were developed using the research collected relative to the subject properties, 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 properties.

### **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 properties as improved. Most market participants interested in purchasing lake front homes 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 properties are 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 values of the subject properties 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:

- Flathead 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 PROPERTIES

The subject properties are identified on the table below;

Lot #	Certificate of Survey	Section/Township/Range	County
24	18885	S5/T27NR19W	Flathead
33	18885	S5/T27NR19W	Flathead
34	18885	S5/T27NR19W	Flathead

## 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 property by the client. 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 client is an intended user of this report. The Lessee for each lot are additional intended users of this report. They are listed below;

Lot #	Sale #	Lessee
24	828	Susan Hutz
33	829	Robert Farren
34	892	Ronald Gibb

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 interests in the subject properties for possible sale purposes.

## DATE OF PROPERTY VIEWINGS

July 8, 2016



## **EFFECTIVE DATE OF MARKET VALUES**

July 8, 2016

## **PROPERTY RIGHTS APPRAISED**

The values concluded in this report are for the **fee simple** interests in the subject properties. 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

The subject sites are all owned by the State of Montana. The improvements on most of the sites are owned by the respective lessees. The lessees are listed below;

Lot #	Lessee	Last Transfer Document
24	Susan Hutz	Quit Claim Deed - 1994
33	Robert Farren	Quit Claim Deed - 2007
34	Ronald Gibb	Quit Claim Deed - 1994

## 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 lots are in this program. According to the available information, the subject lots have been used for recreational/residential purposes for the three years prior to the report effective date. Houses were constructed on all of the subject sites. The house construction dates and any recent listing information for the improvements via the area MLS for each applicable property are below;

Lot #	Lessee	House Built	Listing History via Area MLS
24	Susan Hutz	1967	N/A
33	Robert Farren	1963	N/A
34	Ronald Gibb	1955	N/A

According to our research, none of the subject improvements were available for sale via the area MLS as of the report effective date.

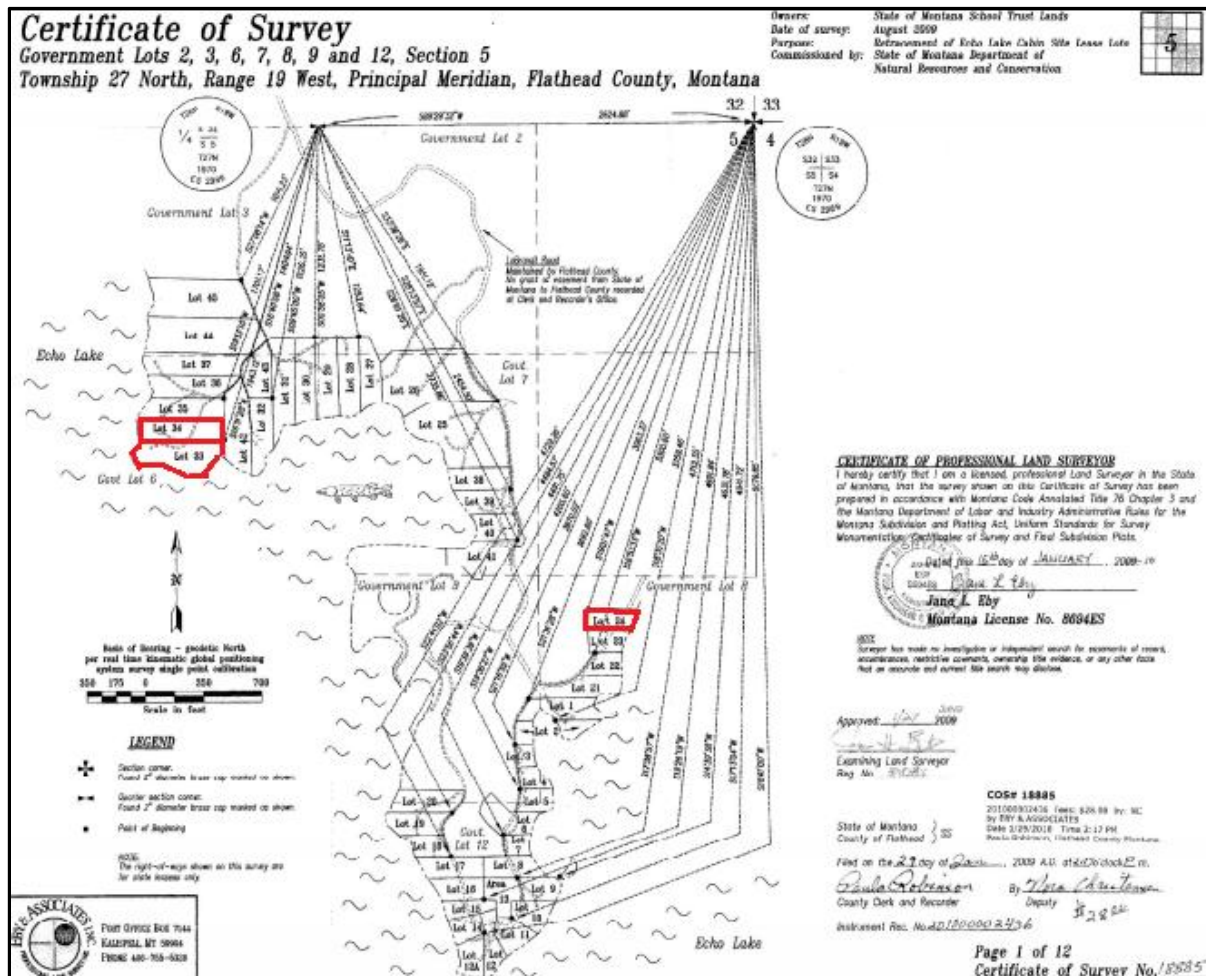
# PROPERTY DESCRIPTIONS

## GENERAL DESCRIPTIONS

The subject properties are Lots 24, 33, & 34 of Certificate of Survey #18885 in Section 5, Township 27 North, Range 19 West, in Flathead County, Montana. The subject properties are described on the table below;

Lot #	Lessees	Gross Acres	Net Acres	Front Feet	FF Per Acre	Topography
24	Susan Hutz	0.879	0.644	148.74	230.96	Slopes down toward lake
33	Robert Farren	1.999	1.973	780.06	395.37	Slopes down toward lake
34	Ronald Gibb	1.540	1.476	132.34	89.66	Slopes down toward lake

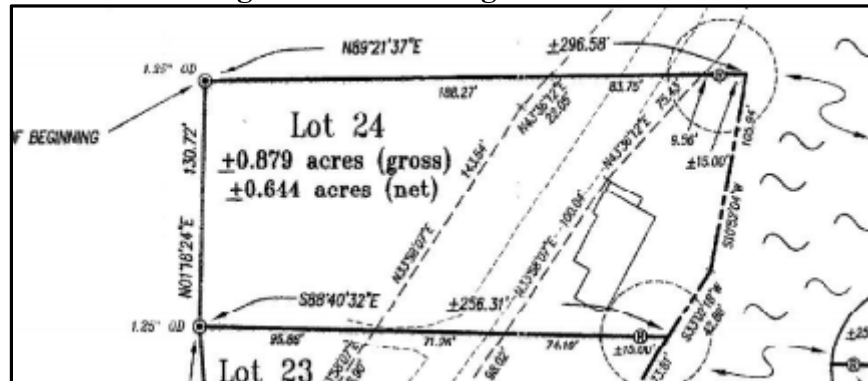
The subject properties are identified Page 1 of COS #18885 below;



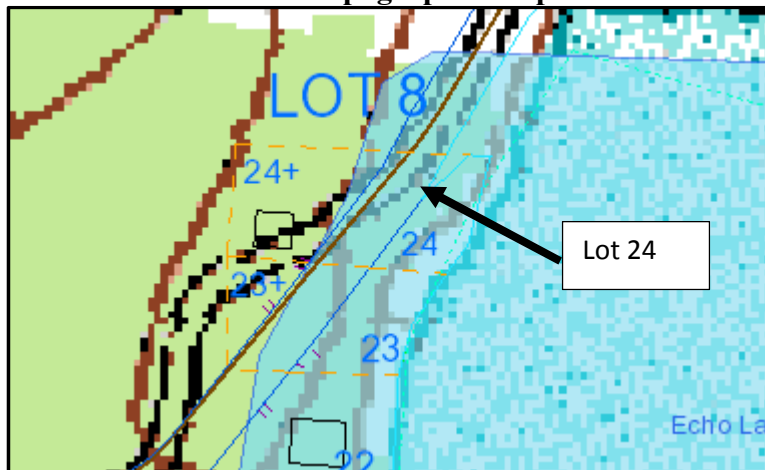
Individual images depicting each subject site recorded as part of COS #18885 and topographic maps are included on the following pages.

## LOT 24

### Enlarged View from Page 6 of COS 18885

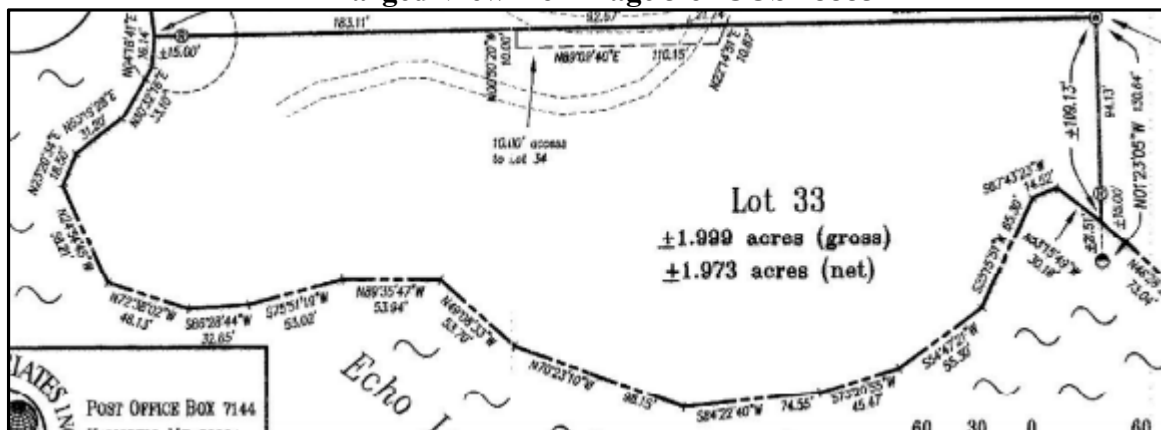


### Area Topographic Map

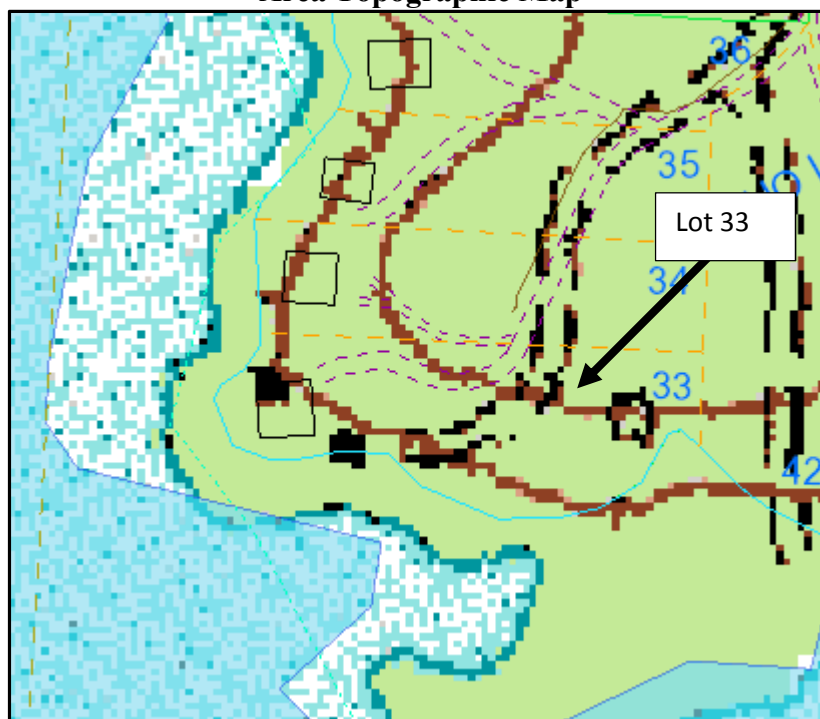


**LOT 33**

**Enlarged View from Page 3 of COS 18885**

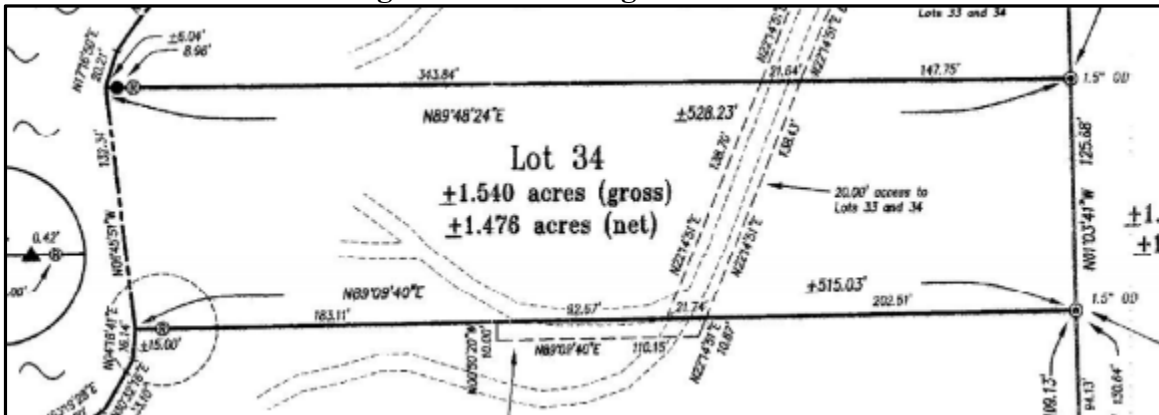


## Area Topographic Map

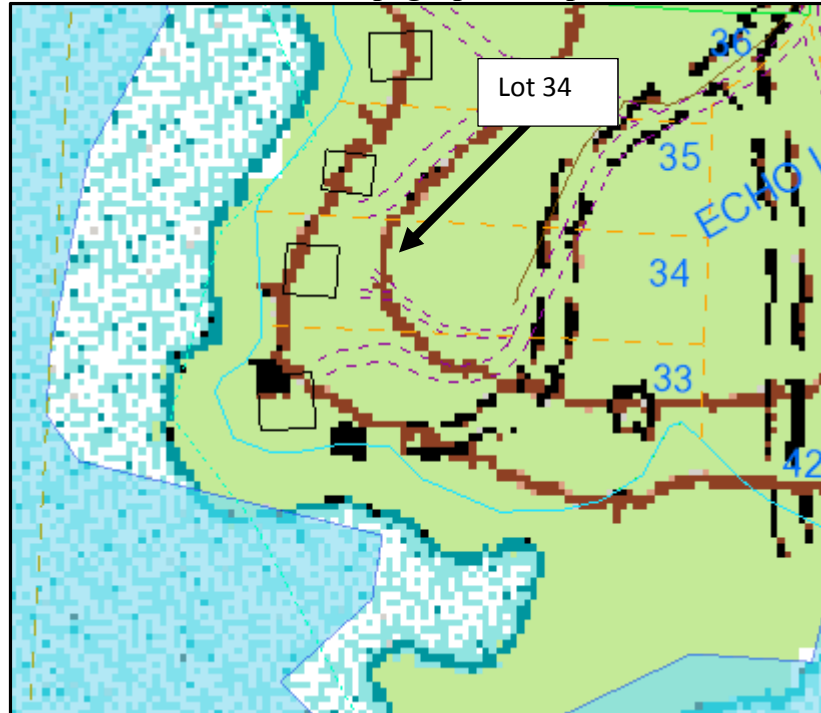


## LOT 34

### Enlarged View from Page 3 of COS 18885



### Area Topographic Map



## ACCESS AND VIEWS

Subject Lot 24 is accessed from and bisected by LaBrant Road. Subject Lots 33 and 34 are accessed via a private driveway (known as Echo Cabin Loop) which is off of LaBrant Road. There is a 20 foot wide portion of Echo Cabin Loop running across Lot 34 which provides vehicular access to Lot 33. LaBrant Road is a county maintained, gravel road. All of the subject sites have frontage along Echo Lake. All have lake and mountain views.

## IMPROVEMENTS

The subject improvements are described on the table below;

Lot #	24	33	34
Residence SF	2,040	743	753
Construction Type	Wood Frame	Wood Frame	Wood Frame
Foundation	Pier with Engineered Beams Running the Length of the Structure	Pier	Pier
Quality	Average	Average	Average
Condition	Good/Average	Average	Average
Year Built	1967 (Addition & Renov. 2006)	1963	1955
# of Bedrooms	3	1	2
# of Bathrooms	2	1	1
Porches	170 SF Covered Porch, 456 SF Deck, 170 SF Deck, 24 SF Covered Porch	619 SF Covered Porch	432 SF Deck
Outbuildings	Storage Building w/Carport	Bunk House/Storage Building	Bunk House
Other Site Improvements	Septic/Well	Septic/Well	Septic/Well
Landscaping	Rock Wall & Plantings	Lawn	Minimal
Notes	Septic Permit 1990	Septic Permit 2008	Septic Permit Not Found

## EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

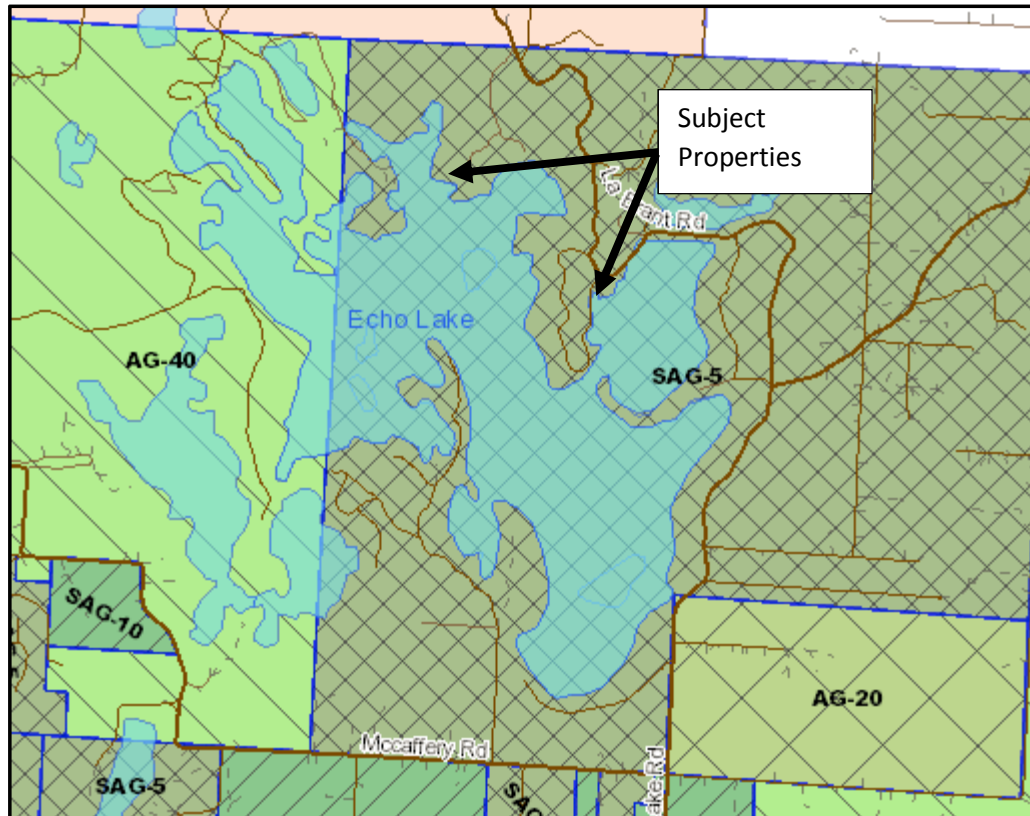
There are overhead power lines near the subject properties but it does not appear that there are overhead power lines within the boundaries of the subject property. As noted above, Lot 24 is bisected by LaBrant Road. The majority of the area of Lot 24 is west of LaBrant Road and not along the lakeshore. The location of this road is considered to significantly impact the marketability of this lot. This impact is addressed in the Property Valuations section of this report. There is a 10 foot wide access easement for Lot 34 which runs within the northern boundary of Lot 33. The placement of this easement does not significantly affect the usable area of Lot 33. For this reason, this easement has no effect on the marketability of Lot 33. There is a 20 foot access easement (identified as Echo Cabin Loop) which runs within the boundaries of Lot 34 and provides vehicular access for Lot 33. This easement does limit the usable area for Lot 34. Any impact on the marketability of Lot 34 due to this easement is addressed in Property Valuations sections of this report.

All of the subject properties are regulated by Lake and Lakeshore Protection Regulations adopted by the Flathead County Board of Commissioners. Permits are required for any construction within 20 feet of the high water line.

If additional easements, restrictions, or encroachments other than those noted in this report are present on the subject properties, the values concluded in this report may be affected.

## ZONING

The subject properties are in the SAG-5, Suburban Agricultural zoning district of Flathead County. A map depicting the zoning district for the subject properties and surrounding properties is below;



The intent of the SAG-5 zoning district below;

*“A district to provide and preserve smaller agricultural functions and to provide a buffer between urban and unlimited agricultural uses, encouraging separation of such uses in areas where potential conflict of uses will be minimized, and to provide areas of estate type residential development.”*

Allowable uses in this zoning district are; agricultural/horticultural/silvicultural use, Class A and Class B manufactured home, cluster housing, day care home, dwelling, single-family, dwelling unit, accessory, guest house, home occupation, homeowners park and beaches, livestock, nursery, landscaping materials, park and publicly owned recreational facility, produce stand, public transportation shelter station, public utility service installation, and private stable.

Uses which may be permitted with a conditional use permit are; airfield, aircraft hangars, airport/landing field, animal hospital, veterinary clinic, bed and breakfast establishment, camp and



retreat center, caretaker's facility, cellular tower, cemetery, mausoleum, columbarium, crematorium, church and other place of worship, community center building operated by a non-profit agency, community residential facility, contractor's storage yard, dwelling, family hardship, electrical distribution station, extractive industry, golf course, golf driving range, kennel, manufactured home park, recreational facility, RV park, riding academy and rodeo arena, primary and secondary school, stable, temporary building or structure, water and sewage treatment plant, and water storage facility.

The minimum lot area is 5 acres. The minimum lot width is no greater than 3 times the average width unless the average width is more than 300 feet. Building setbacks are 20 feet along the front, side, side corner, and rear. The maximum building height is 35 feet. The permitted lot coverage area is 25%.

The subject lots are less than 5 acres in size. It is assumed for report purposes that the subject lots are legal in spite of nonconformance with the zoning district.

#### **ASSESSMENT/REAL PROPERTY TAXES**

The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 2015 tax bills and taxable market values for the subject improvements (as per the Montana Department of Revenue) are included on the table below;

Tax Bills for Improvements			
Lot #	Lessees	2015 Taxable Market Value	2015 Tax Bill Amount
24	Susan Hutz	\$110,460	\$804.12
33	Robert Farren	\$93,610	\$694.75
34	Ronald Gibb	\$59,630	\$473.59

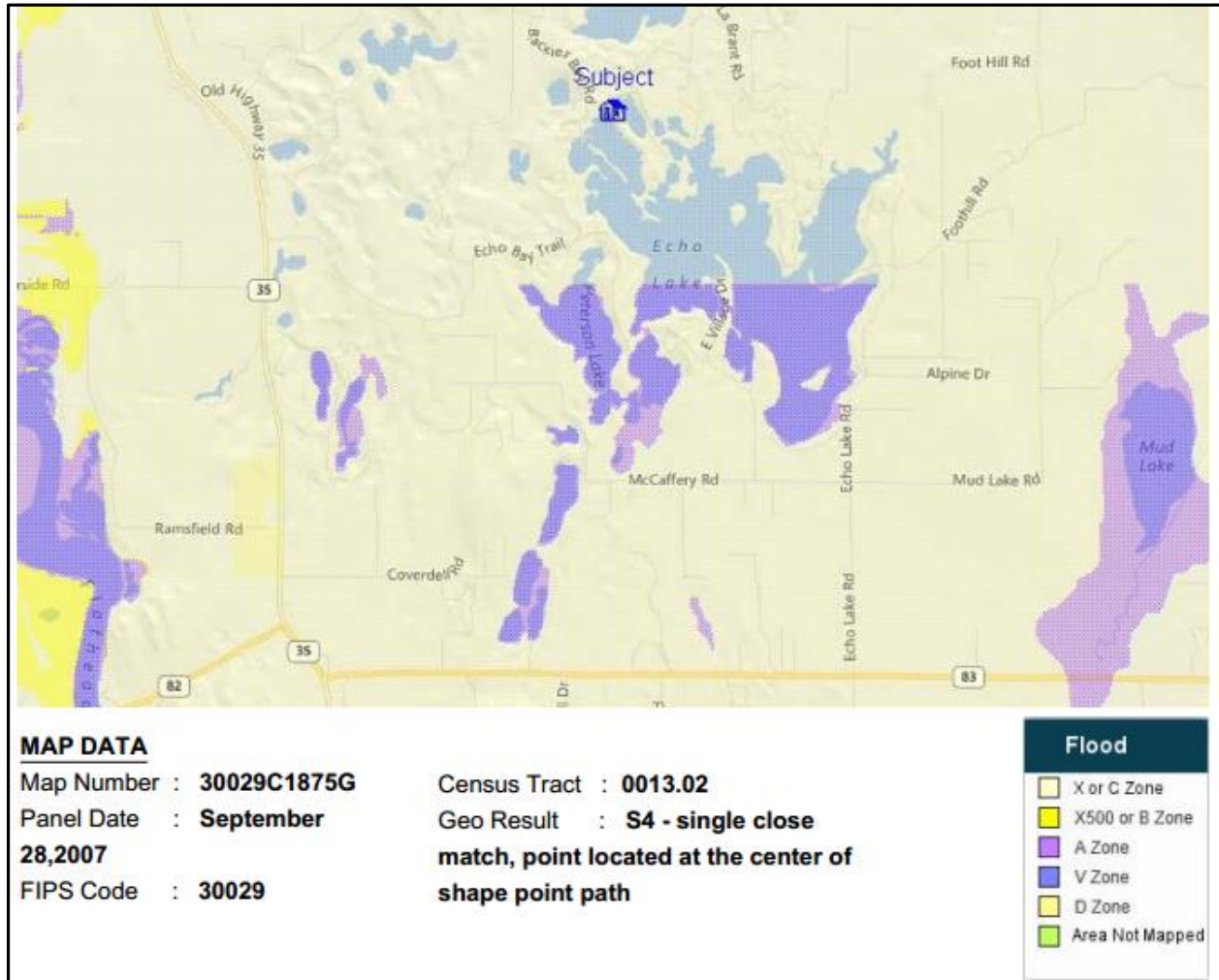
#### **TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE**

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #30029C1875G), the subject properties are located in Zone X which is considered to be an area designated as low to moderate flood risk. An exhibit derived from the FEMA flood map panel is included on the following page.

The subject lots include native vegetation and/or landscaping. There is a rock wall and landscaped areas on Lot 24.

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

## Area Flood Map Information



## UTILITIES

All of the subject lots have access and/or are connected to electricity and phone lines. According to the lessees or representatives for the lessees, the subject properties all include wells and septic systems. We located septic permits on file with the Flathead City-County Health Department for Lots 24 and 33. We did not locate a septic permit for Lot 34. There is reportedly an artesian well for on Lot 24. All of the subject lots include indoor restrooms and plumbing.

## PUBLIC SAFETY AND SERVICES

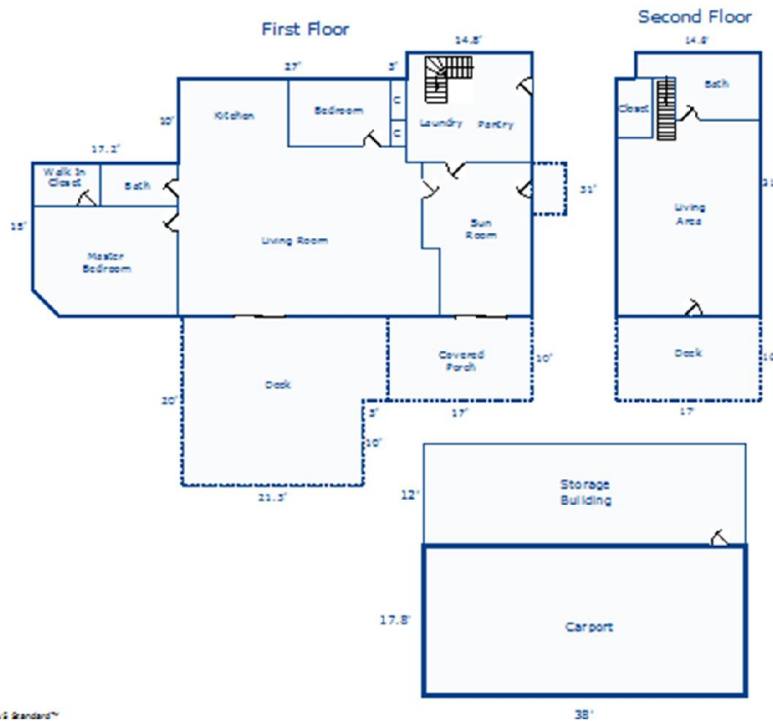
Police, fire protection, and other services are provided by Flathead County and area volunteer emergency services.

## SITE SUITABILITY

The subject lots are legally and physically suited for residential improvements.

# SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

## LOT 24 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1519.50	
	Second Floor	520.40	2039.90
GAR	Carport	676.40	676.40
P/P	Covered Porch	170.00	
	Deck	456.00	
	2nd Floor Deck	170.00	
	Porch	24.00	820.00
OTA	Storage	456.00	456.00
Net LIVABLE Area		(rounded)	2040

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
0.5 x	0.0 x	10.0	0.25
	3.0 x	14.8	44.25
	3.0 x	56.0	168.00
	15.0 x	59.0	885.00
	41.8 x	10.0	417.50
0.5 x	3.0 x	3.0	4.50
Second Floor			
	3.0 x	14.8	44.40
	28.0 x	17.0	476.00
8 Items			(rounded) 2040

## LOT 24 – SUBJECT PHOTOGRAPHS



East Side of House from Dock



South and East Sides of House from Lake Frontage



South Side of House



West Side of House Looking across LaBrant Road



North Side of House from LaBrant Road



Entry and Landscaping on North Side of House



## ADDITIONAL PHOTOGRAPHS



Sun Room



Bedroom



Kitchen



Living Room



Master Bedroom



Bathroom

## ADDITIONAL PHOTOGRAPHS



Pantry



Deck



Deck and Lake View



Stairs to Second Floor



2<sup>nd</sup> Floor Living Area



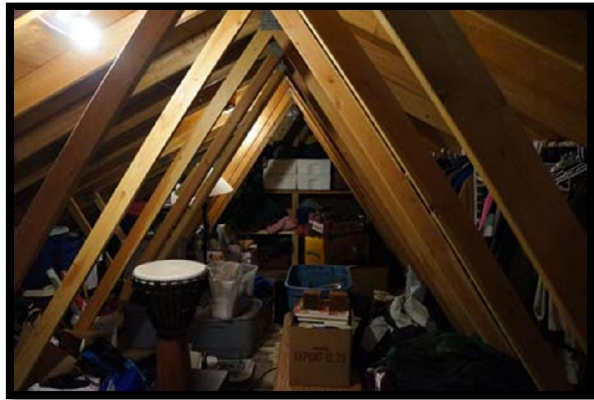
2<sup>nd</sup> Floor Bathroom



## ADDITIONAL PHOTOGRAPHS



Storage Area on 2<sup>nd</sup> Floor



Attic



Lake Frontage Looking South from Pier



Lake Frontage Looking North from Pier



View South Near Northeast Property Boundary Marker



View North Near Southeast Property Boundary

## ADDITIONAL PHOTOGRAPHS



Pier and Dock Looking Southeast



West Portion of Property



View East from Southwest Property Boundary Marker



View East Near North Property Boundary



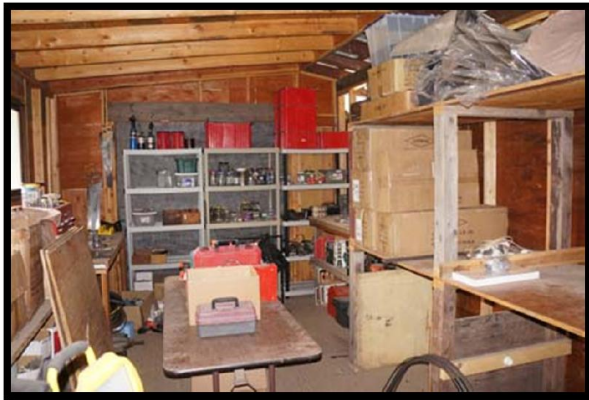
Carport and Storage Building



Storage Building Looking West from Lot Interior



## ADDITIONAL PHOTOGRAPHS



Storage Building Interior



Causeway across Echo Lake to North of Subject Property

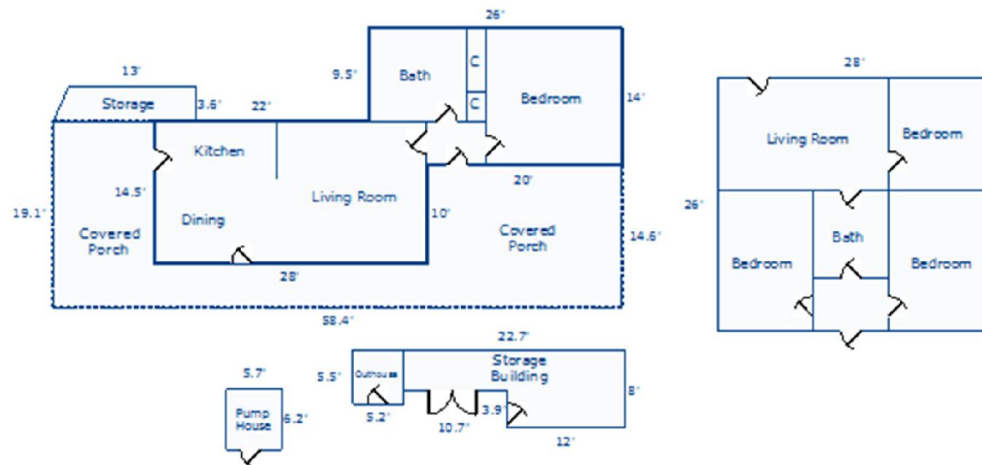


LaBrant Road Looking North



LaBrant Road Looking South

## LOT 33 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	743.00	743.00
P/P	Covered Porch	619.44	619.44
OTW	Storage	49.68	
	Outhouse	28.60	
	Storage Bldg	159.87	
	Pump House	35.24	
	Bunk House	728.00	981.39
Net LIVABLE Area		(rounded)	743

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
26.0	x	9.5	247.00
10.0	x	28.0	280.00
4.5	x	48.0	216.00
3 Items			(rounded) 743

## LOT 33 – SUBJECT PHOTOGRAPHS



Front of House from Lakefront



House and Lot 33 from Dock



East Side of House



North Side of House



Covered Walk along South Side of House



Kitchen



## ADDITIONAL PHOTOGRAPHS



Living Room



Bedroom



Lake View from House



Bathroom



Laundry in Storage Room



Refrigerator in Storage Room

## ADDITIONAL PHOTOGRAPHS



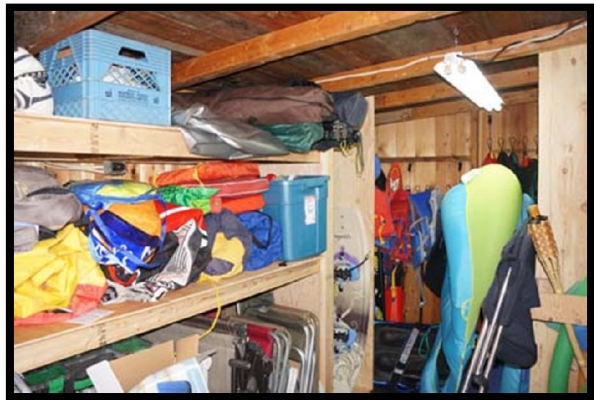
Post & Pier Foundation



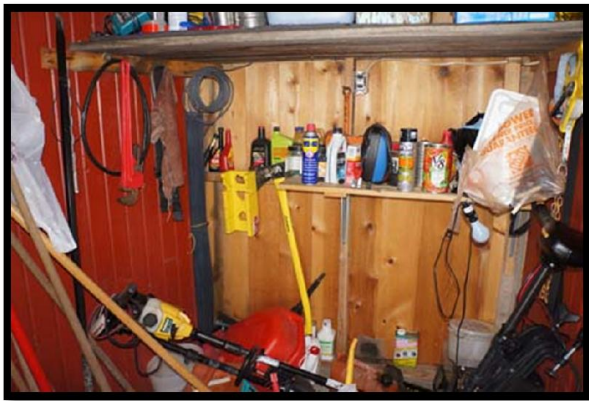
Post & Pier Foundation



Outhouse



Storage Building Interior



Storage Building Interior



Bunk House



## ADDITIONAL PHOTOGRAPHS



Bunk House



Bunk House Bedroom



Bunk House Bedroom



Bunk House Bedroom



Living Area in Bunk House



Bathroom in Bunk House

## ADDITIONAL PHOTOGRAPHS



Pump House



Outdoor Fireplace



Floating Dock & Pier



Lake Frontage Looking East



Lake Frontage Looking West



View East from Northwest Property Boundary Marker



## ADDITIONAL PHOTOGRAPHS



View South from Northwest Property Boundary Marker



View East from West Portion of Lot 33



Southwest Property Boundary Marker Looking East



Lake View near Southeast Property Corner



View West Near Southwest Property Corner



Lake Frontage Looking West



## ADDITIONAL PHOTOGRAPHS



Lot 33 from East Portion of Property



Storage Building



View along North Property Boundary Looking West

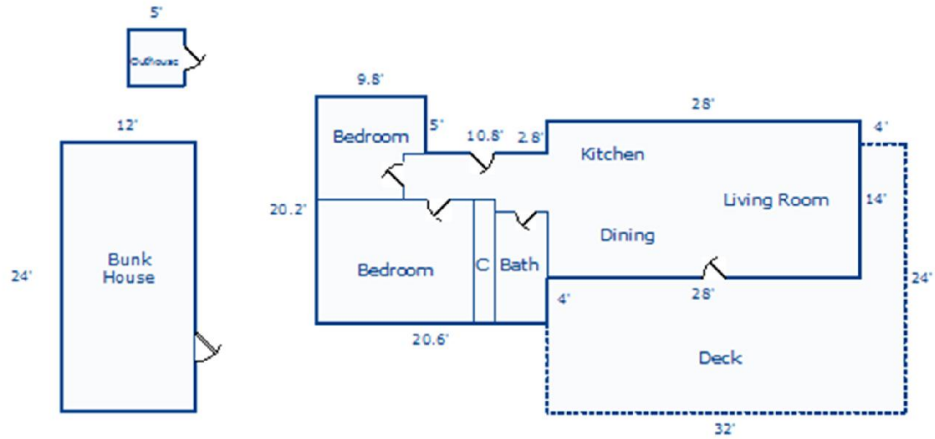


Road to Lot 33 Looking South



Road to Lot 33 Looking North

## LOT 34 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	753.25	753.25
P/P	Deck	432.00	432.00
OTW	Bunk House	288.00	
	Outhouse	25.00	313.00
Net LIVABLE Area		(rounded)	753

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
0.5 x	0.0 x	2.8	0.07
	4.0 x	20.6	82.40
	5.0 x	9.8	48.75
	11.2 x	48.6	542.70
	28.0 x	2.8	79.33
5 Items			(rounded) 753



## LOT 34 – SUBJECT PHOTOGRAPHS



Front of House Looking East



House and Lot 34 from Lakefront



East Side of House



North Side of House



South Side of House and Deck

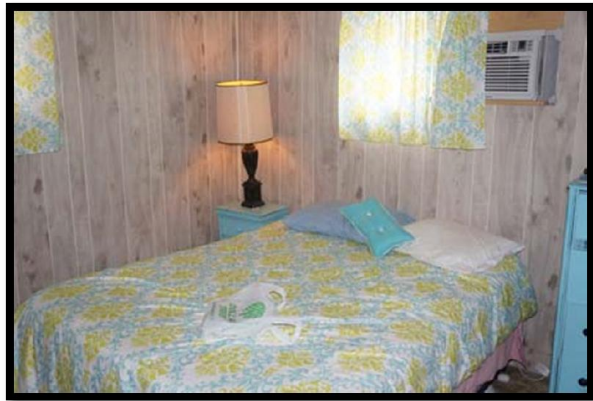


Kitchen

## ADDITIONAL PHOTOGRAPHS



Living Room



Bedroom



Bedroom



Bathroom



Laundry on Covered Entry



Foundation Under Deck



## ADDITIONAL PHOTOGRAPHS



Post & Pier Foundation



Post & Pier Foundation



Bunk House



Bunk House Interior



Outhouse



Fire Ring and View toward Echo Lake



## ADDITIONAL PHOTOGRAPHS



House and Lot Interior from Northwest Property Corner



Southwest Property Boundary Marker Looking North



Lake Frontage Looking North from Pier



Lake Frontage Looking South from Pier



Driveway and House from Lot 34 Interior Looking West



View East along South Property Boundary



## ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker



Southeast Property Boundary Marker



View along Power Line Easement and Property Boundary



View West along Property South Property Boundary



Road to Lot 34 Looking North



Road to Lot 34 Looking South

## 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 2.238 acre sites with 128.50 feet of frontage along Beaver Lake in the Whitefish area of Flathead County.

#### Area Land Use Trends

Many surrounding properties with frontage along and/or views of Echo Lake include residential improvements. Surrounding properties are utilized for recreational/residential purposes.

There are numerous lakes in Flathead County. Some area lakes include little privately owned land with few or no lot transfers each year. Area lakes with available private property would attract similar market participants as the lots along the subject lake. Most of the significant area lakes (sorted by size) are included on the table below;

Flathead Valley Area Lakes		
Lake Name	Size/Acres	Elevation/Feet
Blanchard Lake	143	3,178
Beaver Lake	144	3,257
Rogers Lake	239	3,998
Foys Lake	241	3,300
Lake Blaine	382	2,998
Echo Lake	695	2,998
McGregor Lake	1,522	3,998
Ashley Lake	2,850	3,998
Bitterroot Lake	2,970	3,998
Whitefish Lake	3,315	2,988
Flathead Lake	122,885	2,890

Properties in the subject competitive set are considered to be home sites on similar sized area lakes. Flathead Lake is substantially larger than other area lakes. Home sites along Flathead Lake would appeal to different market participants than home sites on Echo Lake. Whitefish Lake is a restively small area lake; however, market participants seeking property on Whitefish Lake would not be similar to those seeking property along Echo Lake. This is due to the pricing of sites with frontage along Whitefish Lake. Privately owned home sites with frontage on the remaining lakes would be considered part of the competitive set for the subject site.



## Potential Users of Subject Property

The potential users of the subject lot and improvements would be market participants seeking to own recreational/residential lakefront property on somewhat similar lakes in the Flathead Valley. The market participants seeking properties along Flathead Lake and Whitefish Lake are considered dissimilar to those seeking properties on Echo Lake.

## 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 of vacant and improved lakefront properties along area lakes. We removed any sales with frontage along Flathead Lake and Whitefish Lake.

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 below and on the following page;

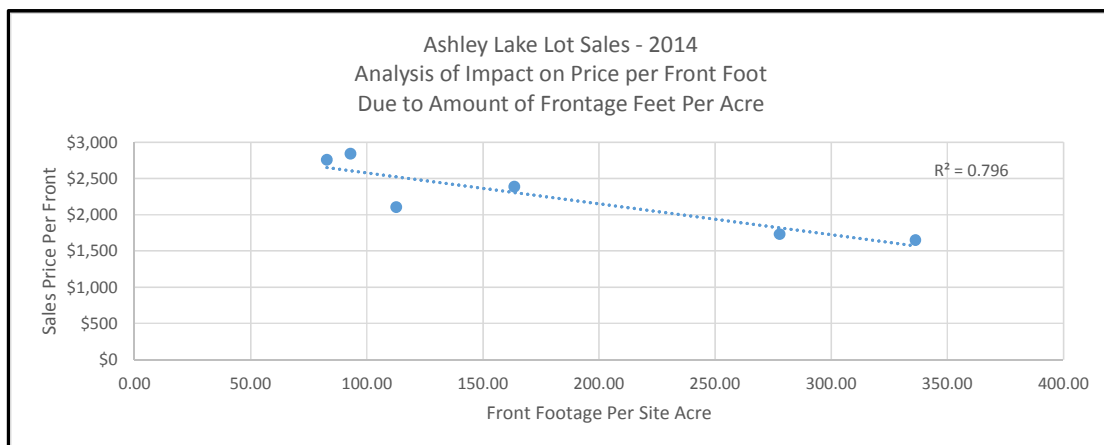
### Lakefront Lot Sales

Below are sales of sites with frontage along similar lakes in Flathead County that closed since 2014;

Lakefront Lot Sales Analysis										
Address	City	Lake	Front Feet	Site Acres	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvement Value	Price/FF	DOM
5344 Ashley Lake Rd	Kila	Ashley Lake	249.00	2.21	2014	\$525,000	\$0	\$525,000	\$2,108	173
127 Emerald Cove	Kalispell	Ashley Lake	146.00	1.57	2014	\$430,000	\$15,000	\$415,000	\$2,842	153
3462 Ashley Lake Rd	Kalispell	Ashley Lake	139.00	0.85	2014	\$347,000	\$15,000	\$332,000	\$2,388	567
3916 Ashley Lake Rd	Kalispell	Ashley Lake	195.00	0.58	2014	\$327,000	\$5,000	\$322,000	\$1,651	172
4757 Ashley Lake Rd	Kila	Ashley Lake	116.00	1.40	2014	\$320,000	\$0	\$320,000	\$2,759	183
5690 N Ashley Lake Rd	Kila	Ashley Lake	150.00	0.54	2014	\$270,000	\$10,000	\$260,000	\$1,733	105
4693 Ashley Lake Rd	Kila	Ashley Lake	156.16	3.69	2014	\$215,000	\$0	\$215,000	\$1,377	451
4050 N Ashley Lake Rd	Kalispell	Ashley Lake	225.20	6.10	2016	\$375,000	\$0	\$375,000	\$1,665	356
104 Bitterroot Cove Ct	Marion	Bitterroot Lake	228.00	1.05	2014	\$325,000	\$5,000	\$320,000	\$1,404	105
1308 Bitterroot Ln	Marion	Bitterroot Lake	365.60	4.45	2015	\$625,000	\$15,000	\$610,000	\$1,668	134
134 Kelly Ct	Marion	Bitterroot Lake	150.83	1.13	2015	\$330,000	\$10,000	\$320,000	\$2,122	147
128 Bitterroot Cove	Marion	Bitterroot Lake	115.40	2.09	2015	\$271,500	\$10,000	\$261,500	\$2,266	349
1256 Bitterroot Ln	Marion	Bitterroot Lake	178.00	1.07	2015	\$400,000	\$0	\$400,000	\$2,247	37
122 Kelly Ct	Marion	Bitterroot Lake	150.00	1.24	2016	\$330,000	\$0	\$330,000	\$2,200	349
680 Echo Lake Rd	Bigfork	Echo Lake	100.00	1.52	2014	\$395,000	\$40,000	\$355,000	\$3,550	177
1010 Echo Lake Rd	Bigfork	Echo Lake	200.80	0.81	2015	\$355,000	\$35,000	\$320,000	\$1,594	70
1591 Lake Blaine Rd	Kalispell	Lake Blaine	114.00	0.14	2015	\$262,000	\$10,000	\$252,000	\$2,211	58
12390 Paradise Loop	Marion	McGregor Lake	304.43	2.42	2014	\$307,000	\$5,000	\$302,000	\$992	298

There were 10 lakefront lot sales in 2014, 6 in 2015, and 2 in 2016 Year-to-Date. Only two of the sales located have frontage on Echo Lake.

The unit of comparison for sales of lakefront lots is typically the price per lakefront feet. Based upon our analysis, the price per front feet varies to some degree according to total site acreage. There was a sufficient number of lot sales with frontage along Ashley Lake in 2014 to prepare a credible analysis of price per front as it relates to the acreage of each sale. One of the 2014 sales along Ashley Lake was omitted because the verifying source indicated that this sale was an outlier due potential site usability issues. The remaining sales prices per front feet are graphed in comparison to the front footage per acre of each site.



We placed a number of trend-lines on this graph. A linear trend-line provided the higher R-Squared indication. The R-Squared provides support that the price per front foot decreases in a linear manner as front footage per acre increases. In other words, the smaller the site area compared to the front footage, the lower the price per front foot. This is likely because there is less site area associated with the smaller sized sites available for development or construction of improvements.

There were not a sufficient number of closed sales with frontage on Echo Lake to prepare a similar analysis.

### **Lakefront Home Sales**

Residential home sale and listing data on recreational lakes of Flathead County (not including home sales with frontage on Flathead Lake or Whitefish Lake) is on the table below;

Lakefront Home Sales Analysis			
Smaller Recreational Lakes - Flathead County			
Sites 10 Acres or Smaller			
Year	# of Home Sales	Days on Market	# with Frontage on McGregor Lake
2014	7	293	0
2015	15	272	4
2016 Year-to-Date	6	203	1
<b>Actives</b>	<b>42</b>	<b>202</b>	<b>8</b>

## **Competitive Supply**

There were 25 active listings of lots with less than 10 acres and frontage along smaller lakes in Flathead County as of the report effective date. The median list price was \$359,900. The marketing time for the active listings was approximately 243 days. There were 3 active listings of vacant sites with frontage along Echo Lake. These active listings would compete with the subject site if it were available for sale.

There were 42 active listings of homes on smaller area lakes in Flathead County and with 10 acres or less for sale as of the report effective date. The marketing time for the active home listings was approximately 202 days.

## **Interaction of Supply and Demand**

Based upon the sales volume in 2015, there is an over 4 year supply of vacant lots on smaller area lakes for sale. Downward price pressure is likely for the active listings to sell within typical historical marketing times.

Based upon sales volumes per year in 2014, 2015, and 2016 Year-t-Date, there is an over 3 year supply of homes for sale on smaller area lakes in the search parameters identified. .

## **Subject Marketability Conclusion**

The subject sites have frontage along Echo Lake. We only located two recent site sales with frontage along Echo Lake. The subject properties are considered to have similar marketability compared to other properties with frontage along small area lakes.

The subject properties (as improved) are also considered to have similar marketability compared to other improved properties with frontage along small area lakes.

## **Estimated Marketing and Exposure Times**

The 8 sales of vacant sites on similar area lakes that sold since 2015 were marketed for an average of 188 days. **Marketing times** between 6 to 12 months are appropriate for the subject site. If the subject site had sold on the effective date of this report, at the appraised value concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

The 15 homes sales along smaller area lakes that closed in 2015 were marketed for an average of 272 days. The six lakefront homes sale in 2016 Year-to-Date were marketed for an average of 203 days. **Marketing times** between 6 to 12 months are appropriate for the subject properties as improved. If the subject properties as improved had sold on the effective date of this report, at the appraised values indicated in this report, 6 to 12 month **exposure times** 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 lots are in the SAG-5, Suburban Agricultural zoning district of Flathead County. All permitted uses are listed in the Property Description portion of this report. Single family dwellings are one of the permitted uses.

### *Physically Possible*

There is sufficient space on each subject site for a single family residence and related outbuildings. There is not sufficient space on each site for many of the other permitted uses. All necessary utilities are available to each site.

### *Financially Feasible*

Most area lots are improved with single family residences. Use of the subject lots for construction of single family residences is financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED**

The subject properties are all improved with single family residences. There is market acceptance of many types of residences along Echo Lake. Area residences range from very small, older, un-renovated cottages used seasonally along with older mobile homes to newer homes utilized on a year round basis. Alteration of the subject residences for any use other than as single family homes would require a large capital expenditure. Continued use as single family residences (recreational and/or residential) for the improved subject sites 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 each 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 properties as improved. Most market participants interested in purchasing lake front homes 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 properties are 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 properties 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 sites and improvements are valued for each property.

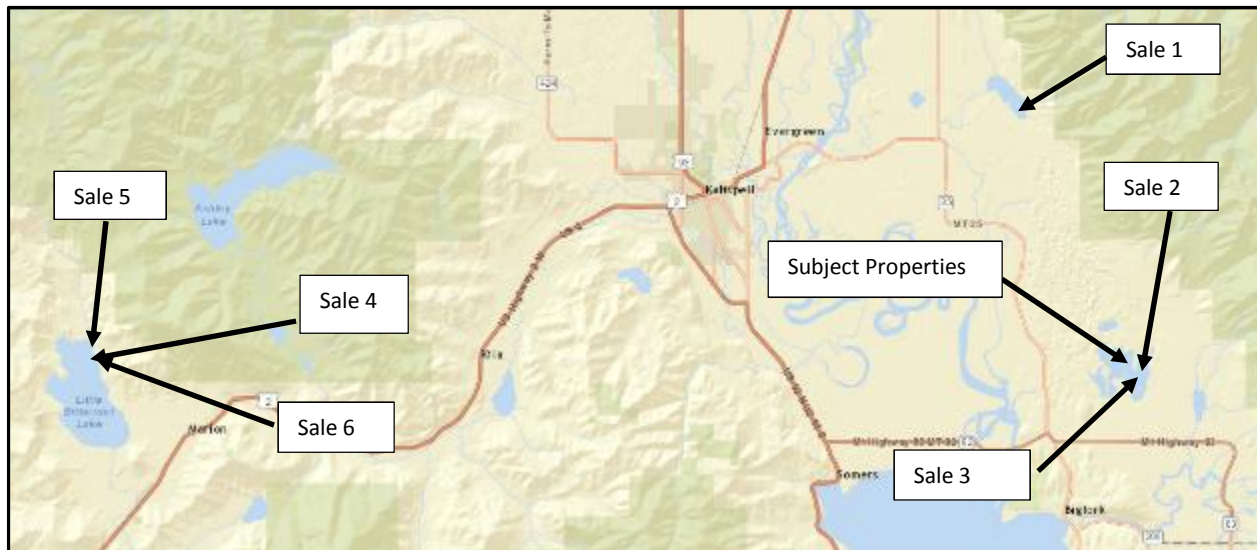
## LAKEFRONT LOT SALES

We conducted a search for sales of sites along smaller lakes in Flathead County. As noted in the Subject Market Analysis, there were a total of 18 sales of vacant lakefront sites on somewhat similar lakes in Flathead County from 2014 to 2016 Year-to-Date. We selected the most recent and/or most similar of these sales as comparables for the subject lots. The recognized unit of comparison is price per frontage along the lake. These comparables are described on the table below;


Sale #	Address	City	Lake	Front Feet	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvements	Price/FF
1	1591 Lake Blaine Rd	Kalispell	Lake Blaine	114.00	2015	\$262,000	\$10,000	\$252,000	\$2,211
2	1010 Echo Lake Rd	Bigfork	Echo Lake	200.80	2015	\$355,000	\$35,000	\$320,000	\$1,594
3	680 Echo Lake Rd	Bigfork	Echo Lake	100.00	2014	\$395,000	\$40,000	\$355,000	\$3,550
4	134 Kelly Ct	Marion	Bitterroot	150.83	2015	\$330,000	\$10,000	\$320,000	\$2,122
5	128 Bitterroot Cove Ct	Marion	Bitterroot	115.40	2015	\$271,500	\$10,000	\$261,500	\$2,266
6	122 Kelly Ct	Marion	Bitterroot	150.85	2016	\$330,000	\$0	\$330,000	\$2,188

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 properties in relation to the comparable sales is below;

### Map of Comparable Lot Sales




## LAND SALE 1


COMPARABLE SALE INFORMATION			
	<b>Location</b>	1591 Lake Blaine Road	
	<b>City/State</b>	Kalispell, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0385100	
	<b>Zoning</b>	Not Zoned	
	<b>Site Size: Acres</b>	0.14	
	<b>Square Feet</b>	6,098	
	<b>Date of Sale</b>	June 10, 2015	
	<b>Sales Price</b>	\$262,000	
	<b>Less Value of Improvements</b>	\$10,000	
	<b>Sales Price Adjusted</b>	\$252,000	
	<b>MLS #</b>	333319	
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$1,800,000	<b>Price per Square Foot</b>	\$41.32
		<b>Price Per Front Foot</b>	\$2,211
TRANSFER INFORMATION			
<b>Grantor</b>	Zeno Marvin & Elizabeth Marvin	<b>Grantee</b>	Kerry Dosch & David Dosch
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201500011471
		<b>Marketing Time</b>	58 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By/Phone #</b>	Diana Rahdert, Selling Agent
<b>Legal Description</b>	Tract 1 of COS # 7308, Flathead County, Montana	<b>Intended Use/Comments</b>	Purchased for recreational use.
<b>Section/Township/Range</b>	S36/T29N/R20W		
PROPERTY DETAILS			
<b>Access</b>	Lake Blaine Rd	<b>View</b>	Lake Blaine/Mountains
<b>Topography</b>	Level	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30029C1875G, the property is located in an area of Low Flood Risk.	<b>Improvements</b>	Sale included an older mobile home that was not considered to contribute value. The existence of the home allowed the purchaser to maintain the current septic system. Site includes the older septic system and a well estimated to contribute approximately \$10,000 to the purchase price.
<b>Feet of Water Frontage</b>	114	<b>Value of Improvements</b>	\$10,000
<b>Front Feet Per Acre</b>	814		
<b>Utilities</b>	Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	<b>Miscellaneous</b>	Purchaser intended to utilize the mobile home with a plan for eventual replacement. This property sold for \$230,000 in July of 2014. The price increased by approximately 14% since the prior transfer.
<b>Report File # 15-054ec</b>			




## LAND SALE 2

COMPARABLE SALE INFORMATION				
	<b>Location</b>	1010 Echo Lake Road		
	<b>City/State</b>	Bigfork, Montana		
	<b>County</b>	Flathead		
	<b>Assessor Number</b>	096700		
	<b>Zoning</b>	SAG-5, Suburban Agricultural		
	<b>Site Size: Acres</b>	0.81		
	<b>Square Feet</b>	35,284		
	<b>Date of Sale</b>	June 29, 2015		
	<b>Sales Price</b>	\$355,000		
	<b>Less Cost of Improvements*</b>	\$35,000		
<b>Sales Price Adjusted</b>	\$320,000			
<b>MLS #</b>	333505			
ANALYSIS OF SALE				
<b>Price per Acre</b>	\$395,062	<b>Price per Square Foot</b>	\$9.07	
		<b>Price Per Front Foot</b>	\$1,594	
TRANSFER INFORMATION				
<b>Grantor</b>	Ty J. Malek & Alecia M. Malek	<b>Grantee</b>	Ron R. Low & Tammy J. Low	
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201500012922	
		<b>Marketing Time</b>	70 Days on Market	
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By/Phone #</b>	Diana Rahdert, Listing Agent	
<b>Legal Description</b>	COS # 1168, Flathead County, Montana	<b>Intended Use/Comments</b>	Purchased for recreational use.	
<b>Section/Township/Range</b>	S4/T27N/R19W			
PROPERTY DETAILS				
<b>Access</b>	Echo Lake Road	<b>View</b>	Lake Blaine/Mountains	
<b>Topography</b>	Level	<b>Lot Dimensions</b>	200.8' X 166.5' X 200.1' X 211.7'	
<b>Flood Plain</b>	According to Flood Map # 30029C1875G, the property is located in an area of High Flood Risk.	<b>Improvements</b>	Sale included an older mobile home that was considered to contribute some value. The existence of the home allowed the purchaser to maintain the current septic system. Total building and site improvements estimated to contribute \$35,000 to the purchase price.	
<b>Feet of Water Frontage*</b>	200.8	<b>Value of Improvements</b>	\$35,000	
<b>Front Feet Per Acre</b>	248			
<b>Utilities</b>	Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	<b>Miscellaneous</b>	Mobile home on site was remodeled in the 1970's. Purchaser intended to utilize the home for recreational purposes.	
*Water front feet represents south side only due to road easement between north side water frontage. The total water frontage is approximately 401 Feet.				
			<b>Report File #</b> 15-054ec	

## LAND SALE 3

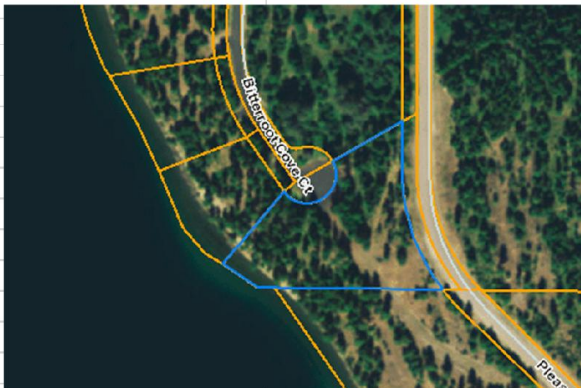
COMPARABLE SALE INFORMATION				
	<b>Location</b>		680 Echo Lake Road	
	<b>City/State</b>		Bigfork, Montana	
	<b>County</b>		Flathead	
	<b>Assessor Number</b>		0709880	
	<b>Zoning</b>		SAG-5, Suburban Agricultural	
	<b>Site Size: Acres</b>		1.52	
	<b>Square Feet</b>		66,211	
	<b>Date of Sale</b>		November 26, 2014	
	<b>Sales Price</b>		\$395,000	
	<b>Less Cost of Improvements*</b>		\$40,000	
	<b>Sales Price Adjusted</b>		\$355,000	
	<b>MLS #</b>		327468	
ANALYSIS OF SALE				
<b>Price per Acre</b>		\$233,553	<b>Price per Square Foot</b>	\$5.36
			<b>Price Per Front Foot</b>	\$3,550
TRANSFER INFORMATION				
<b>Grantor</b>		Shirley Cooper & Gary Cooper	<b>Grantee</b>	369728 Alberta, LTD
<b>Type of Instrument</b>		Warranty Deed	<b>Document #</b>	201400024095
			<b>Marketing Time</b>	177 Days on Market
<b>Financing/Conditions</b>		Cash/Market	<b>Verified By/Phone #</b>	Zac Andrews, Listing & Selling Agent
<b>Legal Description</b>		Lot 15 Deer Island Company, Flathead County, Montana	<b>Intended Use/Comments</b>	Purchased for recreational use.
<b>Section/Township/Range</b>		S8/T27N/R19W		
PROPERTY DETAILS				
<b>Access</b>		Echo Lake Road	<b>View</b>	Lake Blaine/Mountains
<b>Topography</b>		Level	<b>Lot Dimensions</b>	100.0' X 510.14' X 159.5' X 542.66'
<b>Flood Plain</b>		According to Flood Map # 30029C2310G, the property is located in an area of High Flood Risk.	<b>Improvements</b>	Sale included an two older mobile homes that were considered to contribute some value. The existence of the homes allowed the purchaser to maintain the current septic system. Building and site improvements estimated to contribute a total of \$40,000.
<b>Feet of Water Frontage</b>		100	<b>Value of Improvements</b>	\$40,000
<b>Front Feet Per Acre</b>		66		
<b>Utilities</b>		Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	<b>Miscellaneous</b>	This property was purchased by the owner of an adjoining property. The purchaser intended to utilize the mobile homes for recreational use.
<b>Report File #</b> 15-054ec				

## LAND SALE 4


COMPARABLE SALE INFORMATION			
	<b>Location</b>		134 Kelly Court
	<b>City/State</b>		Marion, Montana
	<b>County</b>		Flathead
	<b>Assessor Number</b>		0003958
	<b>Zoning</b>		Little Bitterroot Lake
	<b>Site Size: Acres</b>		1.129
	<b>Square Feet</b>		49,179
	<b>Date of Sale</b>		August 31, 2015
	<b>Sales Price</b>		\$330,000
	<b>Less Cost of Improvements*</b>		\$10,000
	<b>Sales Price Adjusted</b>		\$320,000
	<b>MLS #</b>		333121
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$283,437	<b>Price per Square Foot</b>	\$6.51
		<b>Price Per Front Foot</b>	\$2,122
TRANSFER INFORMATION			
<b>Grantor</b>	Covey Family Trust	<b>Grantee</b>	XW Consulting, LLC
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201500020221
		<b>Marketing Time</b>	147 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By/Phone #</b>	Hollis Carbo, Listing and Selling Agent
<b>Legal Description</b>	Lot 3 of Kelly Subdivision, Flathead County, Montana	<b>Intended Use/Comments</b>	Purchased for eventual construction of a residence and
<b>Section/Township/Range</b>	S4/T27N/R24W		
PROPERTY DETAILS			
<b>Access</b>	Kelly Court	<b>View</b>	Bitterroot Lake/Mountains
<b>Topography</b>	Sloping with Level Building Site	<b>Lot Dimensions</b>	150.83' X 347.33' X 137.82' X 308.59'
<b>Flood Plain</b>	According to Flood Map # 30029C2200G, the property is located in an area of Low Flood Risk.	<b>Improvements</b>	Site improvements consist of buried electrical and telephone lines and approval for a septic system. Site improvements estimated to contribute \$10,000 to the sales price
<b>Feet of Water Frontage</b>	150.83	<b>Value of Improvements</b>	\$10,000
<b>Front Feet Per Acre</b>	134		
<b>Utilities</b>	Buried Electrical & Telephone Lines, Approval for Septic System	<b>Miscellaneous</b>	
<b>Report File # 15-054ec</b>			



## LAND SALE 5

COMPARABLE SALE INFORMATION			
	<b>Location</b>		128 Bitterroot Cove Court
	<b>City/State</b>		Marion, Montana
	<b>County</b>		Flathead
	<b>Assessor Number</b>		0007784
	<b>Zoning</b>		Little Bitterroot Lake
	<b>Site Size: Acres</b>		2.085
	<b>Square Feet</b>		90,823
	<b>Date of Sale</b>		May 7, 2015
	<b>Sales Price</b>		\$271,500
	<b>Less Cost of Improvements*</b>		\$10,000
<b>Sales Price Adjusted</b>		\$261,500	
<b>MLS #</b>		327231	
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$125,420	<b>Price per Square Foot</b>	\$2.88
		<b>Price Per Front Foot</b>	\$2,266
TRANSFER INFORMATION			
<b>Grantor</b>	Rebecca M. McDonnell & Patrick J. McDonnell	<b>Grantee</b>	Brent Poe McCabe & Deborah W. McCage
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201500008803
<b>Financing/Conditions</b>	Conventional/Market	<b>Marketing Time</b>	349 Days on Market
		<b>Verified By/Phone #</b>	Dusty Dziza, Listing & Selling Agent
<b>Legal Description</b>	Lot 16 of Bitterroot Cove Subdivision, Flathead County,	<b>Intended Use/Comments</b>	Purchased for construction of a residence and recreational use.
<b>Section/Township/Range</b>	S5/T27N/R24W		
PROPERTY DETAILS			
<b>Access</b>	Kelly Court	<b>View</b>	Bitterroot Lake/Mountains
<b>Topography</b>	Sloping with Level Building Site	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30029C1750G, the property is located in an area of Low Flood Risk.	<b>Improvements</b>	Site improvements consist of buried electrical and telephone lines and approval for a septic system. Site improvements estimated to contribute \$10,000 to the sales price.
<b>Feet of Water Frontage</b>	115.4	<b>Value of Improvements</b>	\$10,000
<b>Front Feet Per Acre</b>	55		
<b>Utilities</b>	Buried Electrical & Telephone Lines, Approval for Septic System, Well Drilled but not Complete	<b>Miscellaneous</b>	
<b>Report File #</b> 15-054ec			

## LAND SALE 6

COMPARABLE SALE INFORMATION			
	<b>Location</b>	122 Kelly Court	
	<b>City/State</b>	Marion, MT	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0003957	
	<b>Zoning</b>	Little Bitterroot Lake Zoning District	
	<b>Site Size: Acres</b>	1.238	
	<b>Square Feet</b>	53,927	
	<b>Date of Sale</b>	June 10, 2016	
	<b>Sales Price</b>	\$330,000	
	<b>Less Cost of Improvements*</b>	\$0	
	<b>Sales Price Adjusted</b>	\$330,000	
	<b>MLS #</b>	21601931	
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$266,559	<b>Price per Square Foot</b>	\$6.12
		<b>Price Per Front Foot</b>	\$2,188
TRANSFER INFORMATION			
<b>Grantor</b>	Michael C. Covey & Stacy D. Covey	<b>Grantee</b>	Benjamin Nillson & Mandy Nillson
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201600011301
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	349 Days on Market
<b>Legal Description</b>	Lot 2 of Kelly Subdivision	<b>Verified By</b>	Holly Carbo, Listing Agent
		<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use
<b>Section/Township/Range</b>	S12/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Pleasant Valley Rd. *Paved	<b>View</b>	Lake, Mountains
<b>Topography</b>	Sloping downward toward lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30029C2200G, the property is not located in an area of elevated flood risk.	<b>Improvements</b>	None
<b>Water</b>	Bitterroot Lake	<b>Value of Improvements</b>	\$0
<b>Water Frontage</b>	150.85		
<b>Utilities</b>	Electricity & Telephone at road.	<b>Miscellaneous</b>	Property is located on the east shore of the lake and has septic approval.
			<b>Report File #</b> 16-033ec



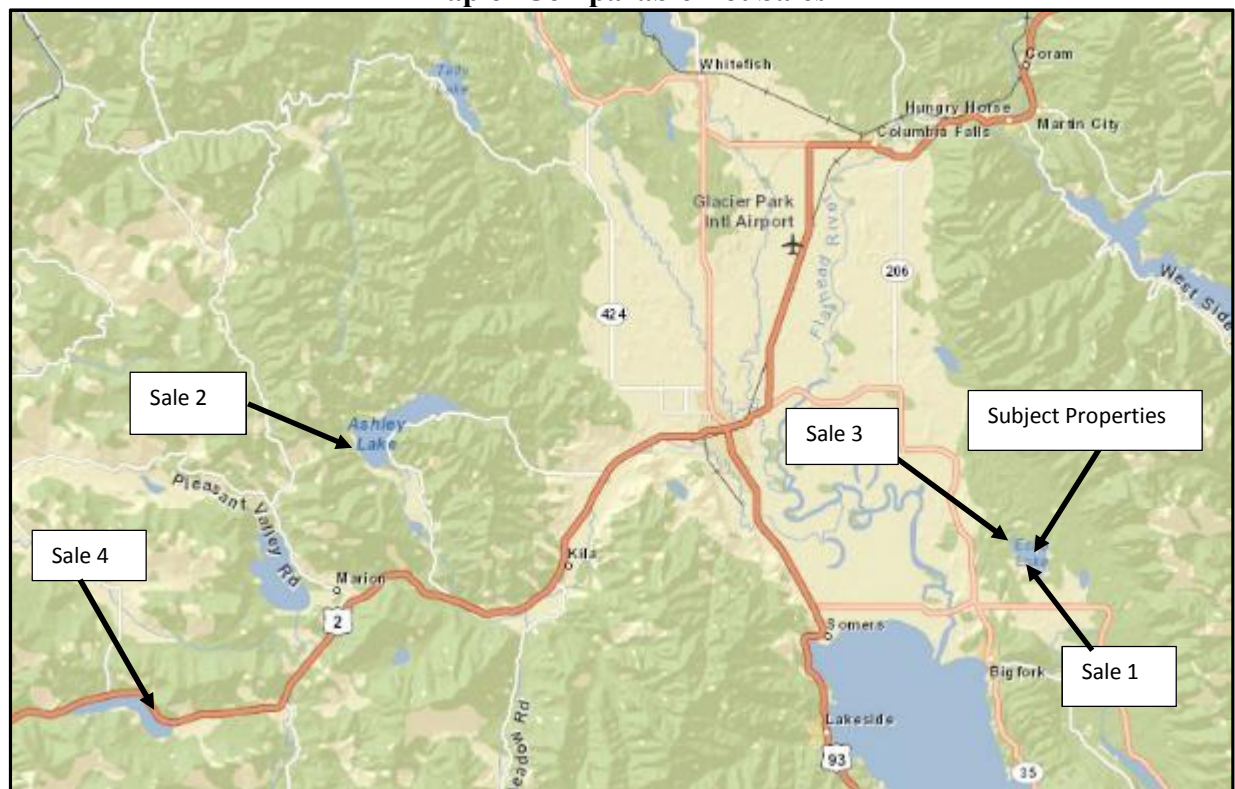
## LAKEFRONT HOME SALES

We conducted a search for sales of homes on lakefront sites similar the subject properties for use as comparables to determine the value of the subject improvements. The most applicable and recent nine sales located are described on the table below;



Lakefront Home Sales							
Sale #	Address	City	Lake	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	569 East Village Dr	Bigfork	Echo Lake	2015	\$1,025,000	\$730,000	\$295,000
2	5520 N Ashley Lake Rd	Kila	Ashley Lake	2016	\$499,000	\$341,000	\$158,000
3	1135 Blackies Bay Rd	Bigfork	Echo Lake	2015	\$645,000	\$260,000	\$385,000
4	12144 US Hwy 2 W	Marion	McGregor Lake	2014	\$320,000	\$217,500	\$102,500

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 properties in relation to the comparable sales is below;


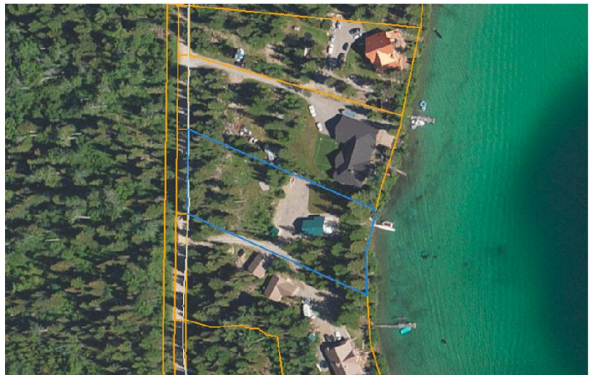
**Map of Comparable Lot Sales**



# HOME SALE 1

COMPARABLE SALE INFORMATION			
		<b>Location</b>	569 East Village Drive
		<b>City/State</b>	Bigfork, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0563337
		<b>Zoning</b>	SAG-5, Suburban Agricultural
		<b>Site Size: Acres</b>	1.70
		<b>Square Feet</b>	74,052
		<b>Date of Sale</b>	July 8, 2015
		<b>Sales Price</b>	\$1,025,000
		<b>Adjustment to Sales Price</b>	\$0
<b>Adjusted Sales Price</b>	\$1,025,000		
<b>MLS #</b>	333661		
TRANSFER INFORMATION			
<b>Grantor</b>	Debra A. Burton Living Trust	<b>Grantee</b>	Gregory LaPointe & Krisa Barnum
<b>Recording Data</b>	WD #201500013765	<b>Marketing Time</b>	791 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Scott Hollinger, Selling Agent
<b>Legal Description</b>	Lots 41, 42, 43, & 44 of North Village of Echo Lake Chalet Village, Flathead County, Montana	<b>Intended Use</b>	Recreational/residential use
<b>Section/Township/Range</b>	S5/T27N/R19W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Lake Name</b>	Echo Lake	<b>Sales Price</b>	\$1,025,000
<b>Lake Front Feet</b>	1,455.00	<b>Estimated Site Value</b>	\$730,000
<b>Access</b>	Private Road	<b>Sales Price of Improvements</b>	\$295,000
<b>House Square Feet</b>	2,382	<b>Improvement Price/SF</b>	\$124
<b>Bedroom/Bathrooms</b>	3BR/2 BA		
<b>Year Built or Renovated</b>	1992/Remodeled		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Very Good		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Septic/SharedWell		
<b>Utilities</b>	Electricity/Telephone		
<b>Topography</b>	Level		
<b>Outbuildings</b>	None		
<b>Miscellaneous</b>	Sale includes floating dock.		
		Report File # 15-054ec	

## HOME SALE 2



COMPARABLE SALE INFORMATION			
		<b>Location</b>	5520 N. Ashley Lake Rd.
		<b>City/State</b>	Kila, MT
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0002013
		<b>Zoning</b>	Ashley Lake Zoning District
		<b>Site Size: Acres</b>	1.240
		<b>Square Feet</b>	54,014
		<b>Date of Sale</b>	June 1, 2016
		<b>Sales Price</b>	\$499,000
		<b>Adjustment to Sales Price</b>	\$0
		<b>Adjusted Sales Price</b>	\$499,000
		<b>MLS #</b>	338303
TRANSFER INFORMATION			
<b>Grantor</b>	Douglas Wayne Bauman & Brenda Ann Bauman	<b>Grantee</b>	William C. Chen & Victoria T. Chen
<b>Recording Data</b>	Warranty Deed #201600010520	<b>Marketing Time</b>	193 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Scott Hollinger, Listing Agent
<b>Legal Description</b>	Parcel B of COS# 18753	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S15/T28N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	Ashley Lake	<b>Sales Price</b>	\$499,000
<b>Front Footage</b>	155'	<b>Estimated Site Value</b>	\$341,000
<b>Access</b>	Ashley Lake Rd. *Gravel	<b>Sales Price of Improvements</b>	\$158,000
<b>House Square Feet</b>	1,496	<b>Improvement Price/SF</b>	\$106
<b>Bedroom/Bathrooms</b>	3BR/2BA		
<b>Year Built or Renovated</b>	2000		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Good		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Well, Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Level, then sloping toward lake.		
<b>Outbuildings</b>	Storage Sheds		
<b>Miscellaneous</b>	House has 748 SF on main level and 748 SF on a second level. Well is shared. Property is landscaped with poured concrete walk to the lakefront.		
		Report File # 16-034ec	



## HOME SALE 3

[illegible]

## HOME SALE 4

COMPARABLE SALE INFORMATION			
		<b>Location</b>	12144 US Highway 2 West
		<b>City/State</b>	Marion, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0791000
		<b>Zoning</b>	SC, Scenic Corridor
		<b>Site Size: Acres</b>	0.240
		<b>Square Feet</b>	10,454
		<b>Date of Sale</b>	May 30, 2014
		<b>Sales Price</b>	\$320,000
		<b>Adjustment to Sales Price</b>	\$0
		<b>Adjusted Sales Price</b>	\$320,000
		<b>MLS #</b>	325935
TRANSFER INFORMATION			
<b>Grantor</b>	C. Thomas Osborne & Carolyn M. Osborne	<b>Grantee</b>	Robert C. Marcuvitz
<b>Recording Data</b>	WD #201400009276	<b>Marketing Time</b>	45 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Jeremy Feldmann, Agent
<b>Legal Description</b>	Lot 23 of McGregor Lake Summer Homes (Except Portion Deed to State of MT for Roadway), Flathead County, Montana	<b>Intended Use</b>	Recreational/residential use
<b>Section/Township/Range</b>	S4/T26N/R25W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Lake Name</b>	McGregor Lake	<b>Sales Price</b>	\$320,000
<b>Lake Front Feet</b>	75.00	<b>Estimated Site Value</b>	\$217,500
<b>Access</b>	Highway	<b>Sales Price of Improvements</b>	\$102,500
<b>House Square Feet</b>	884	<b>Improvement Price/SF</b>	\$116
<b>Bedroom/Bathrooms</b>	2BR/1BA		
<b>Year Built or Renovated</b>	1984		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Lake Water/Septic		
<b>Utilities</b>	Electricity/Telephone		
<b>Topography</b>	Sloping		
<b>Outbuildings</b>	None		
<b>Miscellaneous</b>			

Report File # 16-014ec



## **PROPERTY VALUATIONS**

## LOT 24

### Site Value Estimate

All of the site sales presented were utilized to derive the value of this subject lot as if vacant. 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							
LOT 24, COS #18885, ECHO LAKE							
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
IDENTIFICATION		1591 Lake Blaine Rd	1010 Echo Lake Rd	680 Echo Lake Rd	134 Kelly Ct	128 Bitterroot Cove Ct	122 Kelly Ct
CITY		Kalispell, MT	Bigfork, MT	Bigfork, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$262,000	\$355,000	\$395,000	\$330,000	\$271,500	\$330,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	-\$35,000	-\$40,000	-\$10,000	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES							
DEMOLITION		\$0	\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/10/15	06/29/15	11/26/14	08/31/15	05/07/15	06/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$252,000	\$320,000	\$355,000	\$320,000	\$261,500	\$330,000
SITE SIZE/ACRES	0.879	0.140	0.810	1.520	1.129	2.085	1.238
FRONT FEET ON LAKE	148.74	114.00	200.80	100.00	150.83	115.40	150.85
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,211	\$1,594	\$3,550	\$2,122	\$2,266	\$2,188
ADJUSTMENT FOR:							
LOCATION/LAKE NAME	Echo Lake	Lake Blaine	Echo Lake	Echo Lake	Bitterroot Lake	Bitterroot Lake	Bitterroot Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Level	Level	Some Slope	Some Slope	Some Slope	Some Slope
FRONTAGE/ACCESS	Public Road	Public Road	Private Rd	Public Road	Public Road	Public Road	Public Road
ZONING	SAG-5	None	SAG-5	SAG-5	LBL	LBL	LBL
EASEMENTS AFFECTING USE	Yes	No	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.88	0.14	0.81	1.52	1.13	2.09	1.24
FRONT FEET	148.74	114.00	200.80	100.00	150.83	115.40	150.85
TOTAL PERCENTAGE ADJUSTMENT		-50%	-40%	-50%	-50%	-50%	-50%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,105	-\$637	-\$1,775	-\$1,061	-\$1,133	-\$1,094
FRONT FEET PER ACRE	169	814	248	66	134	55	122
ADJUSTED PRICE PER SF		\$1,105	\$956	\$1,775	\$1,061	\$1,133	\$1,094

## Discussion of Adjustments

*Adjustments for Improvements:* Any improvements included with each sale and the contributory values are noted on the sale write-ups. The contributory values of the improvements were removed from each sale in order to determine the subject site value as vacant.

*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 2014, 2015, and 2016. The available data indicates that market conditions for lakefront home sites have not changed appreciably since 2014. For this reason, no adjustment was necessary in this category.

*Location/Lake Name:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site.

*Shape:* The subject lot and all of the comparables have shapes that are suitable for development and no adjustment was necessary in this category.

*Topography:* The subject lot and all of the comparables have topographies that are suitable for development and no adjustment was necessary in this category.

*Frontage/Access:* The subject lot and all of the comparables have frontage along and access from public roads and no adjustment was necessary in this category.

*Zoning:* The subject and the comparables are all in zoning districts that allow residential use. Residential/recreational use is considered the highest and best use for the subject and comparables. No adjustment was necessary in this category.

*Easements Affecting Value:* The subject site is bisected by LaBrant Road. Due to the road placement, this road easement is considered to significantly affect the marketability of this property.

We located sales of lakefront sites that are bisected by highways. We compared these with sales of similar sites that are not bisected by highways. These comparisons were made to quantify an appropriate adjustment for the road easement on the subject site. These paired sales analyses are included on the following page.

Paired Sales Analysis - Lakefront Lots with and without Road Bisecting								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
NHN Lakeside Blvd	Lakeside	Flathead Lake	0.56	130.00	8/23/2013	\$375,000	None	\$2,885
7070 & 7074 US Hwy 93 S	Lakeside	Flathead Lake	3.03	150.00	1/29/2013	\$210,000	US Highway 93 S Bisects this Property	\$1,400
							Indicated Adjustment for Road Bisecting Property	-51%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
22081 MT Hwy 35	Bigfork	Flathead Lake	0.70	100.00	5/7/2013	\$465,000	None	\$4,650
NHN MT Hwy 35	Bigfork	Flathead Lake	0.66	110.00	7/1/2013	\$195,000	MT Highway 35 Bisects this Property	\$1,773
							Indicated Adjustment for Road Bisecting Property	-62%

Based upon the analyses above, we have elected to make downward adjustments of 50% to the comparable sales with no easement issues. Sale 2 includes an easement that affects value to a lesser degree. We have made a downward adjustment of 40% to this sale.

*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 bracket the subject site in acreage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

*Front Feet:* The comparables bracket the subject site in the amount of front footage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount acreage relative to the front footage. This is further addressed in the Reconciliation.

### Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide indications of value for the subject site ranging from \$956 to \$1,775 per front foot with an average indication of \$1,187 per front foot. Most weight is placed on Land Sale 4 due to the similarity in the relationship between front footage and site acreage. A value of \$1,100 per front foot is well supported by this analysis. Consequently;

147.74 FF @ \$1,100/FF	\$162,514
<b>Rounded To</b>	<b>\$160,000</b>

## Improvement Value Estimate

Home Sales 1, 2, and 3 were considered the best comparables for the improvements on this subject lot. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 24, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		569 E Village Dr	5520 N Ashely Lake Rd	1135 Blackies Bay Rd
LOCATION		Bigfork, MT	Kila, MT	Bigfork, MT
SALES PRICE		\$1,025,000	\$499,000	\$645,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		02/20/15	06/01/16	05/29/15
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$1,025,000	\$499,000	\$645,000
LESS SITE VALUE		(\$730,000)	(\$341,000)	(\$260,000)
ADJUSTED IMPROVEMENT PRICE		\$295,000	\$158,000	\$385,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Echo Lake</b>	<b>Echo Lake</b>	<b>Ashley Lake</b>	<b>Echo Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Very Good</b>	<b>Good</b>	<b>Good</b>
		-\$59,000	-\$15,800	-\$38,500
<b>CONDITION</b>	<b>Good/Average</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		-\$14,750	-\$7,900	-\$19,250
<b>AGE/YEARS</b>	<b>10</b>	<b>23</b>	<b>16</b>	<b>29</b>
		\$19,175	\$4,740	\$36,575
<b>BATHROOMS</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
		\$0	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>2,040</b>	<b>2,382</b>	<b>1,496</b>	<b>3,162</b>
		-\$17,100	\$27,200	-\$56,100
<b>OUTBUILDINGS</b>	<b>Storage/Carport</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$16,000	\$14,000	\$6,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$55,675</b>	<b>\$22,240</b>	<b>-\$71,275</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-19%</b>	<b>14%</b>	<b>-19%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$239,325</b>	<b>\$180,240</b>	<b>\$313,725</b>



## 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 2015 and 2016. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2015. 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 residence was rated as average. The comparables were rated as good to very good in this category. We made downward adjustments in this category of 10% per difference in rating category to the comparables. The adjustment percentages are subjective but are considered reasonable and indicative of the actions of market participants.

*Condition:* The subject residence was rated as good/average in overall condition. The comparable residences were all rated as good in this category. Downward adjustments of 5% were made to the comparables in this category. The adjustment percentage utilized is subjective but 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 and comparables all include 2 bathrooms. No adjustments were necessary in this category.

*House Size:* Based upon the indications of sales prices per residence square footage for each comparable sale, an adjustment for size differences between the comparables and the subject of \$50 per square foot is considered reasonable and appropriate.

*Outbuildings:* Adjustments were made for any differences between contributory values of outbuildings for the comparables compared to the subject property.

### Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$239,325, \$180,240, and \$313,725. Approximately equal weight is accorded the indications from all three comparables. A value of \$240,000 is reasonable and well supported for the subject improvements.

**Improvement Value**

**\$240,000**

**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	\$160,000
Subject Improvements Value	<u>\$240,000</u>
<b>Total Value Indication</b>	<b>\$400,000</b>

## LOT 33

### Site Value Estimate

All of the site sales presented were utilized to derive the value of this subject lot as if vacant. 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							
LOT 33, COS #18885, ECHO LAKE							
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
IDENTIFICATION		1591 Lake Blaine Rd	1010 Echo Lake Rd	680 Echo Lake Rd	134 Kelly Ct	128 Bitterroot Cove Ct	122 Kelly Ct
CITY		Kalispell, MT	Bigfork, MT	Bigfork, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$262,000	\$355,000	\$395,000	\$330,000	\$271,500	\$330,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	-\$35,000	-\$40,000	-\$10,000	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES							
DEMOLITION		\$0	\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/10/15	06/29/15	11/26/14	08/31/15	05/07/15	06/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$252,000	\$320,000	\$355,000	\$320,000	\$261,500	\$330,000
SITE SIZE/ACRES	1.999	0.140	0.810	1.520	1.129	2.085	1.238
FRONT FEET ON LAKE	780.06	114.00	200.80	100.00	150.83	115.40	150.85
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,211	\$1,594	\$3,550	\$2,122	\$2,266	\$2,188
ADJUSTMENT FOR:							
LOCATION/LAKE NAME	Echo Lake	Lake Blaine	Echo Lake	Echo Lake	Bitterroot Lake	Bitterroot Lake	Bitterroot Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Level	Level	Level	Some Slope	Some Slope	Some Slope
FRONTAGE/ACCESS	Public Road	Public Road	Private Rd	Public Road	Public Road	Public Road	Public Road
ZONING	SAG-5	None	SAG-5	SAG-5	LBL	LBL	LBL
EASEMENTS AFFECTING USE	No	No	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.999	0.14	0.81	1.52	1.13	2.09	1.24
FRONT FEET	780.06	114.00	200.80	100.00	150.83	115.40	150.85
TOTAL PERCENTAGE ADJUSTMENT		-65%	-55%	-65%	-65%	-65%	-65%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,437	-\$876	-\$2,308	-\$1,379	-\$1,473	-\$1,422
FRONT FEET PER ACRE	390	814	248	66	134	55	122
ADJUSTED PRICE PER SF		\$774	\$717	\$1,243	\$743	\$793	\$766

## Discussion of Adjustments

*Adjustments for Improvements:* Any improvements included with each sale and the contributory values are noted on the sale write-ups. The contributory values of the improvements were removed from each sale in order to determine the subject site value as vacant.

*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 2014, 2015, and 2016. The available data indicates that market conditions for lakefront home sites have not changed appreciably since 2014. For this reason, no adjustment was necessary in this category.

*Location/Lake Name:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site.

*Shape:* The subject lot and all of the comparables have shapes that are suitable for development and no adjustment was necessary in this category.

*Topography:* The subject lot and all of the comparables have topographies that are suitable for development and no adjustment was necessary in this category.

*Frontage/Access:* The subject lot and all of the comparables have frontage along and access from public roads and no adjustment was necessary in this category.

*Zoning:* The subject and the comparables are all in zoning districts that allow residential use. Residential/recreational use is considered the highest and best use for the subject and comparables. No adjustment was necessary in this category.

*Easements Affecting Value:* The subject site does not include easements that affect value. Sales 1, 3, 4, 5, and 6 do not include easements that affect value and no adjustment was necessary in this category. Sale 2 does include an easement that affects value and a 10% upward adjustment was made to this sale.

*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 bracket the subject site in acreage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

*Front Feet:* The subject includes significantly more than the typical amount of front footage for similar sites. It is our opinion that downward adjustments are necessary for all of the comparables as they include more typical amounts of front footage.

Sale 2 includes lake frontage along two sides. In the sale write-up for this comparable we utilized the portion of the front footage that includes the dock and appears to be used more significantly by the property owner. If this sale is analyzed based upon the total frontage, the price per front decreases substantially. See calculations below;

Land Sale 2 - Front Footage Analysis			
Adjusted Sales Price	Front Footage Most Utilized	Total Front Footage	Price/FF
\$320,000	200.80		\$1,594
\$320,000		401.00	\$798
Suggested Price Per Front Foot Difference			50%

Based upon this analysis, some downward adjustment is necessary for all of the comparables since they all include frontage footage in a more typical range than the subject property. It is our opinion that a downward adjustment greater than indicated by this analysis at 65% is reasonable and appropriate for all of the comparables in this category.

#### **Reconciliation of Sales Comparison Approach for Subject Site**

The comparables provide indications of value for the subject site ranging from \$717 to \$1,243 per front foot with an average indication of \$839 per front foot. Most weight is placed on Land Sale 2 due to the similarity in the relationship between front footage and site acreage. A value of \$717 per front foot is well supported by this analysis. Consequently;

780.06 FF @ \$717/FF	\$559,303
<b>Rounded To</b>	<b>\$560,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 33, COS #18885, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		569 E Village Dr	5520 N Ashely Lake Rd	1135 Blackies Bay Rd	1214 US Hwy 2 W
LOCATION		Bigfork, MT	Kila, MT	Bigfork, MT	Marion, MT
SALES PRICE		\$1,025,000	\$499,000	\$645,000	\$320,000
LIST ADJUSTMENT					
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		02/20/15	06/01/16	05/29/15	05/30/14
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$1,025,000	\$499,000	\$645,000	\$320,000
LESS SITE VALUE		(\$730,000)	(\$341,000)	(\$260,000)	(\$217,500)
ADJUSTED IMPROVEMENT PRICE		\$295,000	\$158,000	\$385,000	\$102,500
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Echo Lake</b>	<b>Echo Lake</b>	<b>Ashley Lake</b>	<b>Echo Lake</b>	<b>McGregor Lake</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Very Good</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>
		-\$59,000	-\$15,800	-\$38,500	\$0
<b>CONDITION</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>
		-\$29,500	-\$15,800	-\$38,500	\$0
<b>AGE/YEARS</b>	<b>53</b>	<b>23</b>	<b>16</b>	<b>29</b>	<b>30</b>
		-\$44,250	-\$29,230	-\$46,200	-\$11,788
<b>BATHROOMS</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>
		-\$5,000	-\$5,000	-\$5,000	\$0
<b>HOUSE SIZE/SF</b>	<b>743</b>	<b>2,382</b>	<b>1,496</b>	<b>3,162</b>	<b>884</b>
		-\$81,950	-\$37,650	-\$120,950	-\$7,050
<b>OUTBUILDINGS</b>	<b>Bunk Hs/Storage</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$49,000	\$47,000	\$39,000	\$49,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$170,700</b>	<b>-\$56,480</b>	<b>-\$210,150</b>	<b>\$30,163</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-58%</b>	<b>-36%</b>	<b>-55%</b>	<b>29%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$124,300</b>	<b>\$101,520</b>	<b>\$174,850</b>	<b>\$132,663</b>

## 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 2015 and 2016. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2015. 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 residence was rated as average. The comparables were rated as good to very good in this category. We made downward adjustments in this category of 10% per difference in rating category to the comparables. The adjustment percentages are subjective but are considered reasonable and indicative of the actions of market participants.

*Condition:* The subject residence was rated as average in overall condition. The comparable residences were all rated as good in this category. Downward adjustments of 10% were made to the comparables in this category. The adjustment percentage utilized is subjective but 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 and Sale 4 include 1 bathroom. No adjustment was necessary for Sale 4 in this category. The remaining comparables all included 2 bathrooms. Downward adjustments of \$5,000 per difference in bathroom count were made to Sales 1 through 3 in this category. This adjustment is considered reasonable, necessary, and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each comparable sale, an adjustment for size differences between the comparables and the subject of \$50 per square foot is considered reasonable and appropriate.

*Outbuildings:* Adjustments were made for any differences between contributory values of outbuildings for the comparables compared to the subject property.

### **Reconciliation of Sales Comparison Approach for Subject Improvements**

The comparables provided adjusted indications of market value for the subject improvements of \$124,300, \$101,520, \$174,850, and \$132,663. Most weight is accorded Sale 4 as this residence is most similar in size compared to the subject and this sale required the least overall adjustment. A value of \$130,000 is reasonable and well supported for the subject improvements.

<b>Improvement Value</b>	<b>\$130,000</b>
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### **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	\$560,000
Subject Improvements Value	<u>\$130,000</u>
<b>Total Value Indication</b>	<b>\$690,000</b>



## LOT 34

### Site Value Estimate

All of the site sales presented were utilized to derive the value of this subject lot as if vacant. 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							
LOT 34, COS #18885, ECHO LAKE							
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
IDENTIFICATION		591 Lake Blaine Rd	1010 Echo Lake Rd	680 Echo Lake Rd	134 Kelly Ct	128 Bitterroot Cove Ct	122 Kelly Ct
CITY		Kalispell, MT	Bigfork, MT	Bigfork, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$262,000	\$355,000	\$395,000	\$330,000	\$271,500	\$330,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	-\$35,000	-\$40,000	-\$10,000	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES							
DEMOLITION		\$0	\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/10/15	06/29/15	11/26/14	08/31/15	05/07/15	06/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$252,000	\$320,000	\$355,000	\$320,000	\$261,500	\$330,000
SITE SIZE/ACRES	1.540	0.140	0.810	1.520	1.129	2.085	1.238
FRONT FEET ON LAKE	132.34	114.00	200.80	100.00	150.83	115.40	150.85
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,211	\$1,594	\$3,550	\$2,122	\$2,266	\$2,188
ADJUSTMENT FOR:							
LOCATION/LAKE NAME	Echo Lake	Lake Blaine	Echo Lake	Echo Lake	Bitterroot Lake	Bitterroot Lake	Bitterroot Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Level	Level	Level	Some Slope	Some Slope	Some Slope
FRONTAGE/ACCESS	Public Road	Public Road	Private Rd	Public Road	Public Road	Public Road	Public Road
ZONING	SAG-5	None	SAG-5	SAG-5	LBL	LBL	LBL
EASEMENTS AFFECTING USE	Yes	No	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.54	0.14	0.81	1.52	1.13	2.09	1.24
FRONT FEET	132.34	114.00	200.80	100.00	150.83	115.40	150.85
TOTAL PERCENTAGE ADJUSTMENT		-10%	0%	-10%	-10%	-10%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$221	\$0	-\$355	-\$212	-\$227	-\$219
FRONT FEET PER ACRE	86	814	248	66	134	55	122
ADJUSTED PRICE PER SF		\$1,989	\$1,594	\$3,195	\$1,909	\$2,039	\$1,969

## Discussion of Adjustments

*Adjustments for Improvements:* Any improvements included with each sale and the contributory values are noted on the sale write-ups. The contributory values of the improvements were removed from each sale in order to determine the subject site value as vacant.

*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 2014, 2015, and 2016. The available data indicates that market conditions for lakefront home sites have not changed appreciably since 2014. For this reason, no adjustment was necessary in this category.

*Location/Lake Name:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site.

*Shape:* The subject lot and all of the comparables have shapes that are suitable for development and no adjustment was necessary in this category.

*Topography:* The subject lot and all of the comparables have topographies that are suitable for development and no adjustment was necessary in this category.

*Frontage/Access:* The subject lot and all of the comparables have frontage along and access from public roads and no adjustment was necessary in this category.

*Zoning:* The subject and the comparables are all in zoning districts that allow residential use. Residential/recreational use is considered the highest and best use for the subject and comparables. No adjustment was necessary in this category.

*Easements Affecting Value:* The subject site and Sale 2 include easements that have similar impact on marketability. No adjustment was necessary in this category for Sale 2. The remaining sales do not include easements that affect marketability. For this reason downward adjustments of 10% were made to the remaining sales in this category. The adjustment percentage utilized is considered reasonable and indicative of the actions of market participants relative to similar types of easements.

*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 bracket the subject site in acreage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

*Front Feet:* The comparables bracket the subject site in the amount of front footage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount acreage relative to the front footage. This is further addressed in the Reconciliation.

**Reconciliation of Sales Comparison Approach for Subject Site**

The comparables provide indications of value for the subject site ranging from \$1,598 to \$3,195 per front foot with an average indication of \$2,116 per front foot. Most weight is placed on Land Sales 3 through 6 due to the similarity in the relationship between front footage and site acreage. The average of these indications is \$2,278 per front foot. A value of \$2,300 per front foot is well supported by this analysis. Consequently;

132.34 FF @ \$2,300/FF	\$304,382
<b>Rounded To</b>	<b>\$300,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 34, COS #18885, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		569 E Village Dr	5520 N Ashely Lake Rd	1135 Blackies Bay Rd	1214 US Hwy 2 W
LOCATION		Bigfork, MT	Kila, MT	Bigfork, MT	Marion, MT
SALES PRICE		\$1,025,000	\$499,000	\$645,000	\$320,000
LIST ADJUSTMENT					
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		02/20/15	06/01/16	05/29/15	05/30/14
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$1,025,000	\$499,000	\$645,000	\$320,000
LESS SITE VALUE		(\$730,000)	(\$341,000)	(\$260,000)	(\$217,500)
ADJUSTED IMPROVEMENT PRICE		\$295,000	\$158,000	\$385,000	\$102,500
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Echo Lake</b>	<b>Echo Lake</b>	<b>Ashley Lake</b>	<b>Echo Lake</b>	<b>McGregor Lake</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Very Good</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>
		-\$59,000	-\$15,800	-\$38,500	\$0
<b>CONDITION</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>
		-\$29,500	-\$15,800	-\$38,500	\$0
<b>AGE/YEARS</b>	<b>61</b>	<b>23</b>	<b>16</b>	<b>29</b>	<b>30</b>
		-\$56,050	-\$35,550	-\$61,600	-\$15,888
<b>BATHROOMS</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>
		-\$5,000	-\$5,000	-\$5,000	\$0
<b>HOUSE SIZE/SF</b>	<b>753</b>	<b>2,382</b>	<b>1,496</b>	<b>3,162</b>	<b>884</b>
		-\$81,450	-\$37,150	-\$120,450	-\$6,550
<b>OUTBUILDINGS</b>	<b>Bunk House</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Superior</b>	<b>Inferior</b>
		\$6,000	\$4,000	-\$4,000	\$6,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$225,000</b>	<b>-\$105,300</b>	<b>-\$268,050</b>	<b>-\$16,438</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-76%</b>	<b>-67%</b>	<b>-70%</b>	<b>-16%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$70,000</b>	<b>\$52,700</b>	<b>\$116,950</b>	<b>\$86,063</b>



## 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 2015 and 2016. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2015. 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 residence was rated as average. The comparables were rated as good to very good in this category. We made downward adjustments in this category of 10% per difference in rating category to the comparables. The adjustment percentages are subjective but are considered reasonable and indicative of the actions of market participants.

*Condition:* The subject residence was rated as average in overall condition. The comparable residences were all rated as good in this category. Downward adjustments of 10% were made to the comparables in this category. The adjustment percentage utilized is subjective but 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 and Sale 4 include 1 bathroom. No adjustment was necessary for Sale 4 in this category. The remaining comparables all included 2 bathrooms. Downward adjustments of \$5,000 per difference in bathroom count were made to Sales 1 through 3 in this category. This adjustment is considered reasonable, necessary, and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each comparable sale, an adjustment for size differences between the comparables and the subject of \$50 per square foot is considered reasonable and appropriate.

*Outbuildings:* Adjustments were made for any differences between contributory values of outbuildings for the comparables compared to the subject property.

### **Reconciliation of Sales Comparison Approach for Subject Improvements**

The comparables provided adjusted indications of market value for the subject improvements of \$70,000, \$52,700, \$116,950, and \$86,063. Most weight is accorded Sale 4 as this residence is most similar in size compared to the subject and this sale required the least overall adjustment. A value of \$80,000 is reasonable and well supported for the subject improvements.

<b>Improvement Value</b>	<b>\$80,000</b>
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### **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	\$300,000
Subject Improvements Value	<u>\$ 80,000</u>
<b>Total Value Indication</b>	<b>\$380,000</b>

## RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
24	\$160,000	\$240,000	\$400,000	7/8/2016
33	\$560,000	\$130,000	\$690,000	7/8/2016
34	\$300,000	\$80,000	\$380,000	7/8/2016

# **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

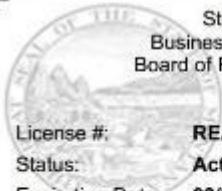

### **WORK EXPERIENCE**

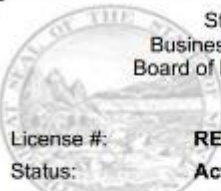

2005 - Present	Clark Real Estate Appraisal, Inc. – Real Estate Appraiser
2003 - 2005	IKON Office Solutions – Technology Marketing
2002 - 2003	Relational Technology Services – Technology Marketing
1998 - 2003	IKON Office Solutions – Technology Marketing
1988 – 1998	CMS Automation (Formerly Entré Computer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

### **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Appraiser # REA-RAL-LIC-841

## APPRAISERS LICENSES

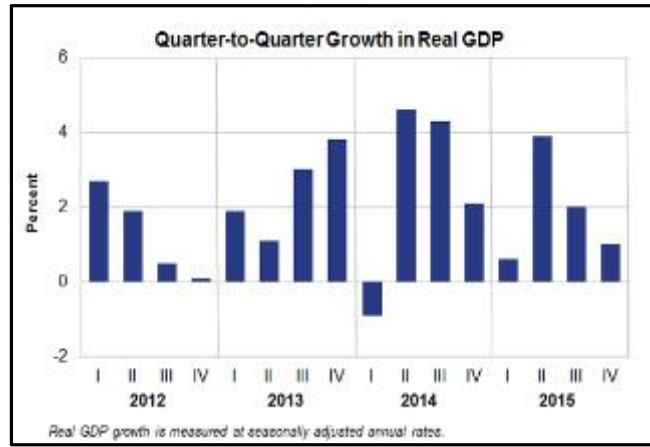
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>CERTIFIED GENERAL APPRAISER</b> With endorsements of: REAL ESTATE APPRAISER MENTOR
License #:	<b>REA-RAG-LIC-683</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2017</b>	
<b>ELLIOTT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

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

## **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 44<sup>th</sup> 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.

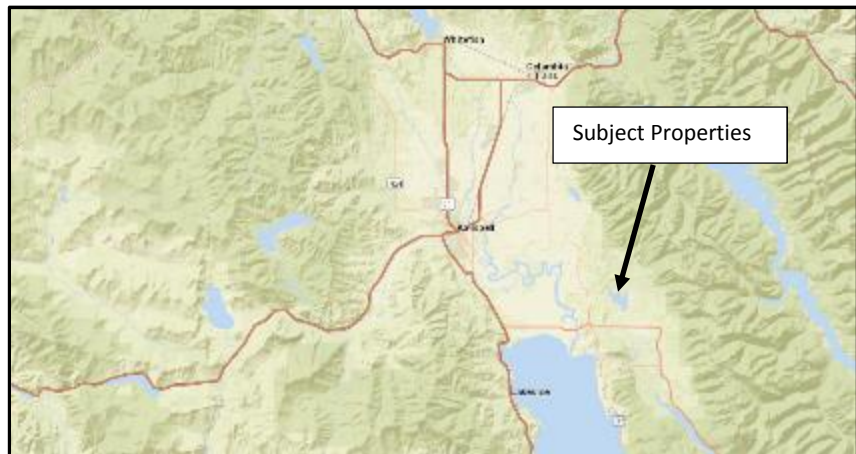
According to the Federal Reserve Minneapolis economic models, employment growth is forecasted to slow in 2016 for the region; however, consumer spending and tourism expenditures are forecasted to increase. Specific to Montana, the Federal Reserve Minneapolis forecasts the following for 2016; nonfarm 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%.

## FLATHEAD COUNTY DATA

The subject properties are located in Flathead County and are within the unincorporated Bigfork area. The general area is known as the Flathead Valley. The Flathead Valley is surrounded by various ranges of the Rocky Mountains. The three incorporated cities in Flathead County are Kalispell, the county seat, Whitefish, and Columbia Falls. There are also several unincorporated communities in the county which include; Kila, Marion, Evergreen, Bigfork, Lakeside, Somers, Hungry Horse, and Martin City.

### Geographical Information

Flathead County is located in northwest Montana and is 5,098 square miles in size. Flathead Lake is a significant geographical feature of the Flathead Valley. Glacier National Park is located in the Flathead Valley area and is a major area tourist attraction. Additional attractions include; Bob Marshall Wilderness, Hungry Horse Dam, Whitefish Mountain Resort, Blacktail Mountain Resort, Whitefish Lake, numerous golf courses, and many area lakes and rivers that provide year round recreation for residents and visitors.



### Population

According to 2015 ESRI estimates based upon US Census data, the population of Flathead County was 95,501. The population is forecasted to increase to 100,526 or by approximately 5.26% by 2020.

### Employment

The retail trade industry represents approximately 15% of employment in Flathead County. Approximately 13% of the workforce is employed in the accommodation and food services industries and the healthcare and social assistance industries represents 12% of employment in Flathead County. Some of the largest private employers in Flathead County include; Kalispell Regional Healthcare, Winter Sports, Inc., North Valley Hospital, Century Link, National Flood Insurance, Walmart, Super 1 Foods, Plum Creek Timber Company, Teletech, Allied Materials, and BNSF Railway.



## Income

The median annual household income for Flathead County was estimated to be \$45,750 in 2015 based upon ESRI forecasts using US Census data. According to ESRI forecasts, the median annual household income is to increase by approximately 3.27% per year through 2020.

## Unemployment

The non-seasonally adjusted unemployment rate for Flathead County was 4.4% in September of 2015. This is below the September 2014 unemployment rate of 6.8%. Unemployment fluctuations for the county since 1990 are included on the graph below.



The US recessions are noted in gray. Flathead County was labeled as the “epicenter” of the recession for the state of Montana by statewide economists for the most recent recession.

## Construction & Development

Historical data for building permits issued for single family residences of all types in the three municipalities of Flathead County is on the table below;

Single Family Building Permits Issued Per Year												
City	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change: 2014-2015
Kalispell	233	170	146	78	46	50	42	54	106	81	72	-11%
Whitefish	80	60	22	26	14	19	36	51	75	72	48	-33%
Columbia Falls	52	38	68	8	6	4	9	8	8	21	17	-19%
<b>Total</b>	<b>365</b>	<b>268</b>	<b>236</b>	<b>112</b>	<b>66</b>	<b>73</b>	<b>87</b>	<b>113</b>	<b>189</b>	<b>174</b>	<b>137</b>	<b>-21%</b>

The eleven year high for residential single family permits in the three municipalities is 365 permits issued in 2005. Thousands of new residential subdivision lots were created in Flathead County (incorporated and unincorporated areas) over the past decade. Supply exceeded demand for the years immediately following the national recession. According to research by Clark Real Estate Appraisal, supply and demand moved closer to a balanced level in the municipalities in Flathead County over the past three years.

### **Healthcare**

There are two primary hospitals located in the Flathead Valley. Kalispell Regional Medical Center is a 174 bed hospital located on the medical campus in Kalispell. North Valley Hospital is a 31 bed hospital located in Whitefish.

### **Tourism**

Glacier National Park is a significant draw in Flathead County with 1.5 to 2.2 million visitors each year. There are many area recreational opportunities that draw resident and nonresident travelers. These include natural amenities such as the numerous lakes, rivers and mountain ranges and manmade amenities such as ski and mountain biking areas.

### **Linkages & Transportation**

The three cities in Flathead County are within an easy commute of each other and are connected by US or state highways. US Highway 93 is considered the most significant corridor in the Flathead Valley. The intersection of US Highway 93 and Reserve, just north of Kalispell, has become the commercial hub for the valley. There are three significant shopping centers in this area as well as two automobile dealerships, a high school, and a number of governmental offices.

Whitefish and Columbia Falls are connected by Montana Highway 40. There was some commercial development along Montana Highway 40 prior to the most recent national recession; however, there has been little new construction along this highway in recent years.

Columbia Falls and Kalispell are connected by US Highway 2. This corridor includes Glacier Park International Airport. Other commercial improvements along US Highway 2 between Columbia Falls and Kalispell are predominantly light industrial in nature.

The Canadian border is within a one to two hour drive from most portions of Flathead County. There is a port of entry just north of Flathead County in Eureka, Montana and another border crossing at the line dividing Glacier National Park of the United States and Waterton National Park of Canada.

Glacier Park International Airport is serviced by Delta/Skywest Airlines, Allegiant Air, Horizon Air/Alaska Airlines and United Airlines. There is a train depot in Whitefish that is a stop for Amtrak. The Burlington Northern Santa Fe Railroad freight trains run through Whitefish, Columbia Falls and Kalispell.

## City and Communities

The larger cities and communities in Flathead County are summarized on the table below;

FLATHEAD COUNTY - CITIES AND COMMUNITIES				
	Population		% Change 2000 - 2010	Market Overview
	2000 Censu	2010 Censu		
Kalispell	14,223	19,927	40.1%	County Seat. Regional Business Center including Medical Center, Retail Hub & Community College. Centrally located with convenient access to many recreational opportunities.
Columbia Falls	3,645	4,688	28.6%	Gateway to Glacier National Park. Located along Flathead River. Historically industrial in nature. Meadow Lake Resort is located in Columbia Falls.
Whitefish	5,032	6,357	26.3%	Resort community located near Whitefish Lake, Whitefish River and Whitefish Mountain Ski Resort. Population increases in summer due to numerous vacation and second home owners.
Evergreen	6,215	7,616	22.5%	Unincorporated area adjacent to the city limits of Kalispell. Area consists of residential, retail and light industrial type properties.
Somers and Lakeside Area	2,235	3,778	69.0%	Communities located along Flathead Lake primarily bedroom communities for Kalispell. Population increases in summer months due to numerous vacation and second home owners.
Bigfork Area	1,421	4,270	200.5%	Resort community located along Flathead Lake featuring numerous restaurants, specialty shops, art galleries and a theater. There is an 18 hole championship golf course in this area. Main economic base is tourism.

## County Economic Data Conclusion

Attractions such as Glacier National Park, Flathead Lake, and Whitefish Mountain Ski Resort will continue to be a draw for second home buyers, nonresident travelers, and Montana residents to the Flathead Valley. The short and long term outlooks for the area are positive due to the abundance of natural resources and the potential for a diverse economic base.

## BIGFORK ECONOMIC DATA

The subject properties are located in Bigfork which is an unincorporated town located in the southern portion of Flathead County along the shores of Flathead Lake. Bigfork was founded in 1901 and is considered a resort and retirement community with tourism as the main economic base. The “Village of Bigfork” is situated along the bay of the Swan River as it flows into Flathead Lake. The western style village is comprised of restaurants offering casual and fine dining, bars, unique retail shops, and art galleries. The Bigfork Summer Playhouse located on Electric Avenue is considered one of the Northwest’s finest repertory theaters. Area services include schools, banks, restaurants, hotels, grocery stores, churches, clinics and retail and service type businesses.



### Recreation

The Bigfork area provides outdoor enthusiasts with an abundance of nature and recreational activities. Flathead Lake is a significant attraction for tourists and Montana residents. The lake is 28 miles long



and up to 15 miles wide. Water activities on Flathead Lake include; fishing, cruises, sailing, boating and water sports. The Swan River is known for fly fishing, whitewater rafting and kayaking. Echo Lake and Swan Lake are smaller fresh water lakes located near Bigfork. Nearby mountains provide opportunities for hiking, camping, biking, snowmobiling and snow skiing. Wilderness areas located near Bigfork include Glacier National Park, the Swan Wilderness, Jewel Basin, and Bob Marshall Wilderness which offer many recreational opportunities. Whitefish Mountain Resort and Blacktail Ski

Resort are close by and offer winter activities including snowboarding, downhill and cross country skiing. The Eagle Bend Golf Course is a semi-private 27-hole championship course available for the golf enthusiasts.

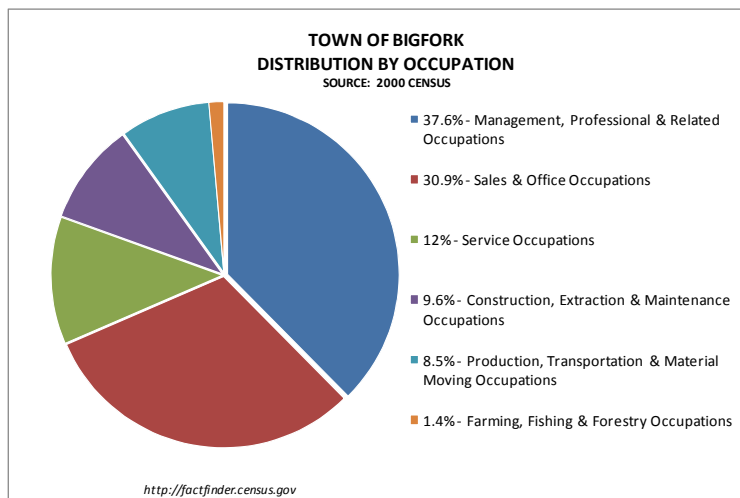
### Population and Income

According to the 2000 US Census, the population of the Bigfork Census Designated Place boundaries was 3,608 and the population increased to 4,270 by the 2010 US Census. This indicates an annual rate of change in population from 2000 to 2010 of +1.83% per year.

According to ESRI forecasts based upon US Census data, the median household income in Bigfork was approximately \$55,490 in 2013. This exceeds the estimated median household for the state of Montana for 2013 by approximately 24%. The median household income for Bigfork is forecasted to increase by approximately 3.50% per year between 2013 and 2018.

## Employment

Major employment is in the nearby cities of Kalispell, Columbia Falls, and Whitefish. Local business such as restaurants, retail businesses and hotels employ seasonal workers during the summer months. Eagle Bend Golf Club and Marina Cay are two of the larger area employers with a high number of seasonal workers. The occupations with the greatest number of workers in the Bigfork area are management, professional and related occupations (37.6%) and sales and office occupations (30.9%). The chart provided depicts the distribution of occupations in Bigfork.



## Linkages and Transportation

Montana Highway 35 is the main corridor through Bigfork running along the east shores of Flathead Lake connecting Columbia Falls and Kalispell to Polson and Missoula (located in Lake and Missoula counties respectively). MT Highway 35 connects with US Highway 2 which provides access to Glacier National Park situated approximately 45 miles north of Bigfork. Montana Highway 35 intersects with Montana Highway 82 which travels along the north end of Flathead Lake and intersects with US Highway 93 which provides access to Kalispell and Whitefish.

## Commercial Real Estate

Since the economy in Bigfork is tied to tourism and the second home market most businesses in the Bigfork Village fluctuate based upon the overall health of these market segments. There was increased commercial development in the Village between 2003 and 2006 compared to prior years. Several buildings on or near Electric Avenue were renovated or demolished. The demolished improvements were replaced with new buildings containing retail and office space.

Improved commercial properties along the Montana Highway 35 corridor includes neighborhood shopping centers, a grocery store, bank branches, convenient stores, hotels, specialty shops, professional offices, restaurants and retail/service type businesses. Commercial properties located south of the village on Montana Highway 35 include hotels, professional offices, restaurants, churches, specialty shops and retail/service type businesses. A brewery/restaurant is currently under construction just outside of the Village of Bigfork along Holt Drive near the intersection of Holt Drive and Montana Highway 35.

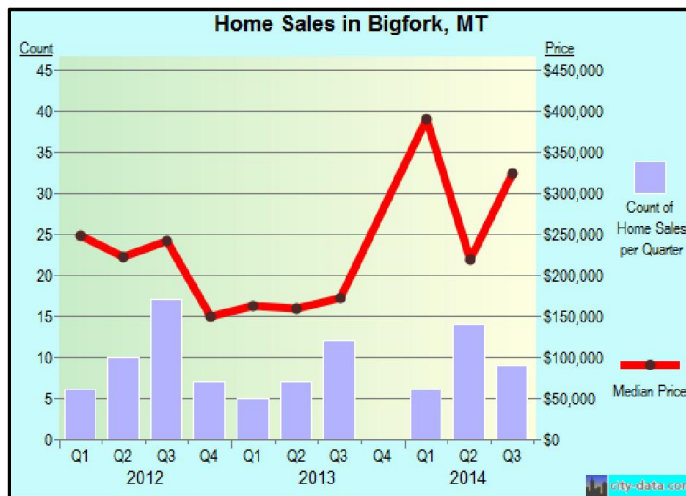
Commercial new construction in Bigfork slowed during and in the years following the national recession. More vacancies in new commercial buildings were noted during the years following the recession than in prior years. The commercial market in Bigfork appears to be improving; however, supply and demand for area commercial properties is not in balance.



## Residential Real Estate

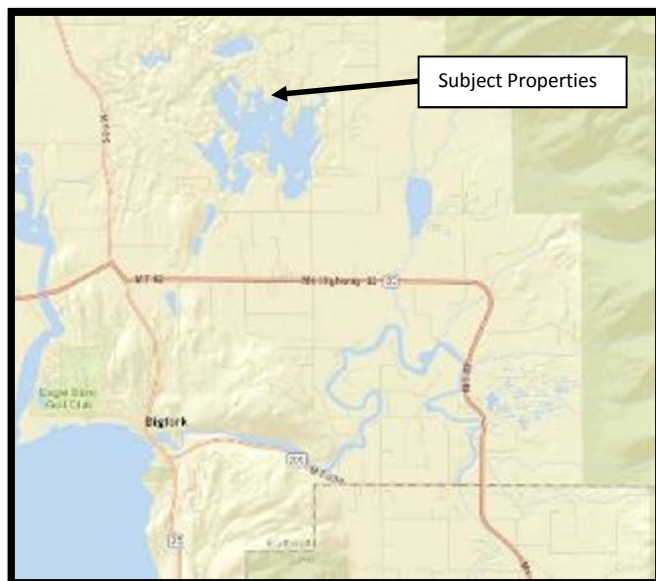
Bigfork is best described as a resort and bedroom community. Many area homes are second or vacation homes. As with commercial development, residential development (specifically residential subdivision development and construction of new residential condominium units) increased substantially between 2003 and 2006. Also, as with commercial development, construction began slowing in 2007 as signs of overbuilding and decreased demand became evident.

According to our research, home sale volume has fluctuated over the past three years; however, the median home sale price increased since 2013. Realtors we interviewed indicated that market conditions for residential real estate in Bigfork were improving.



## Conclusion

There are relatively few larger employers in Bigfork and the year round population is fairly small.



Much of the commercial development during the past decade was tied to real estate and new subdivision development. Businesses occupying space related to real estate in area buildings included real estate agencies, builders, and architects. The slowdown in the residential real estate market negatively affected the area commercial market.

The Bigfork area will likely continue to be an attractive destination for second home buyers and retirees due to the proximity of Flathead Lake and the abundance of recreational opportunities. The second home market is tied to the national economy. The national second home

market has been improving over the past couple of years. Market conditions are forecasted to continue to improve in Bigfork.

## 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.

<b>ATTACHMENT B</b>
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**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

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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 11<sup>th</sup> Avenue  
Helena, MT 59620-1601  
Phone: (406) 444-4165  
[ecooper@mt.gov](mailto:ecooper@mt.gov)

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

Rev. 11/15



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

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***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.