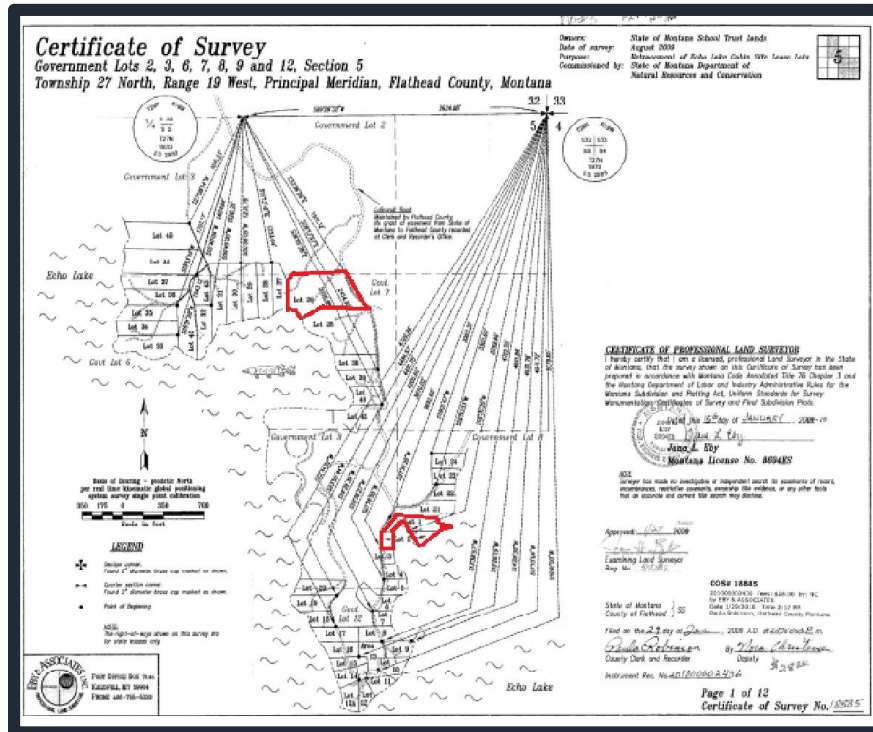


**LOTS 1 & 2 AND LOT 26
COS # 18885
BIGFORK, MONTANA**



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

MARKET VALUES AS OF:
April 13, 2017

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



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

LETTER OF TRANSMITTAL

June 14, 2017

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 1 & 2 and Lot 26, COS #18885, of Section 5, Township 27 North, Range 19 West,
Bigfork, 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 April 13, 2017. 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 subject sites, the subject improvements, and the sites and improvements considered together are concluded in this report. These value conclusions 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 the subject properties were legal parcels and that the parcels had legal and adequate access as of the report effective date.

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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

17-012ec

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lots 1 & 2 and Lot 26 of COS #18885, Section 5, Township 27 North, Range 19 West, Flathead County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-029-0013.02
Flood Zone	Zone X, Map Panel 30029C1875G – Dated September 2, 2007
Zoning	SAG, Suburban Agricultural

HIGHEST AND BEST USE(S)

As Is	Recreational and/or Residential Use
As Improved	Recreational and/or Residential Use

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

Report Date	June 14, 2017
Inspection Date(s)	April 13, 2017
Effective Date of Value(s)	April 13, 2017
Property Rights Appraised	Fee Simple
Estimate of Market Values	
Individual Lot Values	Property Valuation Section of Report & Page 61 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 61 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 61 of Report
Extraordinary Assumption(s)	None
Hypothetical Condition(s)	See Scope of the Appraisal

MARKETING & EXPOSURE TIME

The appraised values for the subject properties as are based upon 6 to 12 month marketing times and 6 to 12 month exposure times. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

APPRAISER INFORMATION

Appraiser(s)	Elliott M. Clark, MAI & Christopher D. Clark
---------------------	--

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 properties that are 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 clients, 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 properties.
- No one provided significant real property appraisal assistance to the persons signing this certification.

- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report Elliott M. Clark, MAI has completed the continuing education requirements of the Appraisal Institute.



Dated Signed: June 14, 2017
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: June 14, 2017
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 titles, which are assumed to be marketable. All existing liens, encumbrances and assessments have been disregarded and the properties are 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 properties.
4. The appraisers have not made a survey, engineering studies or soil analysis of the properties 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 properties.
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 properties 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 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 1 & 2 (As Assembled) and Lot 26 of COS #1885, Bigfork, Flathead County, Montana. **Subject Lots 1 & 2 are considered together at the request of the client.**

The appraisers were asked to estimate the values of the fee simple interests in the sites and improvements for the subject property for decisions regarding potential sale of the properties.

Information about the subject property has been collected and analyzed and a narrative appraisal report for the subject property 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 properties on April 13, 2017. We measured the improvements on the properties and walked the subject sites.

Scope of Research

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

Area trends in development were researched based upon information from various offices of 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 the properties were legal parcels as of the report effective date and that there was legal and adequate access to the properties.

The values concluded for Subject Lots 1 and 2 are based upon the **Hypothetical Condition** that these lots were assembled as of the report effective date.

Highest & Best Use

Our opinions of the highest and best use 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 carefully considered analyses. The appraisal process presented was based upon the highest and best use conclusions for the subject properties.

Appraisal Process

The Sales Comparison Approach was developed to determine the values of the subject sites 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 (as applicable). Most market participants interested in purchasing lake front homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason the Cost Approach is not considered applicable and was not developed in this report. The subject 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 (as applicable).

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 #	Sale #	Certificate of Survey	Section/Township/Range	County
1 & 2	848	18885	S5/T27NR19W	Flathead
26	802	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 Lessees for each lot are additional intended users of this report. They are listed below;

Lot #	Sale #	Lessee
1 & 2	848	Bradley & Debbie Nay
26	802	N/A

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

April 13, 2017

EFFECTIVE DATE OF MARKET VALUES

April 13, 2017

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 & USE HISTORY

The subject sites are all owned by the State of Montana. The improvements on Lots 1 & 2 are owned by the lessees. The lessees are listed below;

Lot #	Sale #	Lessee	Last Transfer Document
1 & 2	848	Bradley & Debbie Nay	Quit Claim Deeds - 1997 & 2017
26	802	N/A	N/A

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 Lots 1 & 2 but not on Lot 26. The house construction dates and any recent listing information for the improvements via the area MLS for each applicable property are below;

Lot #	Sale #	Lessee	House Built	Listing History via Area MLS
1 & 2	848	Bradley & Debbie Nay	1976 & 1946	N/A
26	802	N/A	N/A	N/A

According to our research, the improvements on Lots 1 & 2 were not available for sale via the area MLS as of the report effective date.

PROPERTY DESCRIPTIONS

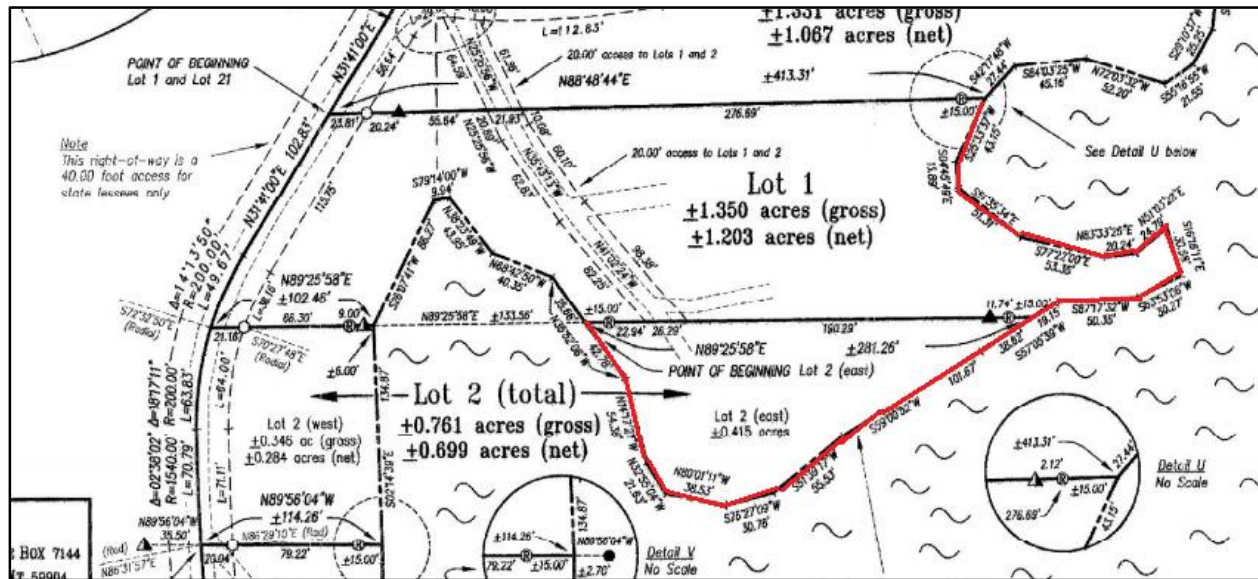
GENERAL DESCRIPTIONS

The subject properties are Lots 1 & 2 (As Assembled) and Lot 26 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;

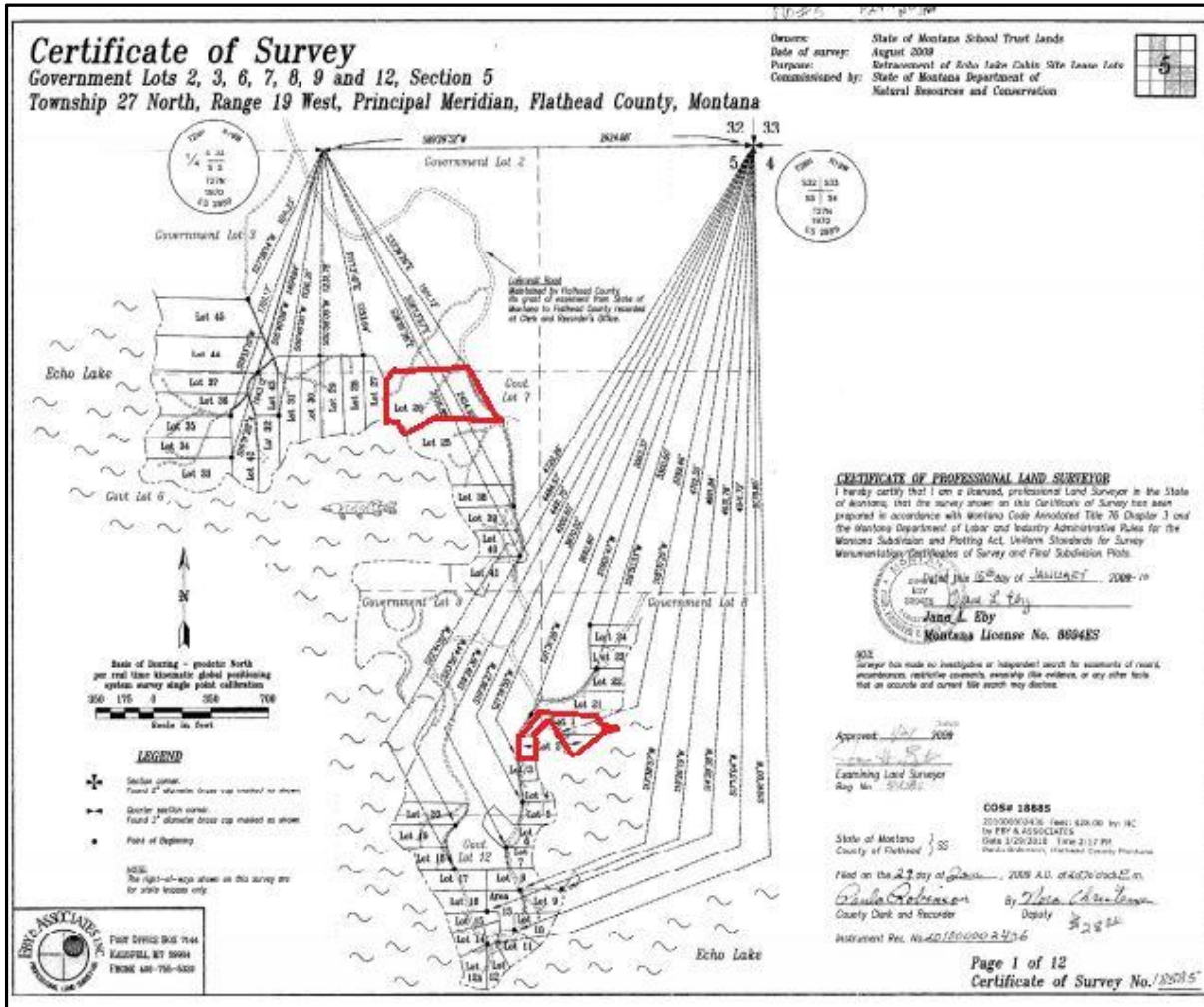
Lot #	Lessee	Gross Acres	Net Acres	Front Feet	FF Per Acre	Topography
1 & 2	Bradley & Debbie Nay	2.110	1.900	723.10	380.58	Slopes down toward lake
26	N/A	4.292	3.916	163.30	41.70	Gentle Slope/Slopes Down on East Side

We totaled the front footage portions of Lots 1 & 2 noted on the image below in red. It is our opinion that the area noted best represents the actual usable area of these lots (As Assembled). According to the Lessees, the peninsula area at the east side of Lot 1 is under water during some portions of some years. This area was exposed during our site visit and is noted to be above the high water line on the recorded Certificate of Survey. For that reason, this peninsula area is included in the front footage for valuation purposes.

The area considered usable front footage for Lots 1 & 2 is indicated below in red.



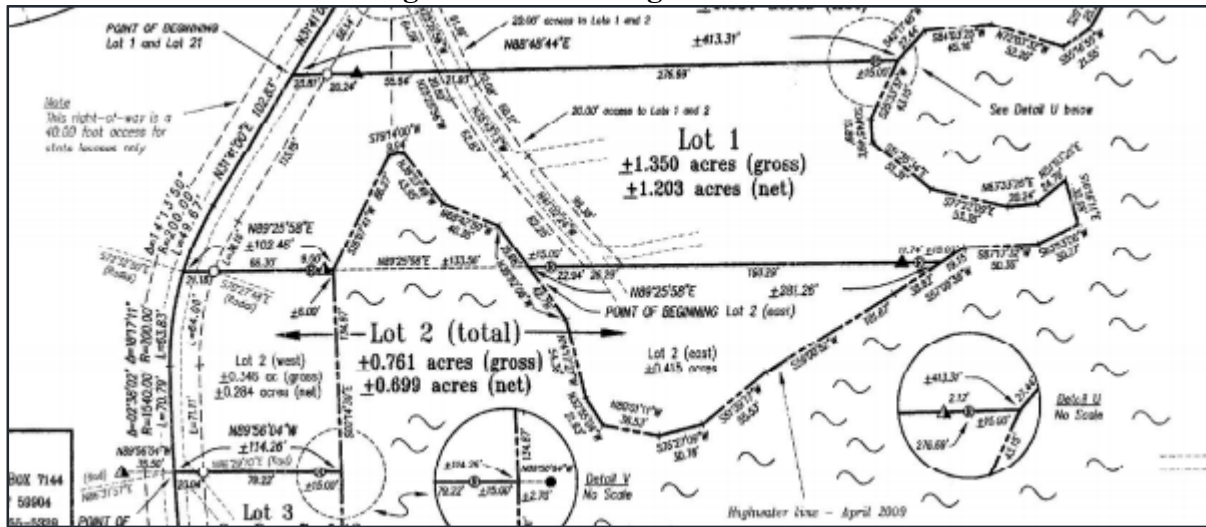
The subject properties are identified Page 1 of COS #18885 below;



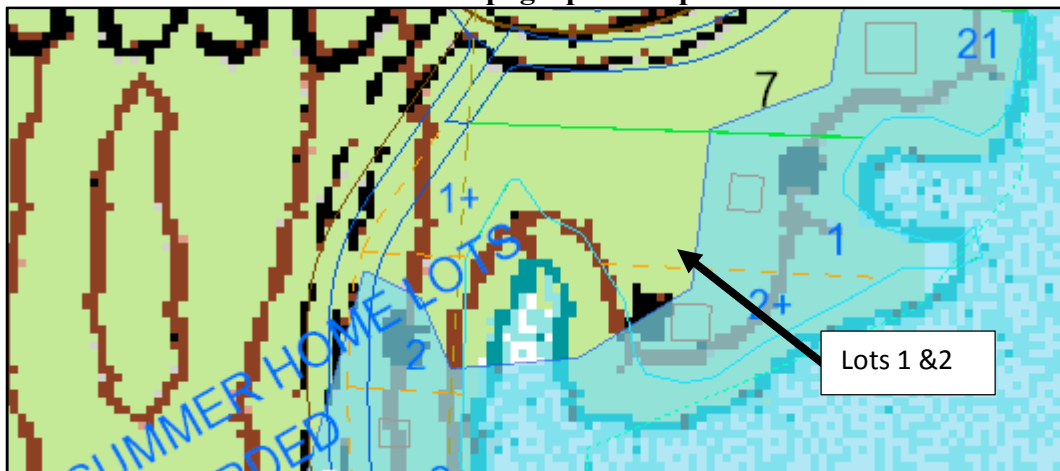
Individual images depicting each subject site recorded as part of COS #18885 and topographic maps are included on the following pages.

LOTS 1 & 2

Enlarged View from Page 6 of COS 18885

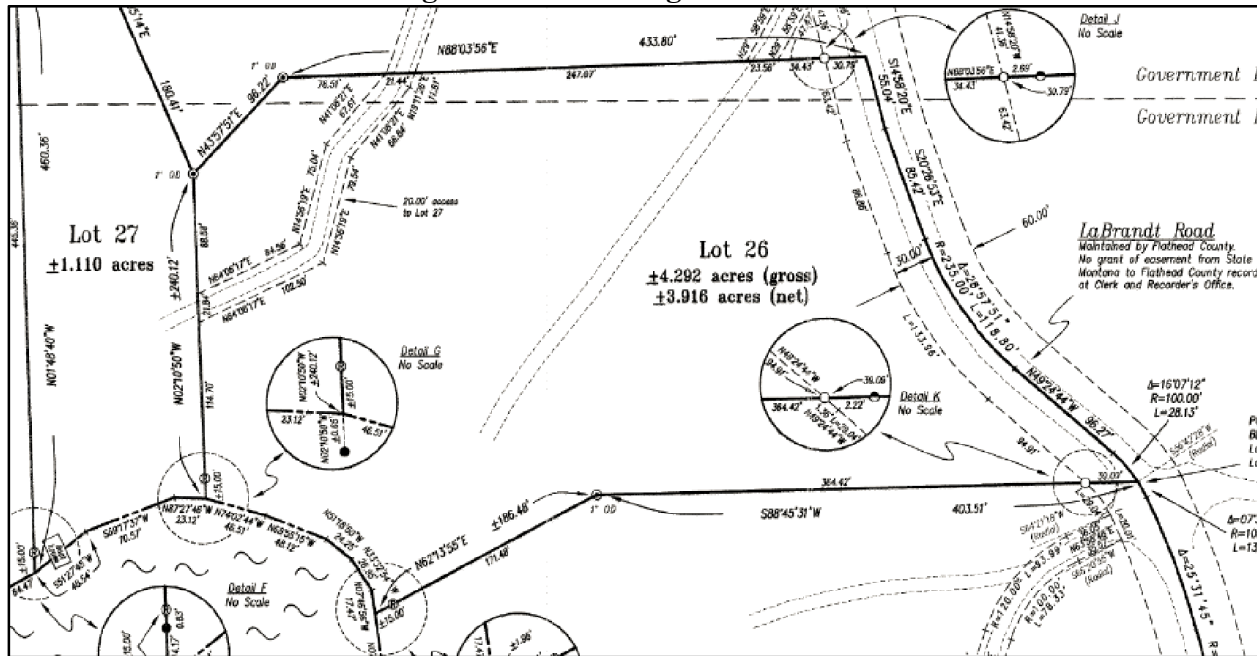


Area Topographic Map

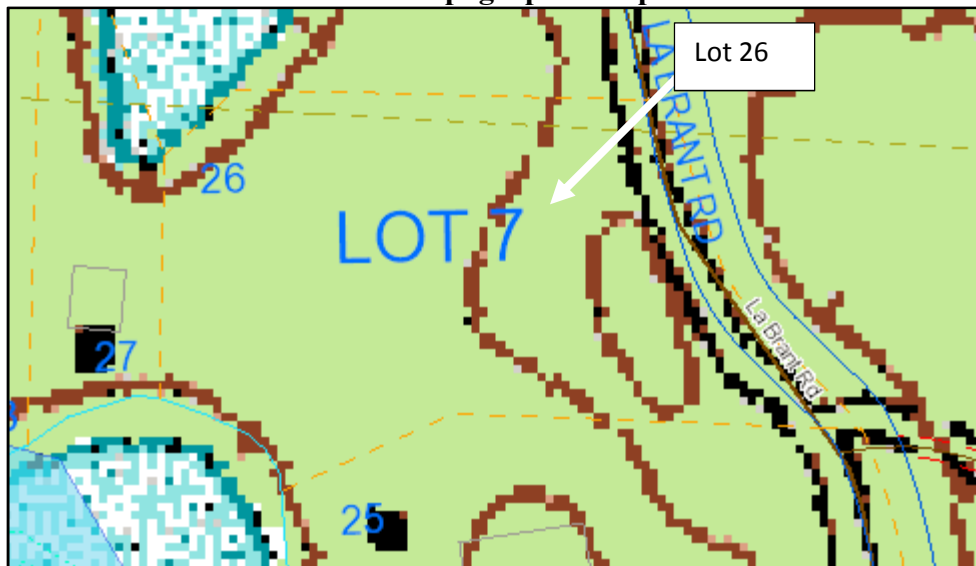


LOT 26

Enlarged View from Page 4 of COS 18885



Area Topographic Map



ACCESS AND VIEWS

Subject Lots 1 & 2 are accessed via a driveway off of Cabin Loop Road. Cabin Loop Road is a gravel road which is accessed via LaBrant Road. La Brant Road is a gravel, county road. Subject Lot 26 has frontage along and is accessed directly from LaBrant Road. All of the subject sites have frontage along Echo Lake. All have lake and mountain views.

IMPROVEMENTS

There are no improvements of value on Subject Lot 26. The improvements on Subject Lots 1 & 2 are described on the table below;

Lot #	1	2
Residence SF	624	777
Construction Type	Wood Frame	Wood Frame
Foundation	Pier	Pier
Quality	Average	Average
Condition	Good	Average
Year Built	1976 (Renovated)	1946
# of Bedrooms	1	2
# of Bathrooms	1	1
Porches	375 SF Deck	123 SF Covered Porch, 291 SF Deck, 137 SF Deck
Outbuildings	2 Storage Buildings/Outhouse	Storage Building
Other Site Improvements	Well	Septic/Well
Landscaping	Lawn	Lawn

Subject Lots 1 & 2 include a floating dock. Floating docks are considered personal property and not real estate and are not valued in this report.

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

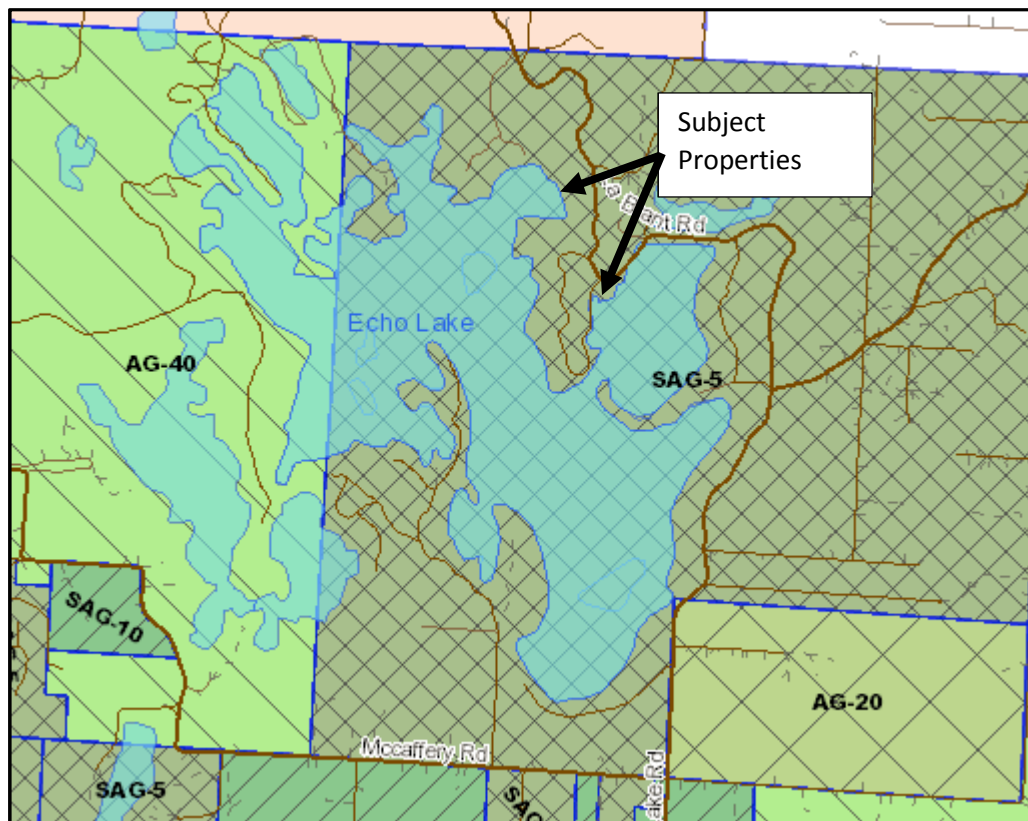
There are overhead power lines near the subject properties but it does not appear that there are overhead power lines within the boundaries of the subject properties.

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 2016 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	2016 Taxable Market Value	2015 Tax Bill Amount
1	Bradley & Debbie Nay	\$34,470	\$373.79
2	Bradley & Debbie Nay	\$50,380	\$694.75
26	N/A	N/A	N/A

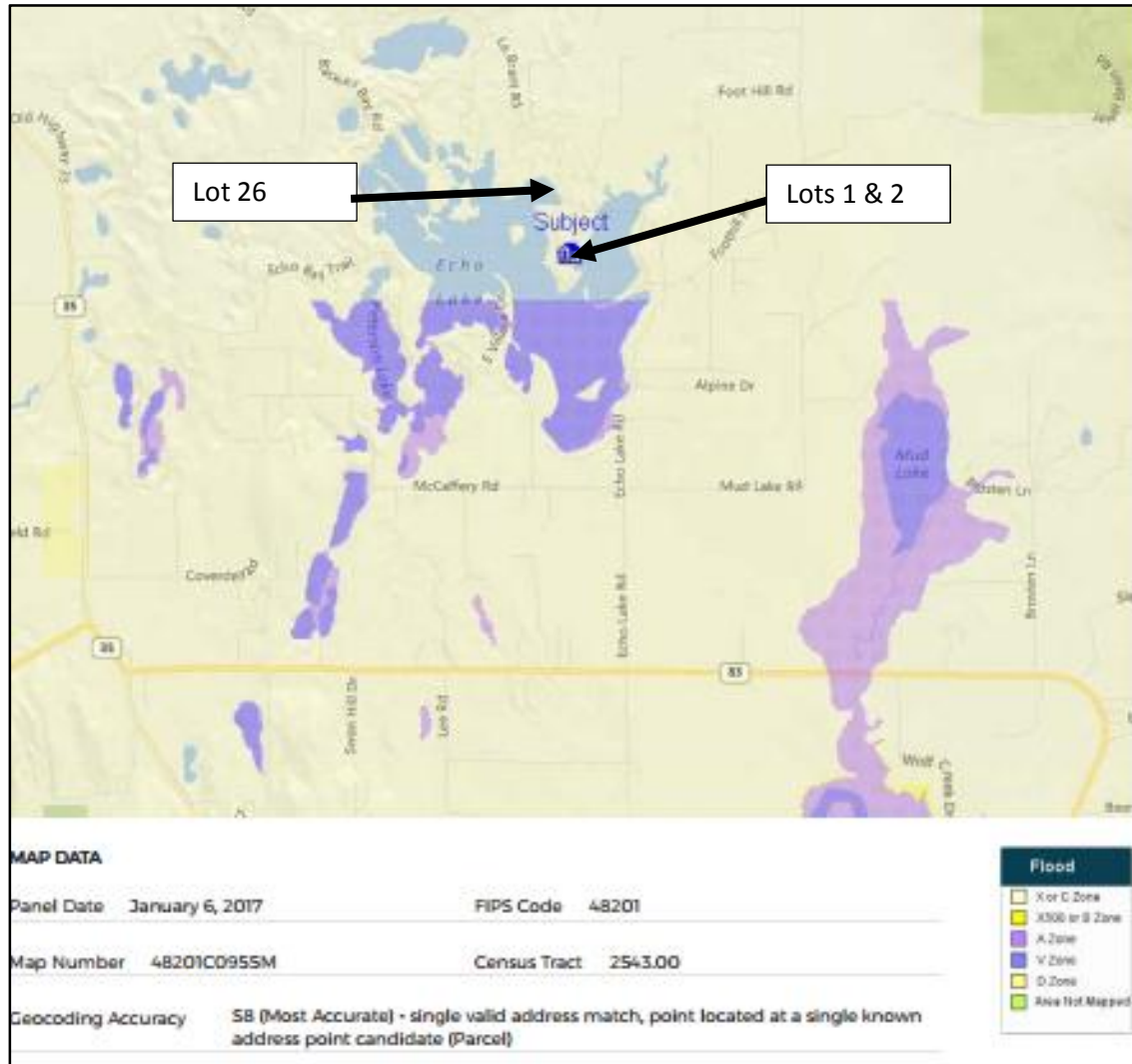
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

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.

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

The subject lots have access and/or are connected to electricity and phone lines. According to the Lessees for Lots 1 & 2, there is a deep well on Lot 1 and a sand point type well on Lot 2. There is a septic system on Lot 2. We did not locate a septic permit for this property. We were provided with a letter by the Lessees for Lots 1 & 2 dated March 1, 1994. This letter was from the Flathead City-County Health Department and it states that there were possible septic system solutions and/or septic system options for Lot 1. According to Montana DNRC, there may be an older septic system on Lot 26. We are not aware of a well on Lot 26.

PUBLIC SAFETY AND SERVICES

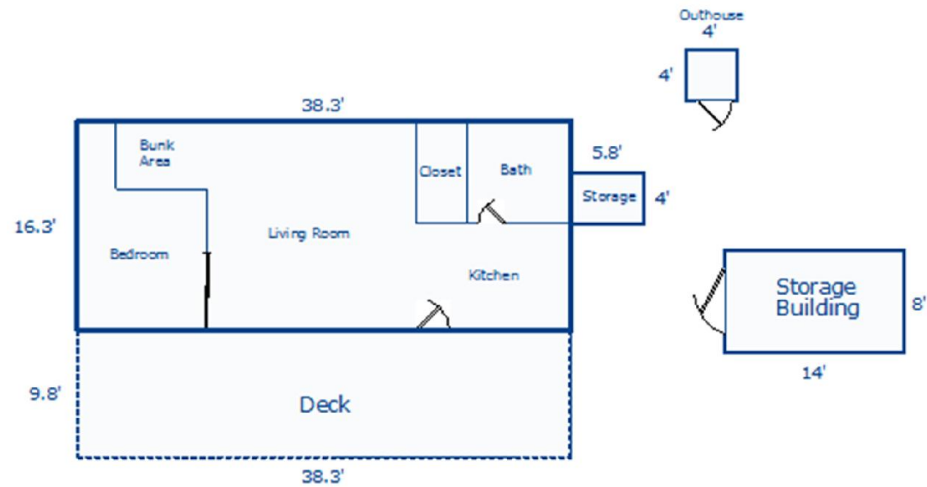
Police, fire protection, and other services are provided by Flathead County and area volunteer emergency services.

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 1 – BUILDING SKETCH



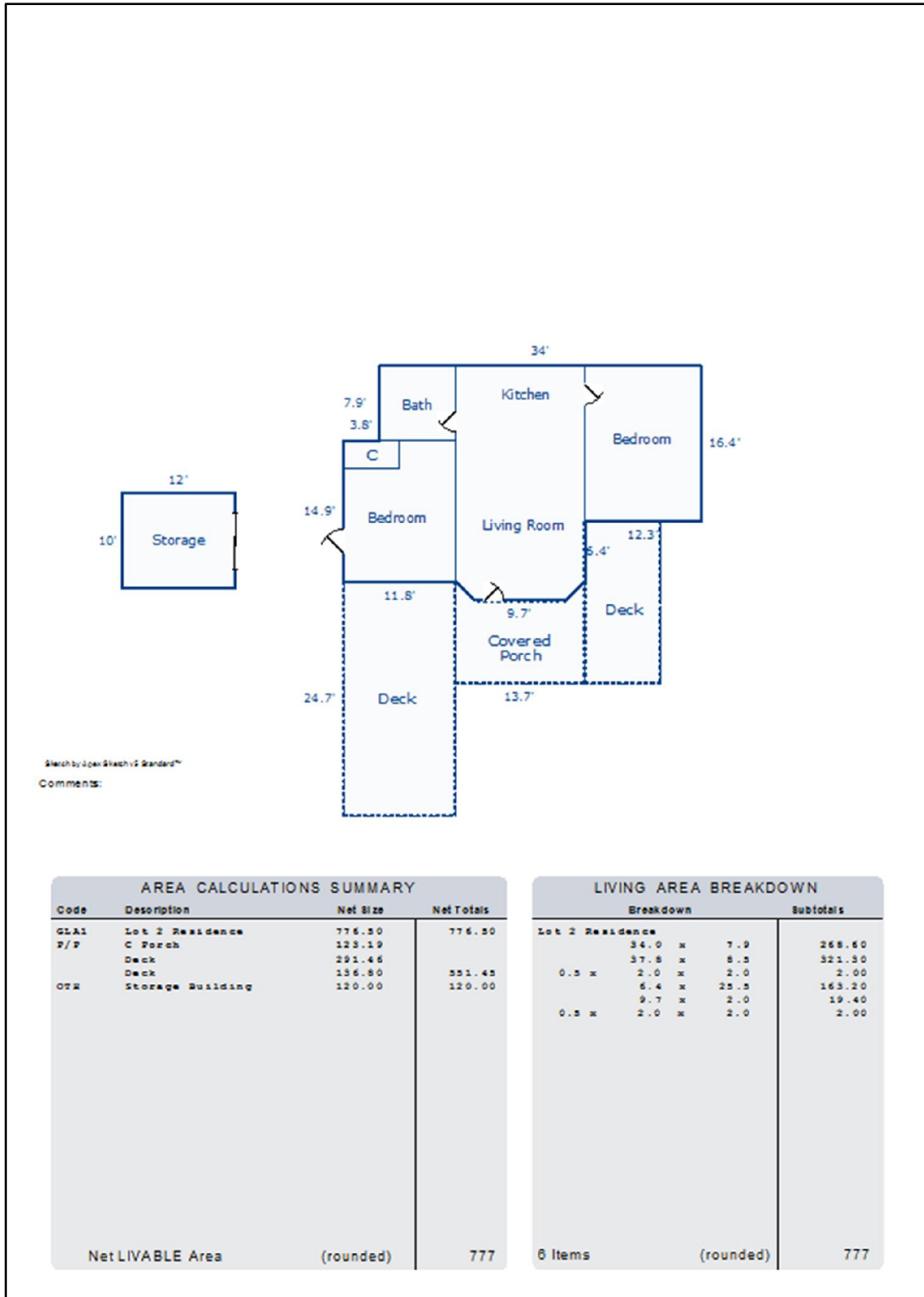
Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	Lot 1 Residence	624.29	624.29
P/P	Deck	375.34	375.34
OTW	Storage	23.20	
	Storage Shed	112.00	
	Outhouse	16.00	151.20
Net LIVABLE Area		(rounded)	624

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
Lot 1 Residence	16.3 x 38.3	624.29
1 Item	(rounded)	624

LOT 2 – BUILDING SKETCH



LOTS 1 & 2 – SUBJECT PHOTOGRAPHS



Residence on Lot 1 Looking North



South Side of Residence on Lot 1



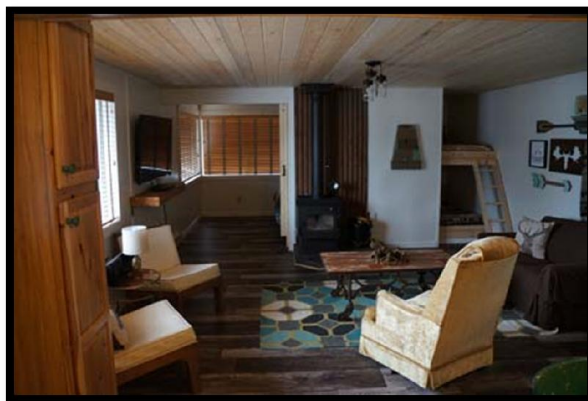
Driveway to Lot 1 and View toward Echo Lake



East Side of Residence on Lot 1



North Side of Residence on Lot 1



Living Room

ADDITIONAL PHOTOGRAPHS



Kitchen



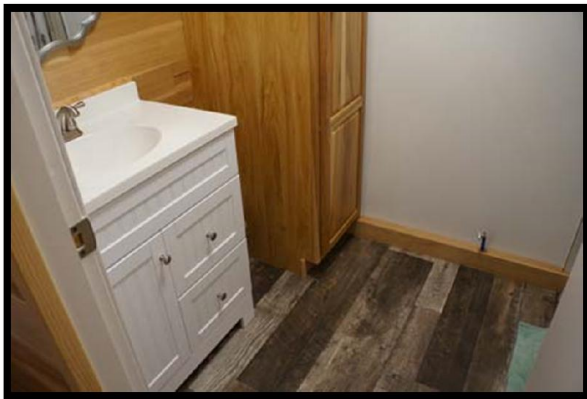
Bedroom



Bunk Beds



Living Room



Bathroom



Storage Building

ADDITIONAL PHOTOGRAPHS



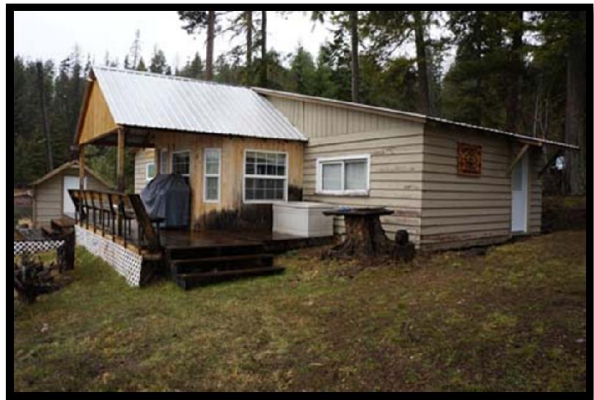
Outhouse



View of Residence on Lot 2



Residence on Lot 2 from Lakeshore



Residence on Lot 2 Looking West



Front of Residence from Lakeshore



Storage Building

ADDITIONAL PHOTOGRAPHS



Residence on Lot 2 Looking Northeast



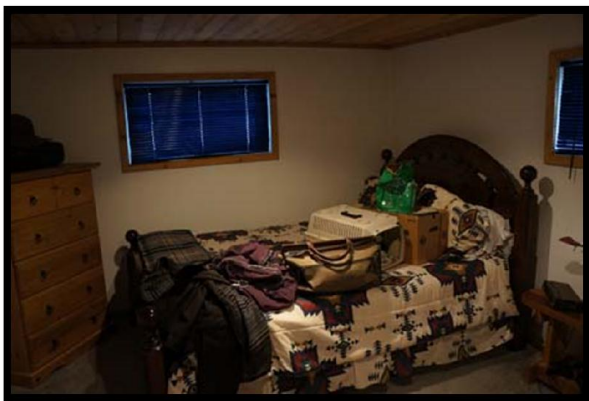
Rear of Residence Looking East



Lots 1 and 2 Looking North



Lot 2 Residence Kitchen



Bedroom



Bathroom

ADDITIONAL PHOTOGRAPHS



View toward Lot 2 from Lot 1



Cove on East Side of Lot 1



View of Echo Lake from Lot 1



View from Lot 1 Looking Southeast



Residence on Lot 1 Looking West



Lot 1 and 2 Lake Frontage Looking Southwest

ADDITIONAL PHOTOGRAPHS



Lot 2 Lake Frontage Looking Northeast



Cove at South Portion of Property



Lot 2 Interior Looking North



Driveway to Lots 1 & 2 Looking toward LaBrant Rd.



View toward Portion of Lot 2 across Cove



Peninsula Portion of Lot 1

ADDITIONAL PHOTOGRAPHS



View toward Portion of Lot 2 across Cove



Cove at South Portion of Lot 2



Lot 1 Interior Looking North



Property Interior Looking toward Lake



View Looking South of Western Portion of Property from Driveway



Driveway to Lots 1 & 2 Looking toward Echo Lake

LOT 26 – SUBJECT PHOTOGRAPHS



Lot 26 Looking Northeast from Lakeshore



Northwest Property Boundary Marker Looking Southwest



Northwest Property Boundary Marker Looking North



Northwest Property Boundary Marker Looking South



Lot 26 Interior Looking toward Echo Lake



Old Storage Building on Property

ADDITIONAL PHOTOGRAPHS



Driveway Looking toward LaBrant Road



Driveway Looking toward Echo Lake



LaBrant Road Looking North



LaBrant Road 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

Subject Lots 1 & 2 (As Assembled) include a total of 2.110 gross acres with 723.10 front feet (considered usable) along Echo Lake. Subject Lots 1 & 2 include two residences. Subject Lot 26 includes 4.292 gross acres with 163.30 front feet along Echo Lake. There are no improvements of value on Lot 26.

Area Land Use Trends

Most surrounding properties with frontage along 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 relatively 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 location of and 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 properties along area lakes with site size of less than 10.00 acres. 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;

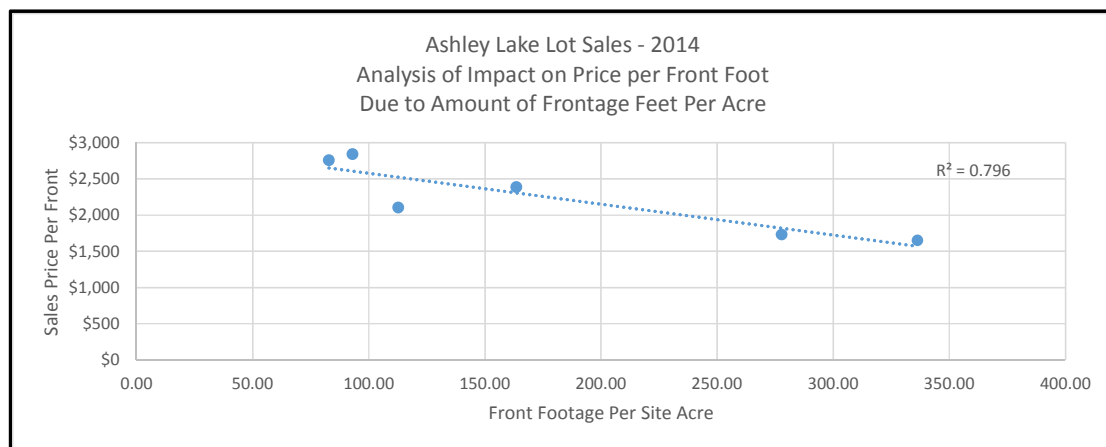
Lakefront Lot Sales

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
5622 N Ashley Lake Rd	Kila	Ashley Lake	100.00	1.14	2016	\$216,000	\$0	\$216,000	\$2,160	153
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	132.00	1.65	2016	\$340,000	\$0	\$340,000	\$2,576	419
4018 N Ashley Lake Rd	Kalispell	Ashley Lake	135.00	1.35	2017	\$295,000	\$0	\$295,000	\$2,185	505
4022 N Ashley Lake Rd	Kalispell	Ashley Lake	140.00	1.30	2017	\$485,000	\$150,000	\$335,000	\$2,393	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
68 Bitterroot Cover Ct	Marion	Bitterroot Lake	131.61	1.08	2016	\$330,000	\$5,000	\$325,000	\$2,469	100
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
636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	1.00	2016	\$371,000	\$0	\$371,000	\$2,968	409
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
NHN Paradise Loop	Marion	McGregor Lake	192.44	2.05	2016	\$350,000	\$5,000	\$345,000	\$1,793	30
12710 US Hwy 2	Marion	McGregor Lake	217.27	1.22	2016	\$229,000	\$0	\$229,000	\$1,054	168

There were 10 lakefront lot sales in 2014, 6 in 2015, 8 in 2016, and 2 in 2017 Year-to-Date. Only three of the sales located had frontage on Echo Lake.

The unit of comparison for sales of lakefront lots is typically considered to be the price per lakefront feet. Based upon our analysis, the price per front feet also varies to some degree according to total site acreage. There was a sufficient number of lot sales with frontage along Ashley Lake during 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. **Based upon this analysis, we utilized the relationship between front feet and site acres to select the comparable accorded the most weight in the final site value determination.**

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	#Home Sales	Days on Market	# with Frontage on McGregor Lake
2014	7	293	0
2015	15	272	4
2016	13	168	3
2017 Year-to-Date	8	304	1
Actives	41	199	4

Competitive Supply

There were 17 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 286 days. There was only 1 active listings of a vacant site with frontage along Echo Lake. This listing is for a site with 10.00 acres and 850 front feet. This list price is \$1,395,000 or \$1,641 per front foot. It is unlikely that this active listing would provide significant competition for the subject lots on Echo Lake.

There were 41 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 199 days.

Interaction of Supply and Demand

Based upon the sales volume in 2016, there is an approximately 2 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, 2016, and 2017 Year-to-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 located three site sales with frontage along Echo Lake since 2014. The subject properties are considered to have similar marketability compared to other properties with frontage along small area lakes.

Subject Lots 1 & 2 (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 during 2016 were marketed for an average of 248 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 values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

The 13 homes sales along smaller area lakes that closed in 2016 were marketed for an average of 168 days. The 8 lakefront homes sale in 2017 Year-to-Date were marketed for an average of 304 days. A **marketing time** between 6 to 12 months is appropriate for the Subject Lots 1& 2 as improved. If this subject property as improved had sold on the effective date of this report, at the appraised value concluded in this report, a 6 to 12 month **exposure time** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

The Highest and Best Use analysis and conclusions for the subject properties 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

Subject Lots 1 & 2 include two 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 these 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 Subject Lots 1 & 2 is the highest and best use as improved.

There are no improvements of value on Subject Lot 26. The highest and best use as improved is not applicable to this property.

THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject properties. 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 properties. The subject properties 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 Subject Lots 1 & 2 as improved. Most market participants interested in purchasing lake front homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason the Cost Approach is not considered applicable and was not developed in this report. The residences on Subject Lots 1 & 2 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 Lots 1 & 2 (As Assembled) 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.

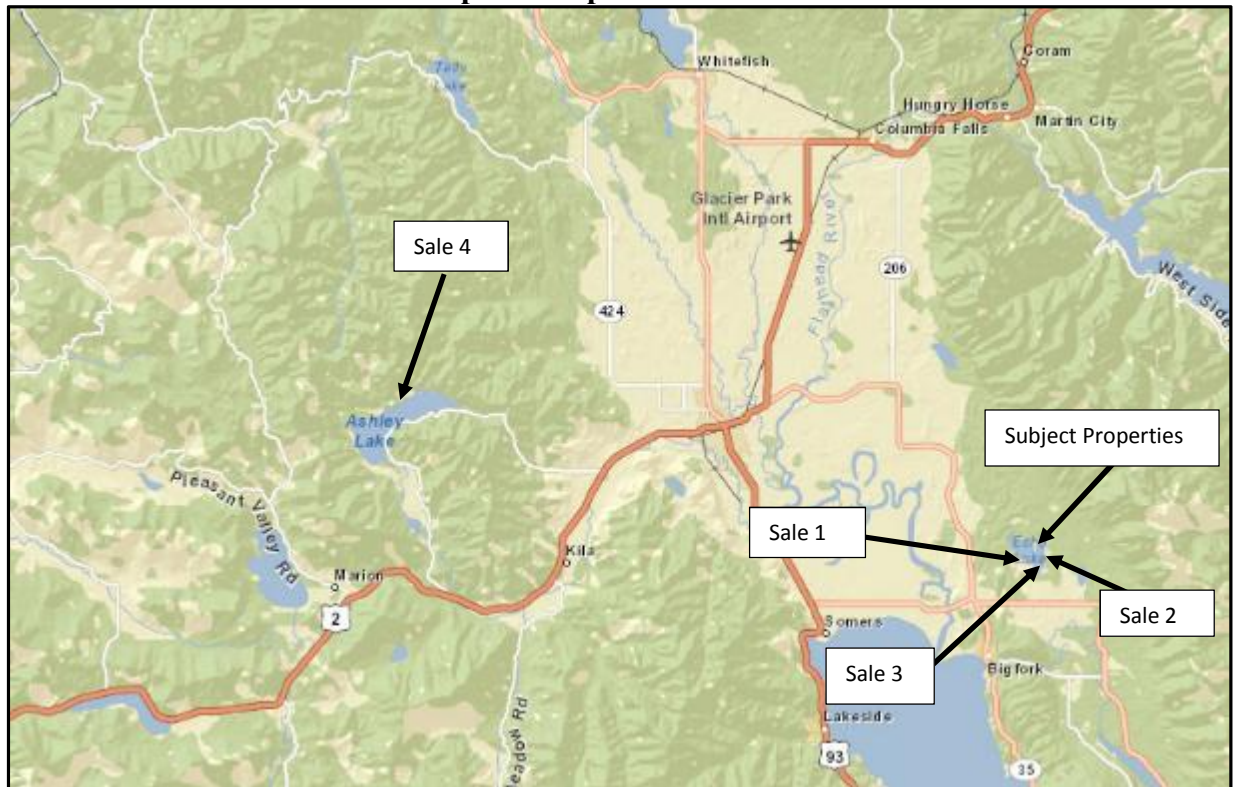
LAKEFRONT LOT SALES

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 26 sales of vacant lakefront sites on somewhat similar lakes in Flathead County from 2014 to 2017 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 feet of frontage along the lake. These comparables are described on the table below;

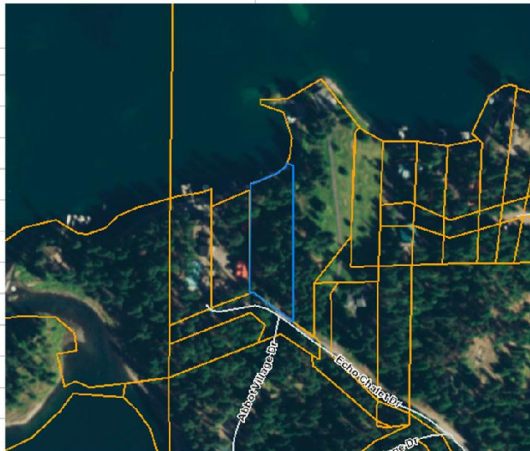
Sale #	Address	City	Lake	Front Feet	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvements	Price/FF
1	636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	2016	\$371,000	\$0	\$371,000	\$2,968
2	1010 Echo Lake Rd	Bigfork	Echo Lake	200.80	2015	\$355,000	\$35,000	\$320,000	\$1,594
3	680 Echo Lake Rd	Bigfork	Echo Lake	100.00	2014	\$395,000	\$40,000	\$355,000	\$3,550
4	4018 N Ashley Lake Rd	Kalispell	Ashley Lake	135.00	2017	\$295,000	\$0	\$295,000	\$2,185

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			
	Location		636 Echo Chalet Drive
	City/State		Bigfork, Montana
	County		Flathead
	Assessor Number		0339738
	Zoning		SAG-5, Suburban Ag/5 Acre Min
	Site Size: Acres		1.090
	Square Feet		47,480
	Date of Sale		November 10, 2016
	Sales Price		\$371,000
	Less Cost of Improvements*		\$0
Sales Price Adjusted		\$371,000	
MLS #		337550	
ANALYSIS OF SALE			
Price per Acre		\$340,367	
Price per Square Foot		\$7.81	
Price Per Front Foot		\$2,968	
TRANSFER INFORMATION			
Grantor	Jeff McNamara & Monica McNamara	Grantee	Richard W. Botting & Sharon K. Prier
Type of Instrument	Warranty Deed	Document #	201600025165
Financing/Conditions	Conventional/Market	Marketing Time	409 Days on Market
Legal Description	Tract 1 of COS #19637 in Government Lot 4, Flathead County, Montana	Verified By	Cheri Hanson, Selling Agent
Intended Use/Comments	Purchased for Residential / Recreational Use		
Section/Township/Range	S4/T27N/R19W		
PROPERTY DETAILS			
Access	Echo Chalet Drive	View	Lake, Mountains
Topography	Level	Lot Dimensions	Various
Flood Plain	According to FEMA Map Panel 30029C2310J, this property is in an area of elevated flood risk or Flood Zone A.	Improvements	None
Water	Echo Lake	Value of Improvements	\$0
Water Frontage/Front Feet	125.00		
Utilities	Electricity & Telephone at road.	Miscellaneous	
		Report File # 17-013ec	

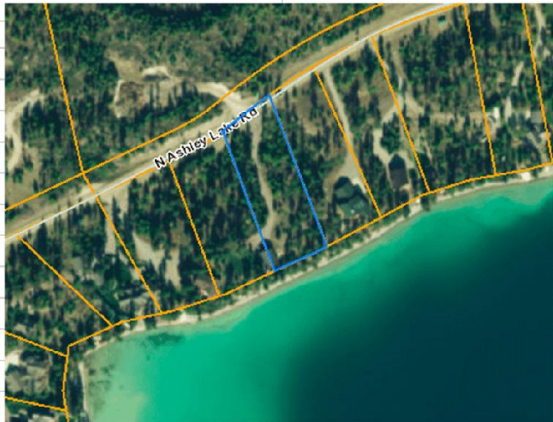
LAND SALE 2

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

LAND SALE 3

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

LAND SALE 4

COMPARABLE SALE INFORMATION				
	Location	4018 N Ashley Lake Road		
	City/State	Kalispell, Montana		
	County	Flathead		
	Assessor Number	0003413		
	Zoning	Ashley Lake Neighborhood Plan		
	Site Size: Acres	1.354		
	Square Feet	58,967		
	Date of Sale	February 10, 2017		
	Sales Price	\$295,000		
	Less Cost of Improvements*	\$0		
Sales Price Adjusted	\$295,000			
MLS #	21610888			
ANALYSIS OF SALE				
Price per Acre	\$217,921	Price per Square Foot	\$5.00	
		Price Per Front Foot	\$2,185	
TRANSFER INFORMATION				
Grantor	Randall G. Nelson & Jean M. Nelson	Grantee	Michael R. Porter, Richard Porter, & Jennifer Porter	
Type of Instrument	Warranty Deed	Document #	201700002994	
		Marketing Time	505 Days on Market	
Financing/Conditions	Conventional/Market	Verified By	P.C. Musgove, Listing Agent	
Legal Description	Lot 28 of Emerald Point on Ashley Lake No. 2, Flathead County, Montana	Intended Use/Comments	Purchased for Residential / Recreational Use	
Section/Township/Range	S1/T28N/R24W			
PROPERTY DETAILS				
Access	N Ashley Lake Road	View	Lake, Mountains	
Topography	Slopes Down Toward Lake	Lot Dimensions	Various	
Flood Plain	According to Flood Map # 30029C1775G, the property is not located in an area of elevated flood risk.	Improvements	None	
Water	Ashley Lake	Value of Improvements	\$0	
Water Frontage/Front Feet	135			
Utilities	Electricity & Telephone at road.	Miscellaneous		
		Report File # 17-013ec		

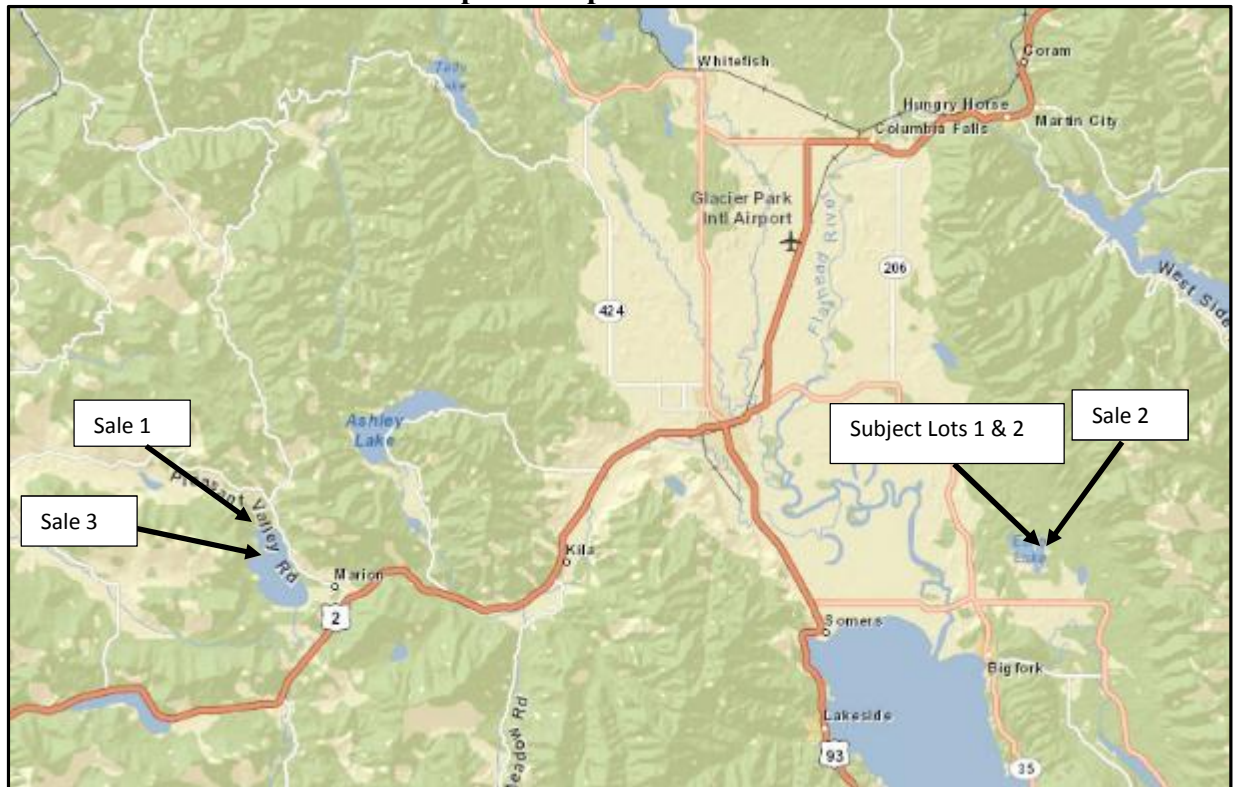
LAKEFRONT HOME SALES

We conducted a search for sales of homes on lakefront sites similar the subject property for use as comparables to determine the value of the subject improvements. The most applicable and recent 3 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	525 Lodgepole Dr	Marion	Bitterroot Lake	2016	\$372,500	\$300,000	\$72,500
2	930 Echo Lake Rd	Bigfork	Echo Lake	2016	\$350,000	\$290,000	\$60,000
3	118 Locke Bay Dr E	Marion	Bitterroot Lake	2017	\$372,250	\$250,000	\$122,250

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			
		Location	525 Lodgepole Drive
		City/State	Marion, Montana
		County	Flathead
		Assessor Number	0929700
		Zoning	Little Bitterroot Lake
		Site Size: Acres	1.400
		Square Feet	60,984
		Date of Sale	June 30, 2016
		Sales Price	\$372,500
		Adjustment to Sales Price	\$0
Adjusted Sales Price	\$372,500		
MLS #	2163235		
TRANSFER INFORMATION			
Grantor	Amber Shuldheisz VanNyhuis & Riley VanNyhuis	Grantee	Gary P. Jackson & Pamela A. Jackson
Recording Data	WD #201600012828	Marketing Time	77 Days on Market
Financing/Conditions	Cash/Market	Verified By	Phyllis Sprunger, Listing Agent
Legal Description	Lots 3 & 4 of Blue Grouse SD	Intended Use	Residential
Section/Township/Range	S6/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	Bitterroot Lake	Sales Price	\$372,500
Front Footage	200.00	Estimated Site Value	\$300,000
Access	County Road - Paved	Sales Price of Improvements	\$72,500
House Square Feet	690	Improvement Price/SF	\$105
Bedroom/Bathrooms	1 BR/1 BA		
Year Built or Renovated	1950		
Construction	Wood Frame		
Quality	Average		
Condition	Good		
Water/Sewer	Well, Septic		
Utilities	Electricity, Telephone, Internet		
Topography	Level, then sloping toward lake.		
Outbuildings	Bunkhouse		
Miscellaneous	This site consists of 2 separate lots; however, septic approval for 1 lot could be problematic. Property is served by a shared well and a private septic system.		
		Report File # 17-013ec	

HOME SALE 2

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Location</td><td>930 Echo Lake Road</td></tr> <tr><td>City/State</td><td>Bigfork, Montana</td></tr> <tr><td>County</td><td>Flathead</td></tr> <tr><td>Assessor Number</td><td>0337501</td></tr> <tr><td>Zoning</td><td>SAG-5, Suburban Ag/5 Acre Min</td></tr> <tr><td>Site Size: Acres</td><td>0.880</td></tr> <tr><td>Square Feet</td><td>38,333</td></tr> <tr><td>Date of Sale</td><td>August 15, 2016</td></tr> <tr><td>Sales Price</td><td>\$350,000</td></tr> <tr><td>Adjustment to Sales Price</td><td>\$0</td></tr> <tr><td>Adjusted Sales Price</td><td>\$350,000</td></tr> <tr><td>MLS #</td><td>21606876</td></tr> </table>		Location	930 Echo Lake Road	City/State	Bigfork, Montana	County	Flathead	Assessor Number	0337501	Zoning	SAG-5, Suburban Ag/5 Acre Min	Site Size: Acres	0.880	Square Feet	38,333	Date of Sale	August 15, 2016	Sales Price	\$350,000	Adjustment to Sales Price	\$0	Adjusted Sales Price	\$350,000	MLS #	21606876
Location	930 Echo Lake Road																										
City/State	Bigfork, Montana																										
County	Flathead																										
Assessor Number	0337501																										
Zoning	SAG-5, Suburban Ag/5 Acre Min																										
Site Size: Acres	0.880																										
Square Feet	38,333																										
Date of Sale	August 15, 2016																										
Sales Price	\$350,000																										
Adjustment to Sales Price	\$0																										
Adjusted Sales Price	\$350,000																										
MLS #	21606876																										
TRANSFER INFORMATION																											
Grantor	Cheryl L. Harner	Grantee	Sanna Skelton & Thomas M. Skelton																								
Recording Data	WD #201600017287	Marketing Time	54 Days on Market																								
Financing/Conditions	Conventional/Market	Verified By	Scott Hollinger, Listing Agent																								
Legal Description	Lot 26 of Echo Acres	Intended Use	Residential																								
Section/Township/Range	S4/T27N/R19W																										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																									
Body of Water	Echo Lake																										
Front Footage	100.00	Sales Price	\$350,000																								
Access	County Road - Paved	Estimated Site Value	\$290,000																								
House Square Feet	522	Sales Price of Improvements	\$60,000																								
Bedroom/Bathrooms	1 BR/1 BA	Improvement Price/SF	\$115																								
Year Built or Renovated	1968																										
Construction	Wood Frame																										
Quality	Average																										
Condition	Average																										
Water/Sewer	Well, Septic																										
Utilities	Electricity, Telephone, Internet																										
Topography	Level, then sloping toward lake.																										
Outbuildings	None																										
Miscellaneous	Septic in place is suitable for 1 bedroom.																										

Report File # 17-013ec

HOME SALE 3

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Location</td><td>118 Locke Bay Drive East</td></tr> <tr><td>City/State</td><td>Marion, Montana</td></tr> <tr><td>County</td><td>Flathead</td></tr> <tr><td>Assessor Number</td><td>0313921</td></tr> <tr><td>Zoning</td><td>Little Bitterroot Lake</td></tr> <tr><td>Site Size: Acres</td><td>0.550</td></tr> <tr><td>Square Feet</td><td>23,958</td></tr> <tr><td>Date of Sale</td><td>March 16, 2017</td></tr> <tr><td>Sales Price</td><td>\$372,250</td></tr> <tr><td>Adjustment to Sales Price</td><td>\$0</td></tr> <tr><td>Adjusted Sales Price</td><td>\$372,250</td></tr> <tr><td>MLS #</td><td>21609475</td></tr> </table>		Location	118 Locke Bay Drive East	City/State	Marion, Montana	County	Flathead	Assessor Number	0313921	Zoning	Little Bitterroot Lake	Site Size: Acres	0.550	Square Feet	23,958	Date of Sale	March 16, 2017	Sales Price	\$372,250	Adjustment to Sales Price	\$0	Adjusted Sales Price	\$372,250	MLS #	21609475
		Location	118 Locke Bay Drive East																								
		City/State	Marion, Montana																								
		County	Flathead																								
		Assessor Number	0313921																								
		Zoning	Little Bitterroot Lake																								
		Site Size: Acres	0.550																								
		Square Feet	23,958																								
		Date of Sale	March 16, 2017																								
		Sales Price	\$372,250																								
		Adjustment to Sales Price	\$0																								
		Adjusted Sales Price	\$372,250																								
MLS #	21609475																										
TRANSFER INFORMATION																											
Grantor	Wile E. Lakeside Properties, LLC	Grantee	Micah Sampson & Bethany Sampson																								
Recording Data	WD #201600005496	Marketing Time	206 Days on Market																								
Financing/Conditions	Conventional/Market	Verified By	Greg Bauske, Selling Agent																								
Legal Description	Lengthy - in Appraisal Workfile	Intended Use	Residential																								
Section/Township/Range	S6T27N/R24W																										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																									
Body of Water	Bitterroot Lake	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Sales Price</td><td style="text-align: right;">\$372,250</td></tr> <tr><td>Estimated Site Value</td><td style="text-align: right;">\$250,000</td></tr> <tr><td>Sales Price of Improvements</td><td style="text-align: right;">\$122,250</td></tr> <tr><td>Improvement Price/SF</td><td style="text-align: right;">\$114</td></tr> </table>		Sales Price	\$372,250	Estimated Site Value	\$250,000	Sales Price of Improvements	\$122,250	Improvement Price/SF	\$114																
Sales Price	\$372,250																										
Estimated Site Value	\$250,000																										
Sales Price of Improvements	\$122,250																										
Improvement Price/SF	\$114																										
Front Footage	100.00																										
Access	Private Road - Gravel																										
House Square Feet	1,075																										
Bedroom/Bathrooms	2 BR/1 BA																										
Year Built or Renovated	1974																										
Construction	Wood Frame																										
Quality	Average																										
Condition	Good																										
Water/Sewer	Well, Septic																										
Utilities	Electricity, Telephone, Internet																										
Topography	Level, then sloping toward lake.																										
Outbuildings	None																										
Miscellaneous																											
		Report File # 17-013ec																									

PROPERTY VALUATIONS

LOTS 1 & 2 (AS ASSEMBLED)

Site Value Estimate

All of the site sales presented were utilized to derive the value of this subject assemble 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					
LOTS 1 & 2 (AS ASSEMBLED), COS #18885, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		636 Echo Chalet Dr	1010 Echo Lake Rd	680 Echo Lake Rd	4018 N Ashley Lake Rd
CITY		Bigfork, MT	Bigfork, MT	Bigfork, MT	KalisPELL, MT
SALES PRICE		\$371,000	\$355,000	\$395,000	\$295,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$35,000	-\$40,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/10/16	06/29/15	11/26/14	02/10/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$371,000	\$320,000	\$355,000	\$295,000
SITE SIZE/ACRES	1.900	1.090	0.810	1.520	1.354
FRONT FEET ON LAKE	723.10	125.00	200.80	100.00	135.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,968	\$1,594	\$3,550	\$2,185
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Echo Lake	Echo Lake	Echo Lake	Echo Lake	Ashley Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Level	Level	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Private Rd	Public Road	Public Road
		0%	0%	0%	0%
ZONING	SAG-5	SAG-5	SAG-5	SAG-5	ALNP
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	Yes	No	No
		0%	10%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.900	1.09	0.81	1.52	1.35
		0%	0%	0%	0%
FRONT FEET	723.10	125.00	200.80	100.00	135.00
		-65%	-65%	-65%	-65%
TOTAL PERCENTAGE ADJUSTMENT		-65%	-55%	-65%	-65%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,929	-\$876	-\$2,308	-\$1,420
FRONT FEET PER ACRE	381	115	248	66	100
ADJUSTED PRICE PER SF		\$1,039	\$717	\$1,243	\$765

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, 2016, and 2017. 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 assembled subject lot and all of the comparables have shapes that are suitable for development and no adjustment was necessary in this category.

Topography: The assembled 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 assembled 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 assembled subject lot 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, and 4 do not include easements that affect value and no adjustment was necessary in this category. Sale 2 includes a road easement that is considered to negatively affect 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 assembled subject lot is larger than the comparables. 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 sized 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 and 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 \$941 per front foot. Most weight is placed on Land Sale 2 due to the greater degree of similarity in the relationship between front footage and site acreage. A value of \$717 per front foot is well supported by this analysis. Consequently;

723.10 FF @ \$717/FF	\$518,463
Rounded To	\$520,000

Improvement Value Estimates

Two sales comparison analyses were prepared for Subject Lots 1 & 2 utilizing the comparables selected. The first is for the residence on Lot 1 and the second is for the residence on Lot 2. These analyses are below and on the following page;

SALES COMPARISON ANALYSIS FOR LOT 1, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		525 Lodgepole Dr	930 Echo Lake Rd	118 Locke Bay Dr E
LOCATION		Marion, MT	Bigfork, MT	Marion, MT
SALES PRICE		\$372,500	\$350,000	\$372,250
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/30/16	08/15/16	03/16/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$372,500	\$350,000	\$372,250
LESS SITE VALUE		(\$300,000)	(\$290,000)	(\$250,000)
ADJUSTED IMPROVEMENT PRICE		\$72,500	\$60,000	\$122,250
ADJUSTMENT FOR:				
LOCATION/SITE	Echo Lake	Bitterroot Lake	Echo Lake	Bitterroot Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Good	Good	Average	Good
		\$0	\$6,000	\$0
BATHROOMS	1 (No Toilet)	1	1	1
		-\$2,500	-\$2,500	-\$2,500
HOUSE SIZE/SF	624	690	522	1,075
		-\$3,300	\$5,100	-\$22,550
OUTBUILDINGS	Outhouse/Shed	Superior	Inferior	Inferior
		-\$5,000	\$1,000	\$1,000
TOTAL ADJUSTMENT		-\$10,800	\$9,600	-\$24,050
NET ADJUSTMENT PERCENTAGE		-15%	16%	-20%
ADJUSTED PRICE INDICATION		\$61,700	\$69,600	\$98,200

SALES COMPARISON ANALYSIS FOR LOT 2, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		525 Lodgepole Dr	930 Echo Lake Rd	118 Locke Bay Dr E
LOCATION		Marion, MT	Bigfork, MT	Marion, MT
SALES PRICE		\$372,500	\$350,000	\$372,250
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/30/16	08/15/16	03/16/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$372,500	\$350,000	\$372,250
LESS SITE VALUE		(\$300,000)	(\$290,000)	(\$250,000)
ADJUSTED IMPROVEMENT PRICE		\$72,500	\$60,000	\$122,250
ADJUSTMENT FOR:				
LOCATION/SITE	Echo Lake	Bitterroot Lake	Echo Lake	Bitterroot Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Good	Average	Good
		-\$7,250	\$0	-\$12,225
BATHROOMS	1	1	1	1
		\$0	\$0	\$0
HOUSE SIZE/SF	777	690	522	1,075
		\$4,350	\$12,750	-\$14,900
OUTBUILDINGS	Shed	Superior	Inferior	Inferior
		-\$5,500	\$500	\$500
TOTAL ADJUSTMENT		-\$8,400	\$13,250	-\$26,625
NET ADJUSTMENT PERCENTAGE		-12%	22%	-22%
ADJUSTED PRICE INDICATION		\$64,100	\$73,250	\$95,625

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 2016 and 2017. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2016. 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.

Quality: The subject residences and the comparables were all rated as average in overall quality of construction. No adjustment was necessary in this category.

Condition: The residence on Lot 1 was rated as good in this category. No adjustments were necessary in this category for Sales 1 and 3 as they were rated as good in this category like this subject residence. Sale 2 was rated as average in this category. We made an upward adjustment of 10% to Sale 2 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants relative to condition.

The residence on Lot 2 was rated as average in this category. No adjustments were necessary in this category for Sale 2 as it was rated as average in this category like this subject residence. Sales 1 and 3 were rated as good in this category. We made downward adjustments of 10% to Sales 1 and 3 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants relative to condition.

Bathrooms: The subject residence and comparables include 1 bathrooms. There is no toilet in the bathroom for the residence on Subject Lot 1. Downward adjustments of \$2,500 were made to the comparables as their bathrooms all include toilets. This adjustment is considered reasonable and some adjustment is necessary for the lack of a toilet in the residence on Subject Lot 1. No adjustment was necessary in this category for the residence on Subject Lot 2.

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

Outbuildings: Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. This adjustment includes consideration for the fixed pier on the subject site.

Reconciliation of Sales Comparison Approach for Subject Improvements of Lot 1

The comparables provided adjusted indications of market value for the subject improvements of \$61,700, \$69,600, and \$98,200. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$77,000 is reasonable and well supported for the subject improvements on Lot 1.

Reconciliation of Sales Comparison Approach for Subject Improvements of Lot 2

The comparables provided adjusted indications of market value for the subject improvements of \$64,100, \$73,250, and \$95,625. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$78,000 is reasonable and well supported for the subject improvements on Lot 2.

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	\$520,000
Subject Improvements Value Lot 1	\$ 77,000
Subject Improvements Value Lot 2	<u>\$ 78,000</u>
Total Value Indication	\$675,000

LOT 26

Site Value Estimate

All of the site sales presented were utilized to derive the value of this subject assemble 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					
LOTS 26, COS #18885, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		636 Echo Chalet Dr	1010 Echo Lake Rd	680 Echo Lake Rd	4018 N Ashley Lake Rd
CITY		Bigfork, MT	Bigfork, MT	Bigfork, MT	KalisPELL, MT
SALES PRICE		\$371,000	\$355,000	\$395,000	\$295,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$35,000	-\$40,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/10/16	06/29/15	11/26/14	02/10/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$371,000	\$320,000	\$355,000	\$295,000
SITE SIZE/ACRES	3.916	1.090	0.810	1.520	1.354
FRONT FEET ON LAKE	163.30	125.00	200.80	100.00	135.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,968	\$1,594	\$3,550	\$2,185
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Echo Lake	Echo Lake	Echo Lake	Echo Lake	Ashley Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Level	Level	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Private Rd	Public Road	Public Road
		0%	0%	0%	0%
ZONING	SAG-5	SAG-5	SAG-5	SAG-5	ALNP
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	Yes	No	No
		0%	10%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	3.916	1.09	0.81	1.52	1.35
		0%	0%	0%	0%
FRONT FEET	163.30	125.00	200.80	100.00	135.00
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	10%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$159	\$0	\$0
FRONT FEET PER ACRE	42	115	248	66	100
ADJUSTED PRICE PER SF		\$2,968	\$1,753	\$3,550	\$2,185

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, 2016, and 2017. 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 lot 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, and 4 do not include easements that affect value and no adjustment was necessary in this category. Sale 2 includes a road easement that is considered to negatively affect 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 subject lot is larger than the comparables. 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 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 of \$2,968, \$1,793, \$3,550, and \$2,185 per front foot respectively. Land Sales 1, 3, and 4 are the most similar to the subject property in the number of front feet per acre. Approximately equal weight is accorded the indications from these three sales. The average of the indications from these sales is \$2,901 per front foot. We have rounded this indication up to \$2,900 per front foot. A value of \$2,900 per front foot is well supported by this analysis. Consequently;

163.30 FF @ \$2,900/FF	\$473,570
Rounded To	\$470,000

RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Value of Improvements	Total Value	Effective Date of Market Values
1 & 2	\$520,000	\$77,000	\$78,000	\$675,000	4/13/2017
26	\$470,000	\$0	\$0	\$470,000	4/13/2017

QUALIFICATIONS OF THE APPRAISERS

ELLIOTT (ELLIE) M. CLARK, MAI

PROFESSIONAL DESIGNATIONS

MAI Designated Member of the Appraisal Institute (2004)

FORMAL EDUCATION

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

REAL ESTATE EDUCATION

Appraisal Institute

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

Institute of Financial Education

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

IAAO

1991 - Standards of Practice and Professional Ethics

Citadel Evening College

1993 - Residential Appraisal Reports Using URAR Form

William H. Sharp & Associates

1995 - The Home Inspection

Trident Technical College

1997 - Uniform Standards of Appraisal

Historic Preservation Consulting

1998 - Appraising Historic Property

The Beckman Company

2004 - The Technical Inspection of Real Estate

WORK EXPERIENCE

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

STATE LICENSES/CERTIFICATIONS

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

APPRAISAL SEMINARS ATTENDED

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

PARTIAL LIST OF CLIENTS

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

CHRISTOPHER D. CLARK

FORMAL EDUCATION

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

REAL ESTATE EDUCATION

Appraisal Institute

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



WORK EXPERIENCE

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

STATE LICENSES/CERTIFICATIONS

Montana Licensed Appraiser # REA-RAL-LIC-841

APPRAISERS LICENSES

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: <i>REAL ESTATE APPRAISER MENTOR</i>
License #:	REA-RAG-LIC-683	
Status:	Active	
Expiration Date:	03/31/2018	
ELLIOTT M CLARK CLARK REAL ESTATE APPRAISAL 704C E 13TH STREET #509 WHITEFISH, MT 59937		
		 Montana Department of LABOR & INDUSTRY <small>RENEW OR VERIFY YOUR LICENSE AT: https://ebiz.mt.gov/pol/</small>

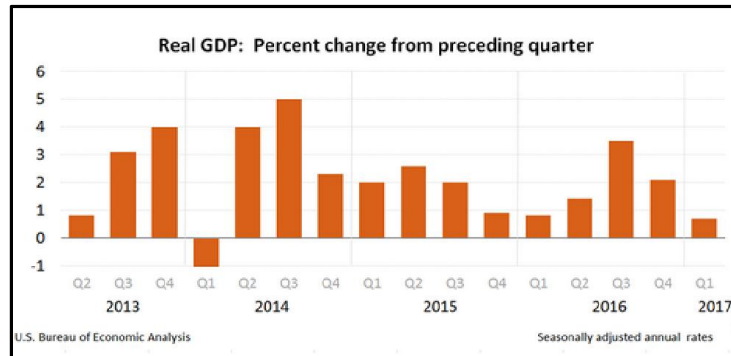
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: LICENSED APPRAISER
License #:	REA-RAL-LIC-841	
Status:	Active	
Expiration Date:	03/31/2018	
CHRISTOPHER D CLARK CLARK REAL ESTATE APPRAISAL 704C E 13TH STREET #509 WHITEFISH, MT 59937		
		 Montana Department of LABOR & INDUSTRY <small>RENEW OR VERIFY YOUR LICENSE AT: https://ebiz.mt.gov/pol/</small>

ADDENDUM

NATIONAL ECONOMIC DATA

It is estimated that Real GDP increased by 0.7% in the first quarter of 2017 after increasing 2.1% in the fourth quarter of 2016 according to the Bureau of Economic Analysis of the US Department of Commerce (BEA). According to the BEA, the first quarter increase in real GDP reflected positive contributions from nonresidential fixed investment, exports, residential fixed investment, and personal consumption expenditures that were offset by negative contributions from private inventory investment, state, and local government spending and federal government spending.

According to the US Bureau of Labor and Statistics, the seasonally adjusted national unemployment rate for December 2016 was 4.7 %. This is lower than the December 2015 rate of 5.0%. This is the lowest national unemployment rate since July of 2008. Generally, most US economists have forecasted an overall increase in Real GDP for 2017 of 2.0% to 3.0%.



STATE ECONOMIC DATA

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

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

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

According to the Montana Bureau of Business and Economic Development; there may be issues with cattle prices and wheat production in 2017, state production of pulse crops such as lentils and peas greatly increased in 2016, coal production dropped dramatically in 2016, forest industry employment dropped in 2016, manufacturing in the state increased by 2.0% in 2016, high-tech and manufacturing companies projected to grow seven times faster during 2017, state airport boardings were up by 4% in 2016, Medicaid expansion in Montana pushed the uninsured rate downward to 8.7%, and Montana's housing market resembles the market conditions prior to recession.

FLATHEAD COUNTY DATA

The subject properties are located in the unincorporated town of Bigfork in Flathead County, Montana. 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 2016 ESRI estimates based upon US Census data, the population of Flathead County was 98,050. The population is forecasted to increase to 104,631 or by approximately 1.34% per year by 2021.

Employment

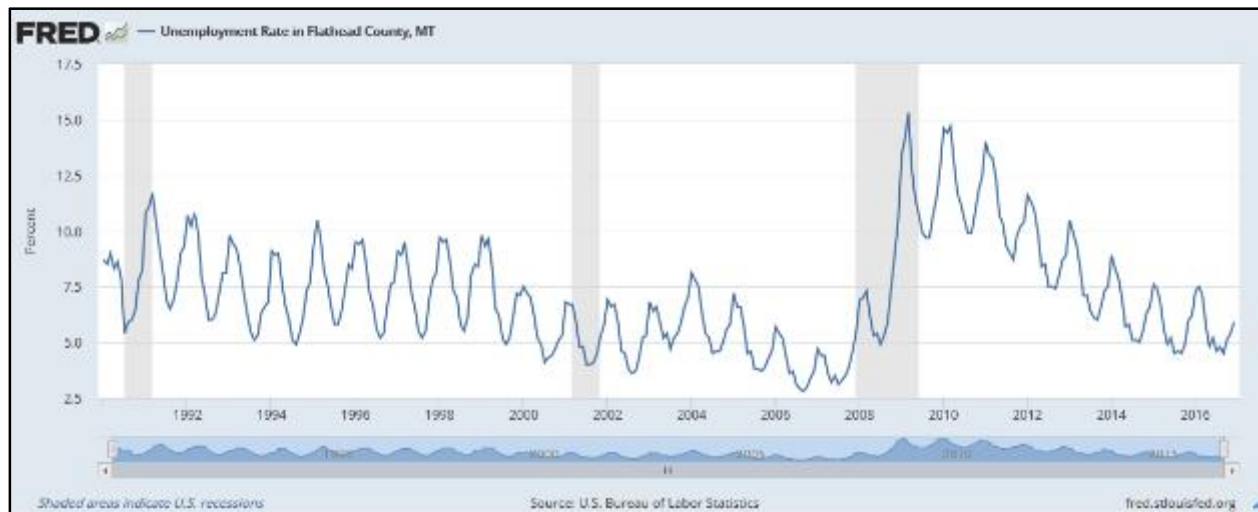
The retail trade industry represents approximately 15% of employment in Flathead County. Approximately 13% of the workforce is employed in the accommodation and food services industries and the healthcare and social assistance industries represents 12% of employment in Flathead County. Some of the largest 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, Teletch, Allied Materials, and BNSF Railway.

Income

The median annual household income for Flathead County was estimated to be \$47,173 in 2016 based upon ESRI forecasts using US Census data. According to ESRI forecasts, the median annual household income is to increase by approximately 2.39% per year through 2021.

Unemployment

According to the US Bureau of Labor and Statistics, the non-seasonally adjusted unemployment rate for Flathead County was 5.9% in December of 2016. This is below the December 2015 unemployment rate of 6.2%. 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	2016	% Change: 2015-2016
Kalispell	233	170	146	78	46	50	42	54	106	81	72	104	44%
Whitefish	80	60	22	26	14	19	36	51	75	72	48	49	2%
Columbia Falls	52	38	68	8	6	4	9	8	8	21	17	15	-12%
Total	365	268	236	112	66	73	87	113	189	174	137	168	23%

The twelve 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) during the early and mid 2000's. 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 1.8 to over 2.9 million visitors each year over the last 10 years. 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.

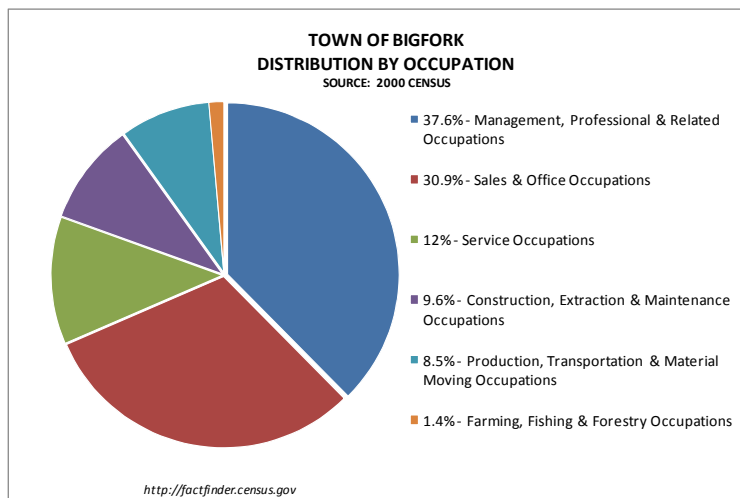
Population and Income

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 was 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.

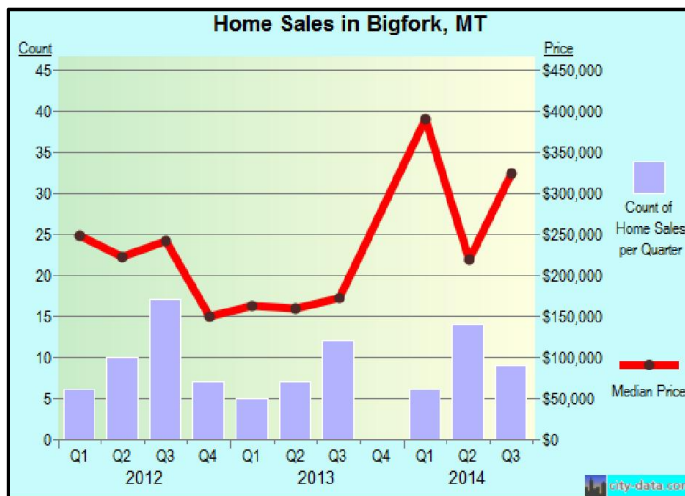
Improved commercial properties along the Montana Highway 35 corridor includes neighborhood shopping centers, a grocery store, bank branches, convenient stores, hotels, specialty shops, professional offices, restaurants and retail/service type businesses. Commercial properties located south of the village 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

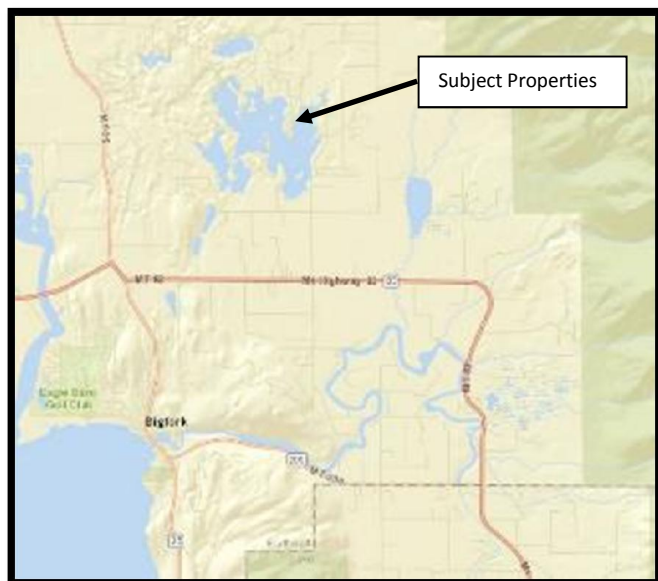
Bigfork is best described as a resort and bedroom community. Many area homes are second or vacation homes. As with commercial development, residential development (specifically residential subdivision development and construction of new residential condominium units) increased substantially between 2003 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 & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 12)

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), Ray & Shawn Christiaens, Bradley & Debbie Nay, Helen Brown, Barbara Armenstrout, Mary Burgess, Jeanne Olmsted, Thomas & Debbie Beaudette, Ron & Merna Terry, Jeffrey & Kathleen Cunniff, Harold Rapley, Clifford Schmutzler, Bret & Sandra Bandt, Roger & Julee Kranz, Barbara & Charles Davies, Larry Sheppard, Wayne & Rachael Sherrill, Russell Fuller & Taz Harvey, Linda Hamilton, Ray, Kevin, & Kylie Pancich, Lisa & Jim Reynolds, Gene & Shirley Smith, and Morris & Nanette Wheatley. 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

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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 three (3) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

Appraised Values Required:

The appraisal for each cabin and home site must:

1. Include a total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.
2. Include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements.

3. Allocate a separate market value for the non-state-owned improvements, from the total market value derived in 1 above.
4. Valuation of the improvements must account for all forms of obsolescence.

Attachment B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Properties:

Sale #	Acres	Legal Description
847	1.699	Lots 18 & 19, Echo Lake , T27N-R19W, Sec. 5
848	2.111	Lots 1 & 2, Echo Lake , T27N-R19W, Sec. 5
802	4.292	Lot 26, Echo Lake , T27N-R19W, Sec. 5
850	1.16	Lot 25, McGregor Lake , T26N-R25W, Sec. 16
864	1.247	Lot 11, Placid Lake , T16N-R15W, Sec. 28
865	1.132	Lot 6, Placid Lake , T16N-R15W, Sec. 28
866	1.001	Lot 5, Placid Lake , T16N-R15W, Sec. 28
852	1.00	Lot 9, Lincoln Flats , T14N-R8W, Sec. 16
853	1.00	Lot 11, Lincoln Flats , T14N-R8W, Sec. 16
855	0.85	Lot 28, Lincoln Flats , T14N-R8W, Sec. 16
856	1.00	Lot 26, Lincoln Flats , T14N-R8W, Sec. 16
857	1.385	Lot 2, Lincoln Flats , T14N-R8W, Sec. 16
858	1.00	Lot 12, Lincoln Flats , T14N-R8W, Sec. 16
859	0.78	Lot 8, Lincoln Flats , T14N-R8W, Sec. 16
860	1.00	Lot 29, Lincoln Flats , T14N-R8W, Sec. 16
861	1.00	Lot 6, Lincoln Flats , T14N-R8W, Sec. 16
862	1.00	Lot 27, Lincoln Flats , T14N-R8W, Sec. 16
863	1.00	Lot 21, Lincoln Flats , T14N-R8W, Sec. 16
898	1.719	Lot 5, Lincoln Flats , T14N-R8W, Sec. 16
899	1.003	Lot 51, Lincoln Flats , T14N-R8W, Sec. 16

DNRC Contact Information:

Emily Cooper, Lands Section Supervisor
P.O. Box 201601
Helena, MT 59620-1601
Phone: (406) 444-4165
ecooper@mt.gov

Lessees:

Sale 847 Ray & Shawn Christiaens 12 East Main Street Cut Bank, MT P: (406) 337-2151	Sale 848 Bradley & Debbie Nay Box 29, Site 10 RR2 Cardston, Alberta TOK OK0 CANADA P: (403) 653-2192	Sale 802 No lessee
Sale 850 Helen Brown, et al. P.O. Box 3726 Sunriver, OR 97707 P. (541) 593-7728	Sale 864 Thomas & Debbie Beaudette 1627 Pokey Ln. Missoula, MT 59804 P. (406) 273-6407	Sale 865 Ron & Merna Terry 7 Meridan Court Kalispell, MT 59901 P. (406) 253-6627
Sale 866 Jeffrey L. & Kathleen B. Cunniff Living Trust c/o Jeffrey & Kathleen Cunniff 3628 8 th Avenue South Great Falls, MT 59405 P. (406) 727-6267	Sale 852 Harold Rapley 7 Foxborro Ln. Helena, MT 59602 P. (406) 458-9439	Sale 853 Clifford Arthur Schmutzler Trust Agreement c/o Clifford Schmutzler PO Box 576 Lincoln, MT 59639 P. (406) 761-3473
Sale 855 Bret & Sandra Bandt 8627 Sparr Road Gaylord, MI 49735 P. (989) 705-7011	Sale 856 Roger & Julee Kranz 128 Sharon Drive Great Falls, MT 59405 P. (406) 781-0267	Sale 857 Barbara & Charles Davies 2901 Phillips Street Butte, MT 59701 P. (406) 723-3727
Sale 858 Larry Sheppard PO Box 1909 Havre, MT 59501 P. (406) 265-9418	Sale 859 Wayne & Rachael Sherrill PO Box 492 Lincoln, MT 59639	Sale 860 Russell Fuller & Taz Harvey 8220 Northern Lights Dr. Helena, MT 59602 P. (406) 362-4887
Sale 861 Linda Hamilton 3570 Highway 200 Lincoln, MT 59639 P. (406) 362-4687	Sale 862 Ray, Kylie, & Kevin Pancich #23 Pine Ridge Circle Clancy, MT 59634 P. (406) 933-8259	Sale 863 Jim & Lisa Reynolds 5251 Walton Drive Klamath Falls, OR 97603 P. (541) 331-3330
Sale 898 Gene & Shirley Smith 9090 Palomar Avenue Atascadero, CA 93422 P. (805) 462-9090	Sale 899 Morris & Nanette Wheatley 1090 Sunvalley Road Helena, MT 59602 P. (406) 458-6449	

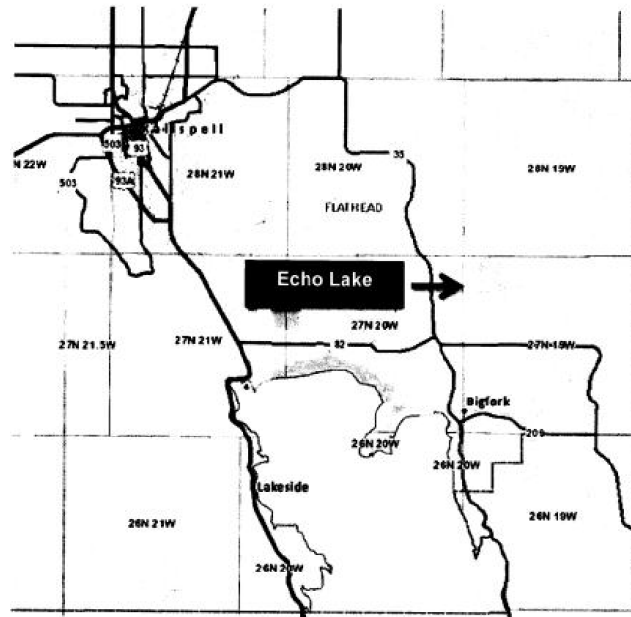
The following will be located in the body of the contract:

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

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

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

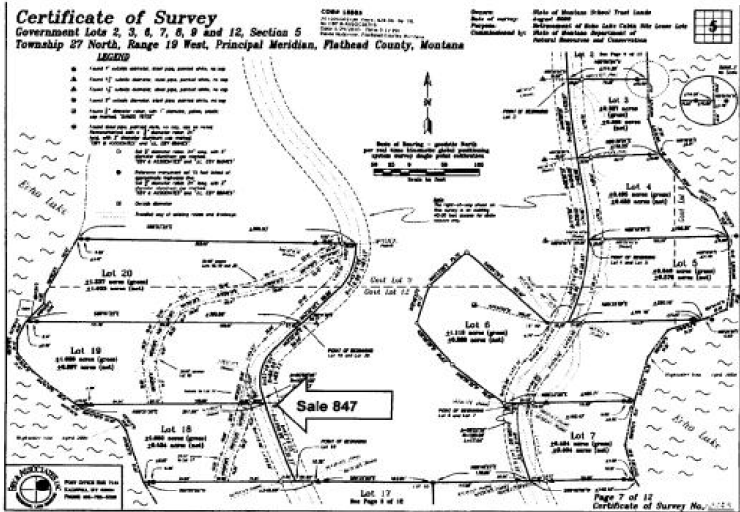
Echo Lake (Flathead County) Sale Location Map



Echo Lake Lots

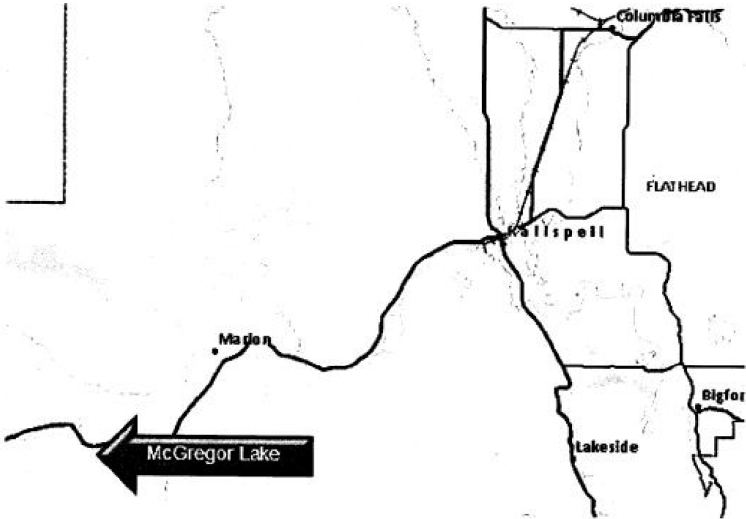


Echo Lake Sale Parcels Survey

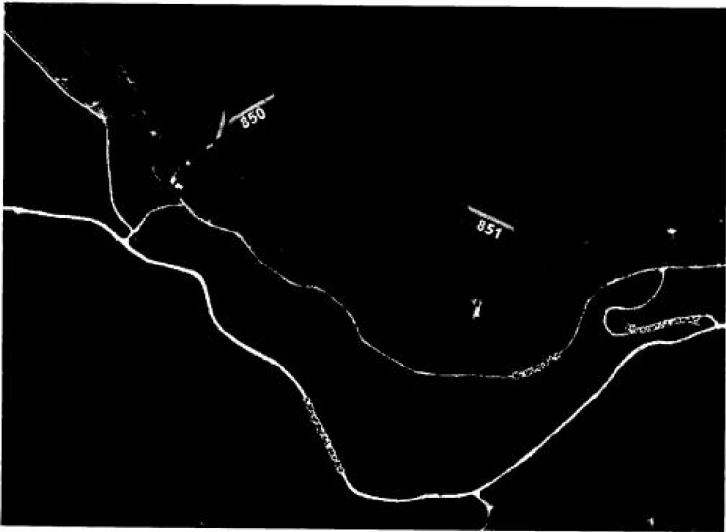


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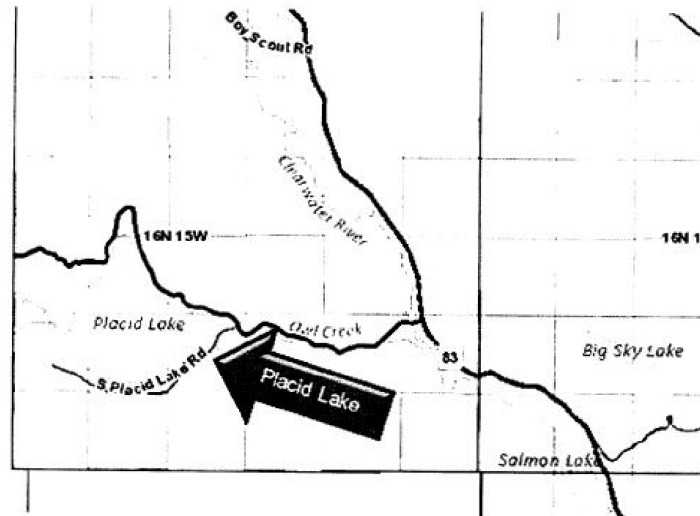
McGregor Lake (Flathead County) Sale Location Map



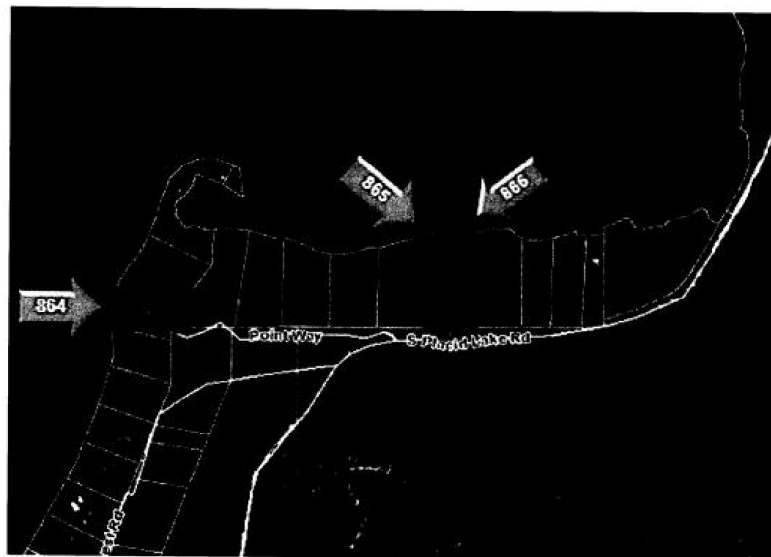
McGregor Lake Lots



Placid Lake (Missoula County) Sale Location Map



Placid Lake Lots



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