

APPRAISAL REPORT OF:

**LOTS 2, 15, & 20
COS # 5840, MORRELL FLATS
SEELEY LAKE, 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:

July 14, 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

August 8, 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 2, 15, and 20, COS #5840, of Section 14, Township 16 North, Range 15 West, Seeley Lake, Missoula County, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 14, 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 lots, 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 concluded 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

17-028ec

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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 2, 15, and 20 of COS #5840, Section 14, Township 16 North, Range 15 West, Seeley Lake, Missoula County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-063-0018.00
Flood Zone	Zones A or D, FEMA Map Panel 30063C0740E, Dated 7/6/2015
Zoning	Area Not Zoned

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	August 8, 2017
Inspection Date(s)	July 14, 2017
Effective Date of Value(s)	July 14, 2017
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuation Section of Report & Page 70 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 70 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 70 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 if vacant are based upon 1 to 3 month or 6 to 12 month marketing and exposure times. The appraised values for the subject properties as improved are based upon a 6 to 12 month marketing and 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
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CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions, and conclusions.
- Elliott M. Clark, MAI and Christopher D. Clark have no present or prospective interest in the 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: August 8, 2017
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: August 8, 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 2, 15, and 20 of COS #5840, Morrell Flats, Seeley Lake, Missoula County, Montana.

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on July 14, 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, Missoula County Records, and the area Multiple Listing Service.

Area trends in development were researched based upon information from various offices of Missoula 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.

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. 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.

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:

- Missoula 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
2	918	5840	S14/T16N/R15W	Missoula
15	885	5840	S14/T16N/R15W	Missoula
20	884	5840	S14/T16N/R15W	Missoula

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject properties by the client. This report was prepared for the, the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The client is an intended user of this report. The Lessee for each lot are additional intended users of this report. They are listed below;

Lot #	Sale #	Lessees
2	918	N/A
15	885	Mary Adams Riggs
20	884	Lou Ann Nelson & Michael Marosits

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

PURPOSE OF THE APPRAISAL

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

DATE OF PROPERTY VIEWINGS

July 14, 2017

EFFECTIVE DATE OF MARKET VALUES

July 14, 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 the subject lots are owned by the lessees. The lessees are listed below;

Lot #	Sale #	Lessees	Last Transfer Document for Improvements
2	918	N/A	N/A
15	885	Mary Adams Riggs	Reportedly Purchased in 1994
20	884	Lou Ann Nelson & Michael Marosits	Bill of Sale 11/7/2008

We did not locate Bill of Sale or deed for Lot 15. We relied upon information from the lessee regarding improvement purchase dates.

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 Subject Lots 15 and 20 in 1953 and 1956 respectively. Any recent listing information for the improvements via the area MLS for each applicable property are below;

Lot #	Sale #	Lessees	Year House Built	Listing History via Area MLS
2	918	N/A	N/A	None
15	885	Mary Adams Riggs	1953	None
20	884	Lou Ann Nelson & Michael Marosits	1956	Listed for \$69,000 in 2015

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

PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

The subject properties are Lots 2, 15, and 20 of Certificate of Survey #5840 in Section 14, Township 16 North, Range 15 West, in Missoula County, Montana. The subject properties are described on the table below;

Lot #	Sale #	Lessees	Acres	Front Feet Morrell Creek
2	918	N/A	2.890	356.22
15	885	Mary Adams Riggs	1.443	N/A
20	884	Lou Ann Nelson & Michael Marosits	0.983	N/A

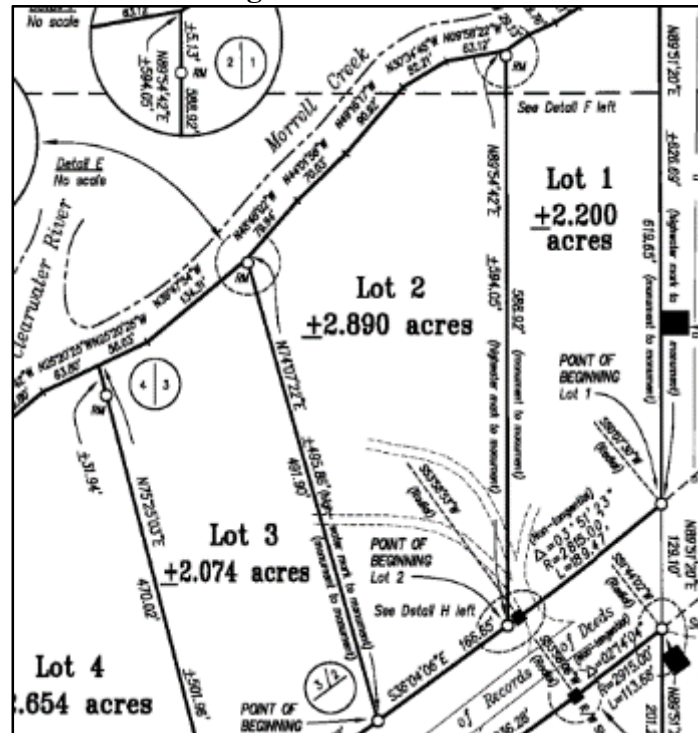
The subject properties are identified on the Montana Department of Revenue Cadastral Mapping System below;



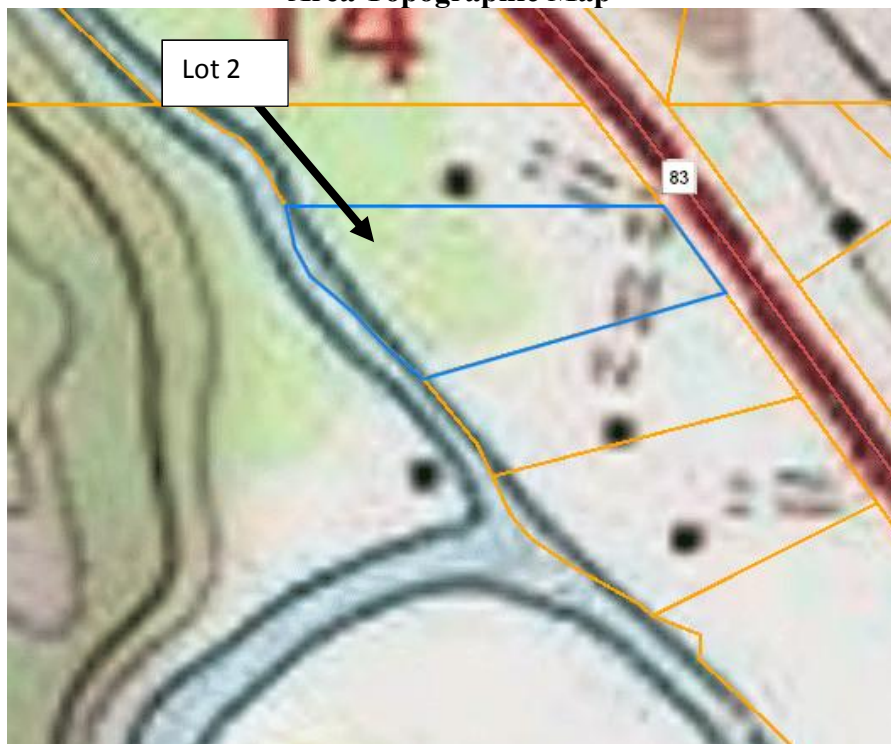
Individual images depicting each subject site recorded as part of COS #5840 and topographic maps are included on the following pages.

LOT 2

Enlarged View of COS 5840

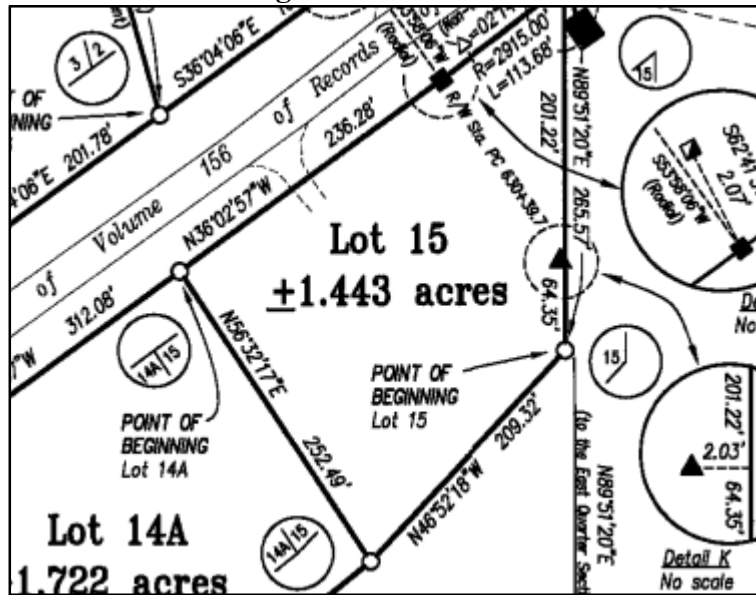


Area Topographic Map



LOT 15

Enlarged View of COS 5840

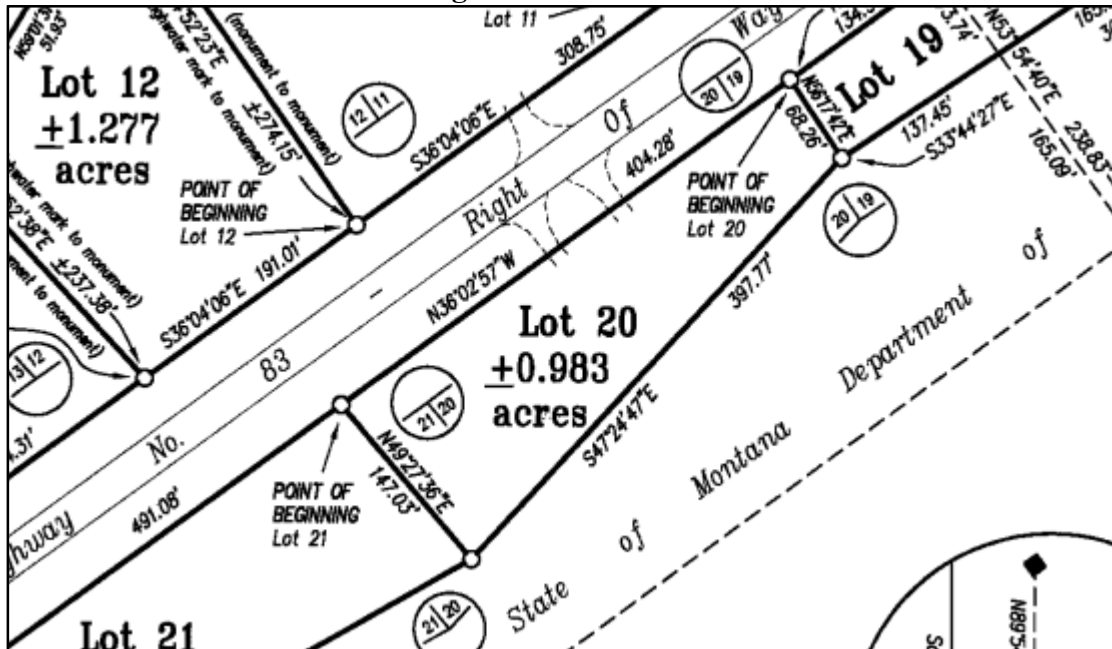


Area Topographic Map

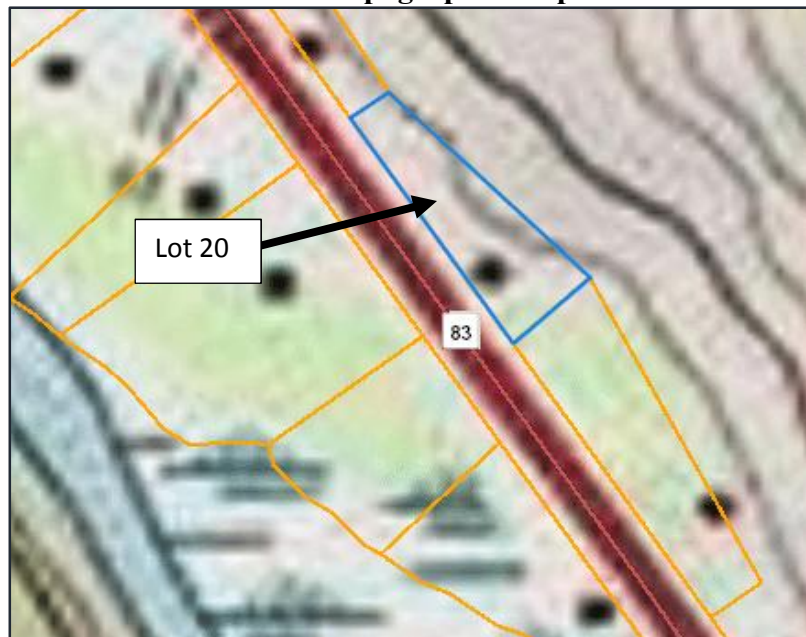


LOT 20

Enlarged View of COS 5840



Area Topographic Map



ACCESS AND VIEWS

According to COS #5840 and the Montana Department of Revenue Cadastral Mapping System, Subject Lot 2 has vehicular access from a gravel driveway off of Montana Highway 83. This driveway crosses a small portion of the Lot 1. Subject Lots 15 and 20 have access from individual gravel driveways from Montana Highway 83.

Subject Lot 2 includes 356.22 free of frontage along Morrell Creek. Subject Lots 15 and 20 do not include waterfrontage. All of the subject lots included wooded and mountain views.

IMPROVEMENTS

There improvements on the subject lots are described on the table below;

Lot #	15	20
Residence SF	968	1,195
Construction Type	Wood Frame	Wood Frame
Foundation	Concrete	Crawl Space
Quality	Average	Average
Condition	Average	Average
Year Built	1953	1956
# of Bedrooms	2	3
# of Bathrooms	1	1
Porches	200 SF Covered Porch	111 SF Screened Porch
Outbuildings/Amenities	480 SF Garage & 80 SF Storage Building	765 SF Garage/Storage Building, 72 SF Shed, & 231 SF Wood Shed
Other Site Improvements	Septic/Well	Septic & Gray Water/Well
Landscaping	Lawn	Lawn

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

No easements were noted on the COS for the subject properties. We did not observe encroachments on the subject properties.

The subject properties are regulated by Missoula County, various agencies of the State of Montana, and agencies of the United States regarding construction within a specific distance of the high water mark of Morrell Creek (as applicable). Subject Lot 2 is regulated by the Missoula County Shoreline Regulations.

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 an area that is not zoned.

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 applicable site are

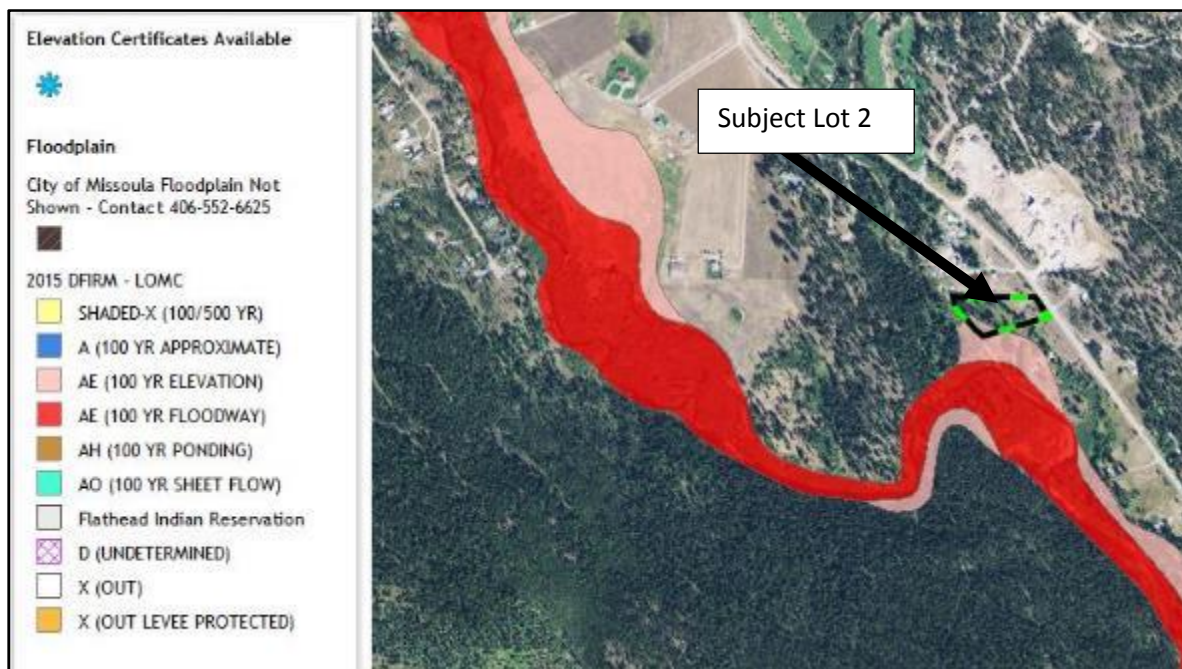
taxable. The 2016 tax bills and taxable market values for the subject improvements (as per the Montana Department of Revenue) are included on the table below;

Tax Bills for Improvements			
Lot #	Lessees	2016 Taxable Market Value	2016 Tax Bill Amount
2	N/A	N/A	N/A
15	Mary Adams Riggs	\$42,360	\$402.00
20	Lou Ann Nelson & Michael Marosits	\$46,660	\$630.00

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

Subject Lots 2 and 20 are predominantly level. Subject Lot 15 slopes up toward the west half. The subject lots include native vegetation and/or minimal landscaping.

A small portion of Subject Lot 2 is in an area of elevated flood risk. This area is noted in pink on the image below;



According to data from Missoula County and FEMA Map Panel 30063C0740E, dated July 6, 2015, Subject Lots 15 and 20 are not in area of significant flood hazard.

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 studies for the subject sites. We assume the soils can accommodate the type of construction, which is typically seen in the subject area.

We have not been provided with environmental 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.

UTILITIES

The subject lots have access to and/or are connected to electricity and phone lines. There are overhead electrical lines along Montana Highway 83. Subject Lots 15 and 20 were reportedly serviced by private wells and septic systems. There were no septic permits on file for either Subject Lot 15 or 20 with the Missoula County online system.

We located a septic permit on file for Lot 1 of COS #5840. Based upon elevation and topography and the permit for Lot 1, we assume for report purposes that Subject Lot 2 can accommodate a private well and septic system.

We assume for report purposes that Subject Lots 15 and 20 can accommodate replacement septic systems in the event that the unpermitted systems fail. We also assume that there are areas on each site for a private well.

PUBLIC SAFETY AND SERVICES

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

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 2 - SUBJECT PHOTOGRAPHS



Lot 2 Interior Looking West from MT Highway 83



View along East Property Boundary Looking South



Lot Interior Looking West



Southeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking North



Lot 2 Interior Looking Southwest

ADDITIONAL PHOTOGRAPHS



Morrell Creek Looking South



Morrell Creek Looking North



Lot 2 Interior Looking East



Lot 2 Interior Looking East



Morrell Creek Looking North



Morrell Creek Looking South

ADDITIONAL PHOTOGRAPHS



Morrell Creek Looking West



Lot 2 Interior Looking East

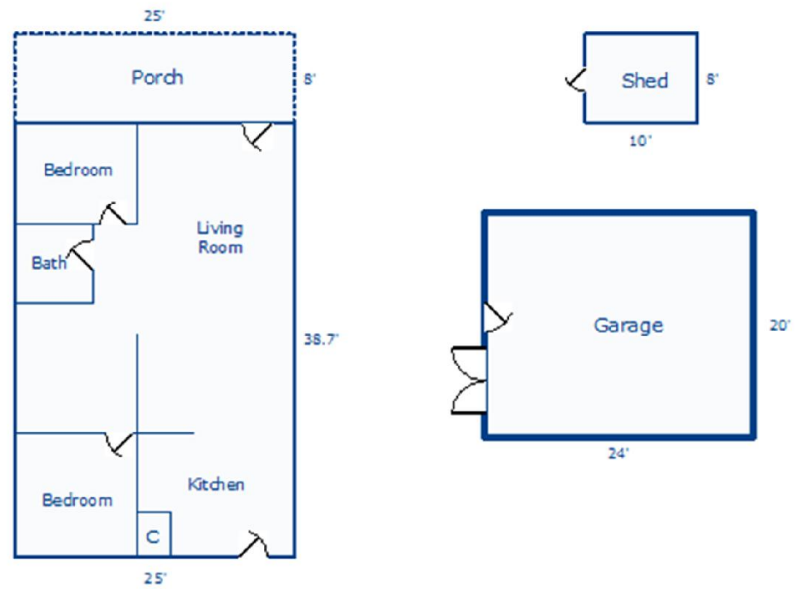


MT Highway 83 Looking North



MT Highway 83 Looking South

LOT 15 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	967.50	967.50
GAR	Garage	480.00	480.00
P/P	Covered Porch	200.00	200.00
OTW	Storage Building	80.00	80.00
Net LIVABLE Area		(rounded)	968

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor	25.0 x 38.7	967.50
1 Item	(rounded)	968

LOT 15 - SUBJECT PHOTOGRAPHS



Residence on Lot 15 Looking East



South Side of Residence



North Side of Residence



South and East Sides of Residence on Lot 15



Covered Porch



Living Room

ADDITIONAL PHOTOGRAPHS



Bedroom



Bathroom



Den



Bedroom



Kitchen



Storage Shed

ADDITIONAL PHOTOGRAPHS



Storage Shed Interior



Garage



Garage Interior



Garage

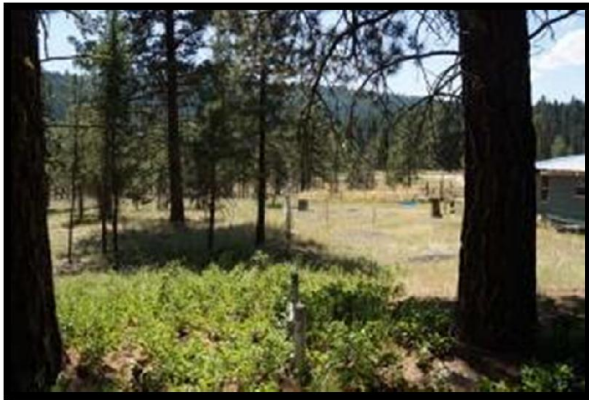


Southeast Property Boundary Marker



View North along East Property Boundary

ADDITIONAL PHOTOGRAPHS



View West along South Property Boundary



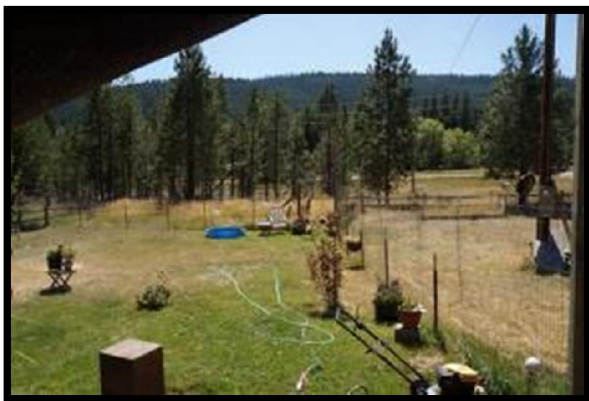
Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South



Gravel Pit to North of Subject Property



Lot 15 Interior Looking West from Porch



Lot 15 Interior Looking West

ADDITIONAL PHOTOGRAPHS

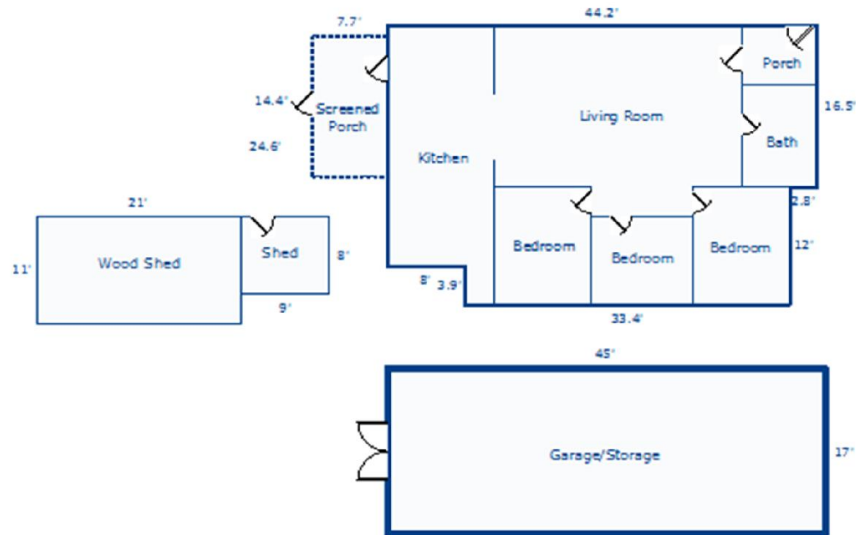


MT Highway 83 Looking South



MT Highway 83 Looking North

LOT 20 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1194.90	1194.90
GAR	Garage	765.00	765.00
P/P	Screened Porch	110.88	110.88
OTW	Shed	72.00	
	Wood Shed	231.00	303.00
Net LIVABLE Area		(rounded)	1195

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
44.2	x	16.5	729.30
8.1	x	41.4	335.34
3.9	x	33.4	130.26
3 Items		(rounded)	1195

LOT 20 - SUBJECT PHOTOGRAPHS



Residence on Lot 20 Looking South



Residence on Lot 20 Looking East



South and West Sides of Residence on Lot 20



North and East Sides of Residence on Lot 20



Living Room



Kitchen and Dining Area

ADDITIONAL PHOTOGRAPHS



Kitchen



Screened Porch



Bathroom



Bedroom



Bedroom



Bedroom

ADDITIONAL PHOTOGRAPHS



Wood Shed



Storage Building



Lot 20 Interior Looking South



Lot 20 Interior Looking West



MT Highway 83 Looking North



MT Highway 83 Looking South

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject sites range in size from 0.983 up to 2.890 acres in size. Subject Lot 2 includes 356.22 feet of frontage along Morrell Creek. Subject Lots 15 and 20 do not include water frontage. The subject properties include residential improvements. The subject properties are located in the community of Seeley Lake and in Missoula County, Montana.

Area Land Use Trends

Seeley Lake is a residential/resort community in Missoula County, Montana. The community consists of year round residents and second or vacation home owners who are in the area on a seasonal basis. Properties with frontage along area lakes, rivers, and streams are frequently purchased for vacation or seasonal use.

Potential Users of Subject Property

The potential users of the subject properties would be market participants seeking to own recreational/residential property with or without frontage along a body of water in the greater Seeley Lake area.

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales (vacant and improved) with and without frontage along smaller area creeks. The data located is presented and discussed in the following paragraphs.

Vacant Sites with Non-Navigable Water Frontage

Subject Lot 2 has frontage along Morrell Creek which is considered non-navigable water. Sales of vacant sites with frontage along smaller non-navigable waters in the subject market area with 3.00 acres or less that were marketed via the Montana Regional MLS since 2011 are on the table below;

Sold Date	Sold Price	Waterfront	Waterfront Name	Lot Acres
8/18/2016	\$95,000	Nonnavigable	Trail Creek	2.18
8/24/2016	\$90,000	Nonnavigable	Trail Creek	1.99
8/29/2016	\$98,500	Nonnavigable	Morrell Creek	2.47
9/9/2016	\$37,000	Nonnavigable	Mountain Creek	2.29
9/20/2016	\$83,500	Nonnavigable	Drew Creek	2.19
11/1/2016	\$116,500	Nonnavigable	Morrell Creek	2.89

There were no sales on smaller, non-navigable waters in the subject market area in 2011, 2012, 2013, 2014, or 2015 marketed via the Montana Regional MLS. The most recent sales to date are

included on the table. Based upon available market data, the value for a non-navigable site would fall between \$37,000 and \$116,500. The \$37,000 appears to be an outlier. Upon removal of that sale the range tightens to \$83,500 to \$116,500.

Vacant Sites with No Water Frontage

Subject Lots 15 and 20 do not include water frontage. We conducted a search of the area MLS for sales of vacant residential sites, with no water frontage, and up to 3.00 acres in size. Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the regional MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of this search is below;

Market Analysis of Vacant, Non-Waterfront Sites Up to 3.00 Acres in Size				
Seeley Lake, Montana				
Year	# of Sales	Median Sales Price	Days on Market	Percentage of Sales Price to List Price
2013	11	\$54,000	204	88%
2014	7	\$47,000	362	89%
2015	8	\$49,000	290	93%
2016	12	\$50,000	230	89%
2017 - YTD	12	\$42,000	440	82%
Actives	58	\$59,250	320	

This data indicates that the median sales prices for sites in these search parameters has fluctuated somewhat over the past few years.

Residential Improved Properties in Seeley Lake

There was sufficient market data regarding improved homes on sites with 3 acres or less in the community of Seeley Lake to prepare a credible analysis. 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 search are below;

Seeley Lake Residential Improved Properties - Market Activity					
Homes on Lots up to 3 Acres in Size					
Year	# of Sales	Median Sales Price	Low Sales Price	High Sales Price	DOM
2013	21	\$240,000	\$125,000	\$725,000	191
2014	24	\$244,000	\$95,000	\$850,000	295
2015	28	\$237,450	\$93,500	\$700,000	277
2016	42	\$221,000	\$46,000	\$850,000	253
2017 YTD	10	\$245,450	\$140,000	\$675,000	325
		Median List Price	Low List Price	High List Price	
ACTIVES	41	\$299,000	\$83,500	\$1,100,000	143

This data indicates that the median home price was relatively stable from 2013 through 2017 Year-to-Date. The highest prices are typically paid for lake or river front properties; however, there are typically very few sales of waterfront properties in Seeley Lake each year.

Competitive Supply

Vacant Sites with Non-Navigable Water Frontage

There 8 active listings of sites with 3.00 acres or less on area non-navigable waters. The median list price for these listings was \$69,200. These listings had been on the market for an average of 263 days.

Vacant Sites with No Water Frontage

There were 58 active listings of vacant home sites with 3 acres or less (non-waterfront) in Seeley Lake as of the report effective date.

Residential Improved Properties in Seeley Lake

There were 41 active listings of homes on sites with 3 acres or less in Seeley Lake as of the report effective date.

Interaction of Supply and Demand

Vacant Sites with Non-Navigable Water Frontage

Based upon the sales that have closed in 2016 and 2017 Year-to-Date, there is a greater than 1 year supply of sites with 3.00 acres or less on area non-navigable waters.

Vacant Sites with No Water Frontage

Based upon the average sales volume from 2013 through 2016; there is an over 2 year supply of vacant residential lots for sale with 3 acres or less in Seeley Lake. The supply far exceeds annual demand. Downward price pressure is likely for the active listings.

Residential Improved Properties in Seeley Lake

Based upon the average sales volume from 2013 through 2016, there is a greater than 6 year supply of homes for sale on lots with 3 acres or less in Seeley Lake.

Subject Marketability Conclusion

Vacant Sites with Non-Navigable Water Frontage

Subject Lot 2 is considered most similar to area lots with less than 3.00 acres in size and frontage along non-navigable waters such as area creeks. This subject lot is considered to have approximately equal marketability to recent sales of lots with frontage along Morrell Creek.

Vacant Sites with No Water Frontage

Subject Lots 15 and 20 are considered to have similar marketability compared to other interior residential sites in Seeley Lake.

Residential Improved Properties in Seeley Lake

The subject residences are considered to have similar marketability compared to homes in the Seeley Lake area with similar sizes and of similar quality and condition.

Estimated Marketing and Exposure Times

We selected 3 recent sales of sites on non-navigable water to use as comparables for Subject Lot 2. These sales indicated marketing times of 20, 52, and 87 days respectively. The average marketing time for the comparables selected was 53 days. Based upon this data, a **marketing time** between 1 to 3 months is appropriate for Subject Lot 2 as if vacant. If this subject property had sold as if vacant on the effective date of this report, at the appraised value concluded, a 1 to 3 month **exposure time** would have been reasonable.

We selected 3 recent sales of interior residential sites to use as comparables for Subject Lots 15 and 20. These sales indicated marketing times of 1,016, 13, and 13 days respectively. The average marketing time for interior home sites that closed in Seeley Lake in 2016 was 230 days. Based upon our analysis, greater than market list prices can result in atypical marketing times. Interior Land Sale 1 was originally listed for \$79,000 which likely affected the marketing time. Based upon available market data, **marketing times** between 6 to 12 months are appropriate for the Subject Lots 15 and 20 as if vacant. If these subject properties had sold as if vacant on the effective date of this report, at the appraised values concluded, 6 to 12 month **exposure times** would have been reasonable.

The 28 homes sales in Seeley Lake that closed in 2015 were marketed for an average of 277 days. The 42 home sales in Seeley Lake that closed in 2016 were marketed for 325 days. **Marketing times** between 6 to 12 months are appropriate for the subject properties as improved. If the subject properties as improved had sold on the effective date of this report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

AS IF VACANT

Legally Permissible

The subject lots are in an area of Missoula County with no zoning. There are a wide variety of legally permissible uses.

Physically Possible

There is sufficient space on the subject sites for a single family residence and related outbuildings.

Financially Feasible

Similar area parcels are either vacant or improved with single family residences. Use of the subject lots for construction of a single family residence 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 uses for the subject lots as if vacant, are for construction of a single family residence for recreational and/or residential use.

AS IMPROVED (SUBJECT LOTS 15 AND 20)

These subject properties are improved with single family residences and related outbuildings. There is market acceptance of many types of residences in the market area. Area residences range from smaller cottages used seasonally to newer homes utilized on a year round basis. Alteration of the subject residences for any use other than as a single family homes would require large capital expenditures. Continued uses as single family residences (recreational and/or residential) for the subject properties are the highest and best uses as improved.

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 properties, 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 as improved. Most market participants interested in purchasing 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 the subject lots are not utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the values of the subject properties as improved.

Comparable lot sales and home sales are presented in the following three sections of this report. After presentation of the comparables, the subject sites and improvements are valued for each property.

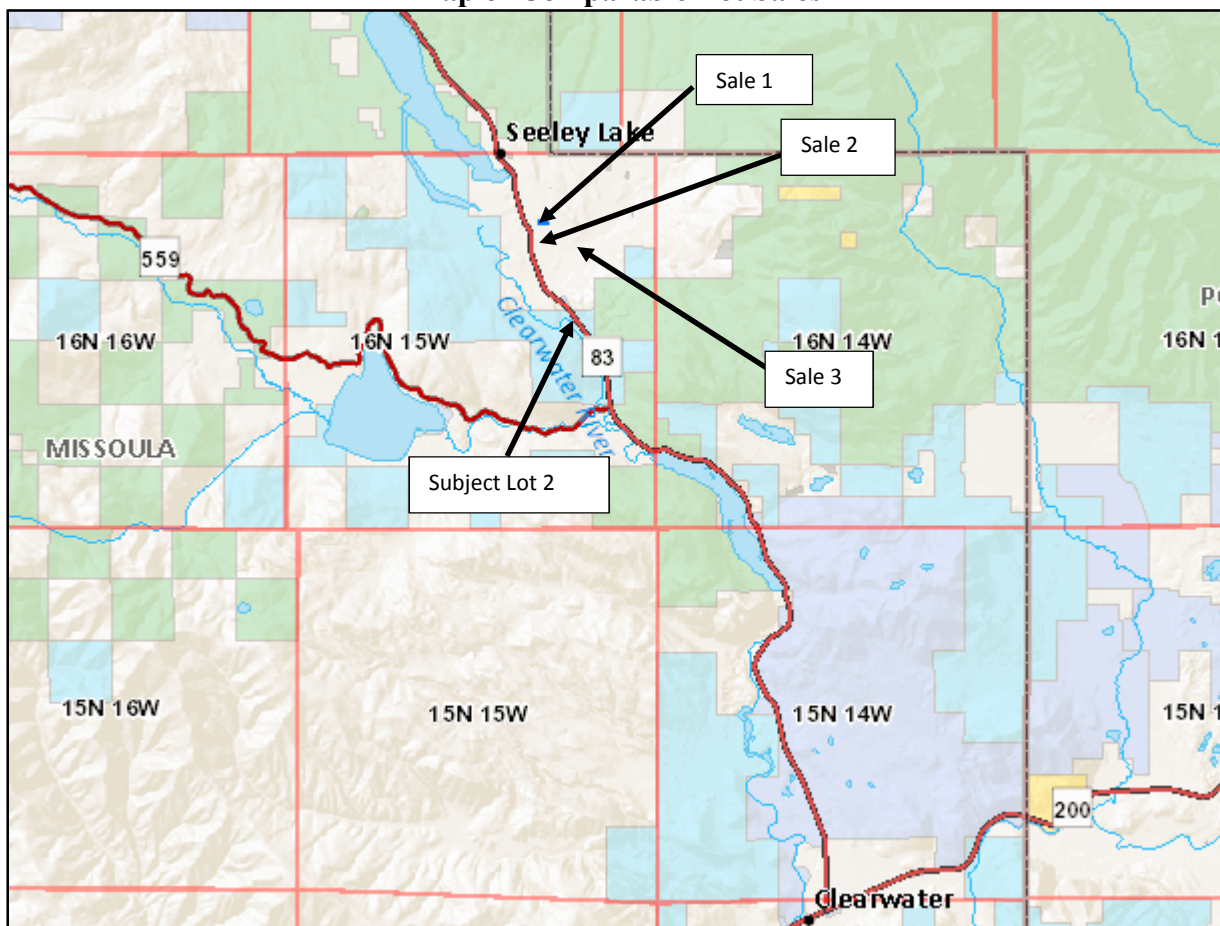
NON-NAVIGABLE WATER FRONTAGE LOT SALES

We conducted a search for sales of sites along marshes or non-navigable water. Such sales were considered the most appropriate comparables for Subject Lot 2. We located 3 sales that closed in 2016 and all are considered appropriate comparables for Subject Lot 2. Based upon our analysis, the appropriate unit of comparison is price per site. These comparables are described on the table below;

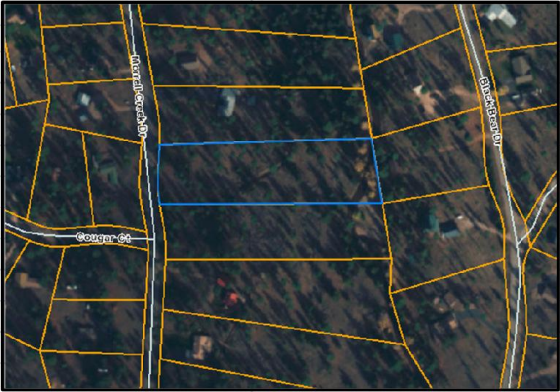
Sale #	Address	City	Creek Name	Site Size/Acres	Sale Date	Sales Price
1	224 Morrell Creek Dr	Seeley Lake	Morrell Creek	2.89	2016	\$116,500
2	123 Rainbow Ct	Seeley Lake	Morrell Creek	2.47	2016	\$93,500
3	230 Cut Throat Ct	Seeley Lake	Trail Creek	2.18	2016	\$95,000

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	224 Morrell Creek Drive	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0001475609	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	2.890	
	Square Feet	125,888	
	Date of Sale	November 1, 2016	
	Sales Price	\$116,500	
	Less Cost of Improvements*	\$0	
Sales Price Adjusted	\$116,500		
MLS #	21611206		
ANALYSIS OF SALE			
Price per Acre	\$40,311	Price per Square Foot	\$0.93
		Price Per Front Foot	\$641
TRANSFER INFORMATION			
Grantor	John McDonald & Penny McDonald	Grantee	John F. Fulton, Jr. & Sherry B. Fulton
Type of Instrument	Warranty Deed	Document #	201620173
		Marketing Time	20 Days on Market
Financing/Conditions	Cash/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 40 of Double Arrow Ranch No. 2	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S11/T16N/R15W		
PROPERTY DETAILS			
Access	Private Paved Road	View	Creek, Mountains
Topography	Level, slight slope to creek	Lot Dimensions	644.70' x 200' x 676.72' x 182.76'
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	181.76 Feet on Morrell Creek	Value of Improvements	\$0
Utilities	Electricity, Telephone, Access to Community Water System	Miscellaneous	Property includes frontage along Morrell Creek. Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential.
Report File # 17-027ec			

LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location	123 Rainbow Court	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0005901694	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	2.470	
	Square Feet	107,593	
	Date of Sale	September 1, 2016	
	Sales Price	\$98,500	
	Less Cost of Improvements*	\$5,000	
Sales Price Adjusted	\$93,500		
MLS #	21607735		
ANALYSIS OF SALE			
Price per Acre	\$37,854	Price per Square Foot	\$0.87
		Price Per Front Foot	\$468
TRANSFER INFORMATION			
Grantor	Janice K. Nemmers	Grantee	Eldron R. Pfile
Type of Instrument	Warranty Deed	Document #	201615793
Financing/Conditions	Conventional/Market	Marketing Time	52 Days on Market
		Verified By	Rainier Batt, Listing Agent
Legal Description	Lot 89 of the Amended Plat or Trail Creek Addition of Phase VI to the Double Arrow Ranch	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S11/T16N/R15W		
PROPERTY DETAILS			
Access	Private Paved Road	View	Creek, Mountains
Topography	Level, slight slope to creek	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	Well
Feet of Water Frontage	Approximately 200' along Morrell Creek	Value of Improvements	\$5,000
Utilities	Electricity, Telephone, Access to Community Water System	Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential.
			Report File # 17-027ec

LAND SALE 3

COMPARABLE SALE INFORMATION				
	Location		230 Cut Throat Court	
	City/State		Seeley Lake	
	County		Missoula	
	Assessor Number		0005901883	
	Zoning		Unzoned Portion of Missoula Co.	
	Site Size: Acres		2.180	
	Square Feet		94,961	
	Date of Sale		August 18, 2016	
	Sales Price		\$95,000	
	Less Cost of Improvements*		\$0	
Sales Price Adjusted		\$95,000		
MLS #		21605298		
ANALYSIS OF SALE				
Price per Acre		\$43,578	Price per Square Foot	\$1.00
			Price Per Front Foot	\$559
TRANSFER INFORMATION				
Grantor	John F. Sowka & Patricia Sowka	Grantee	Craig Litherland & Susan Litherland	
Type of Instrument	Warranty Deed	Document #	201614720	
Financing/Conditions	Cash/Market	Marketing Time	87 Days on Market	
		Verified By	Laurie Page, Listing Agent	
Legal Description	Lot 109 of the Amended Plat of Trail Creek Addition or Phase VI to the Double Arrow Ranch	Intended Use/Comments	Purchased for Residential Use	
Section/Township/Range	S12/T16N/R15W			
PROPERTY DETAILS				
Access	Private Gravel Road	View	Creek, Mountains	
Topography	Level, then sloping to creek	Lot Dimensions	Various	
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None	
Feet of Water Frontage	Approximately 170' along Trail Creek	Value of Improvements	\$0	
Utilities	Electricity, Telephone, Access to Community Water System	Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential. Lot borders 12.36 acres of common area.	
Report File # 17-027ec				

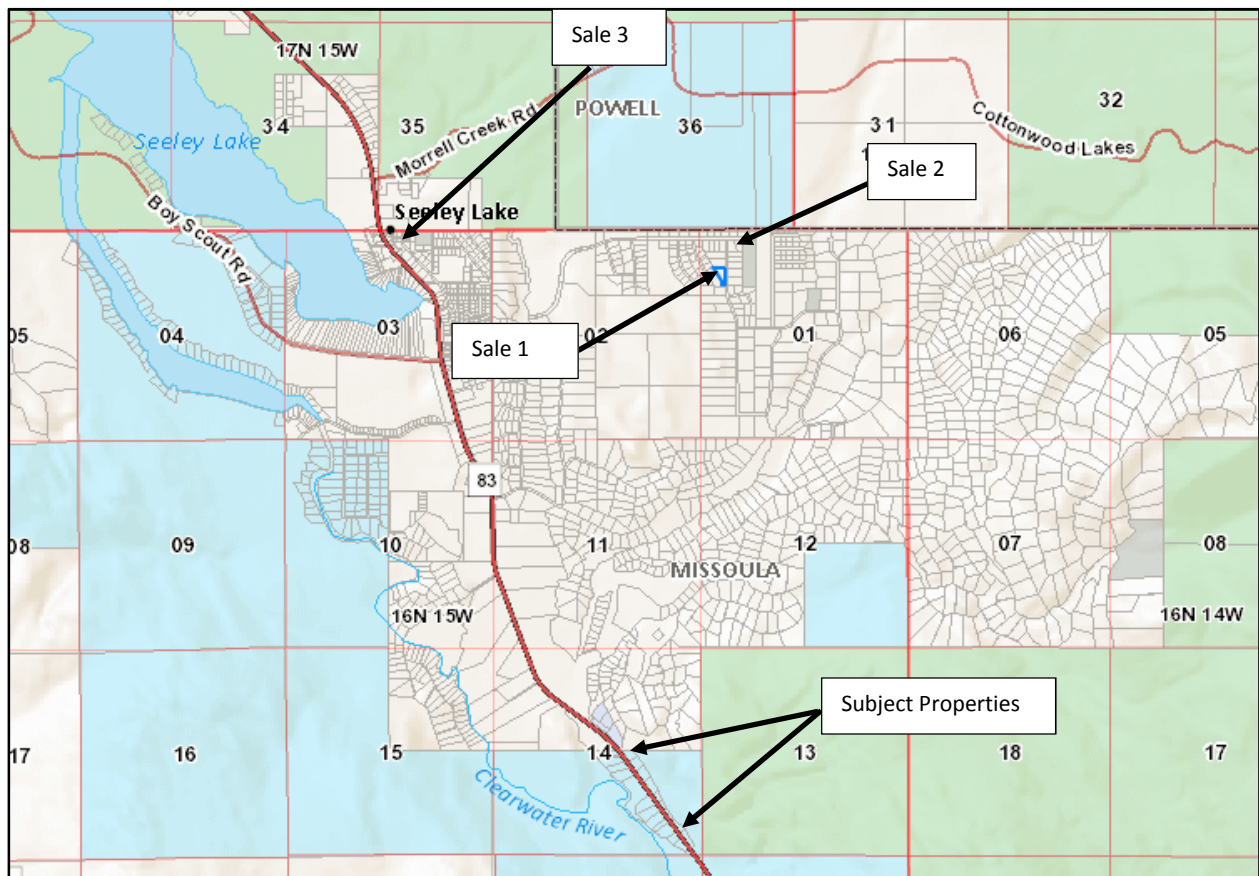
INTERIOR LOT SALES

Subject Lots 15 and 20 are interior lots. We conducted a search for sales of interior home sites in Seeley Lake similar to the subject lots in size. We located 3 lot sales that compare well with the subject lots. Based upon our analysis, the appropriate unit of comparison is price per site. These comparables are described on the table below;

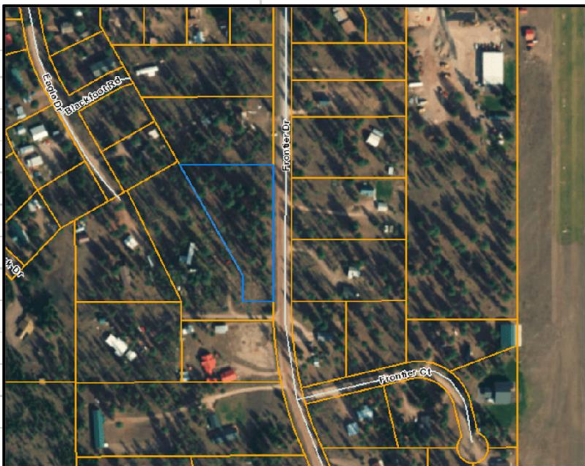
Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price
1	295 Frontier Dr	Seeley Lake	1.84	2017	\$55,000
2	2203 Airport Rd	Seeley Lake	1.25	2016	\$40,000
3	1030 Elm Dr	Seeley Lake	0.49	2016	\$32,000

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;

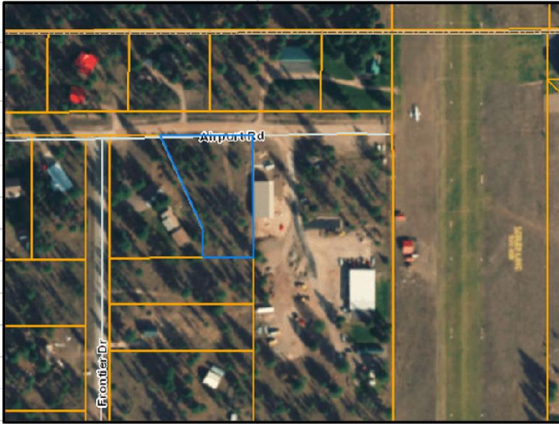
Map of Comparable Lot Sales




LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location	295 Frontier Drive	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0005822922	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	1.840	
	Square Feet	80,150	
	Date of Sale	January 25, 2017	
	Sales Price	\$55,000	
	Less Cost of Improvements*	\$0	
	Sales Price Adjusted	\$55,000	
	MLS #	20142108	
ANALYSIS OF SALE			
Price per Acre	\$29,891	Price per Square Foot	\$0.69
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Harvey T. Schultz	Grantee	Owen Conley & Dana Conley
Type of Instrument	Warranty Deed	Document #	201701419
Financing/Conditions	Conventional/Market	Marketing Time	1016 Days on Market
		Verified By	Kevin Wetherell, Listing Agent
Legal Description	Tract C-2 of Certificate of Survey #2617	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S1/T16N/R15W		
PROPERTY DETAILS			
Access	Gravel County Rd.	View	Trees, Mountains
Topography	Level	Lot Dimensions	302.64'x442.15'x97.33'x81.75'x414.43'
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property has no covenants or use restrictions.
Report File # 17-028ec			

LAND SALE 2

COMPARABLE SALE INFORMATION					
	Location		2203 Airport Rd.		
	City/State		Seeley Lake		
	County		Missoula		
	Assessor Number		0005843482		
	Zoning		Unzoned Portion of Missoula Co.		
	Site Size: Acres		1.250		
	Square Feet		54,450		
	Date of Sale		May 24, 2016		
	Sales Price		\$40,000		
	Less Cost of Improvements*		\$0		
Sales Price Adjusted		\$40,000			
MLS #		21604708			
ANALYSIS OF SALE					
Price per Acre		\$32,000	Price per Square Foot	\$0.73	
TRANSFER INFORMATION					
Grantor		APM Development, LLC	Grantee		Don J. Benton & Carrie A.H.
Type of Instrument		Warranty Deed	Document #		201608111
Financing/Conditions		Cash/Market	Marketing Time		13 Days on Market
Legal Description		Lot 2 of Winterowd Addition	Verified By		Bruce Wold, Listing Agent
			Intended Use/Comments		Purchased for Residential Use
Section/Township/Range		S1/T16N/R15W			
PROPERTY DETAILS					
Access		Gravel County Rd.	View		Trees, Mountains
Topography		Level	Lot Dimensions		239.93'x276.72'x130'x75'x264.32'
Flood Plain		According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements		None
Feet of Water Frontage		N/A	Value of Improvements		\$0
Utilities		Electricity, Telephone at Road	Miscellaneous		
Report File # 17-028ec					

LAND SALE 3

COMPARABLE SALE INFORMATION																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Location</td> <td>1030 Elm Drive</td> </tr> <tr> <td>City/State</td> <td>Seeley Lake, MT</td> </tr> <tr> <td>County</td> <td>Missoula</td> </tr> <tr> <td>Assessor Number</td> <td>1854005</td> </tr> <tr> <td>Zoning</td> <td>Unzoned</td> </tr> <tr> <td>Site Size: Acres</td> <td>0.491</td> </tr> <tr> <td>Square Feet</td> <td>21,420</td> </tr> <tr> <td>Date of Sale</td> <td>April 21, 2016</td> </tr> <tr> <td>Sales Price</td> <td>\$32,000</td> </tr> <tr> <td>Less Cost of Improvements*</td> <td>\$0</td> </tr> <tr> <td>Sales Price Adjusted</td> <td>\$32,000</td> </tr> <tr> <td>MLS #</td> <td>21602848</td> </tr> </table>			Location	1030 Elm Drive	City/State	Seeley Lake, MT	County	Missoula	Assessor Number	1854005	Zoning	Unzoned	Site Size: Acres	0.491	Square Feet	21,420	Date of Sale	April 21, 2016	Sales Price	\$32,000	Less Cost of Improvements*	\$0	Sales Price Adjusted	\$32,000	MLS #	21602848
	Location	1030 Elm Drive																									
	City/State	Seeley Lake, MT																									
	County	Missoula																									
	Assessor Number	1854005																									
	Zoning	Unzoned																									
	Site Size: Acres	0.491																									
	Square Feet	21,420																									
	Date of Sale	April 21, 2016																									
	Sales Price	\$32,000																									
	Less Cost of Improvements*	\$0																									
	Sales Price Adjusted	\$32,000																									
MLS #	21602848																										
ANALYSIS OF SALE																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Price per Acre</td> <td>\$65,173</td> </tr> </table>		Price per Acre	\$65,173	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Price per Square Foot</td> <td>\$1.49</td> </tr> <tr> <td>Price Per Front Foot</td> <td>N/A</td> </tr> </table>		Price per Square Foot	\$1.49	Price Per Front Foot	N/A																		
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Report File # 16-029ec																											

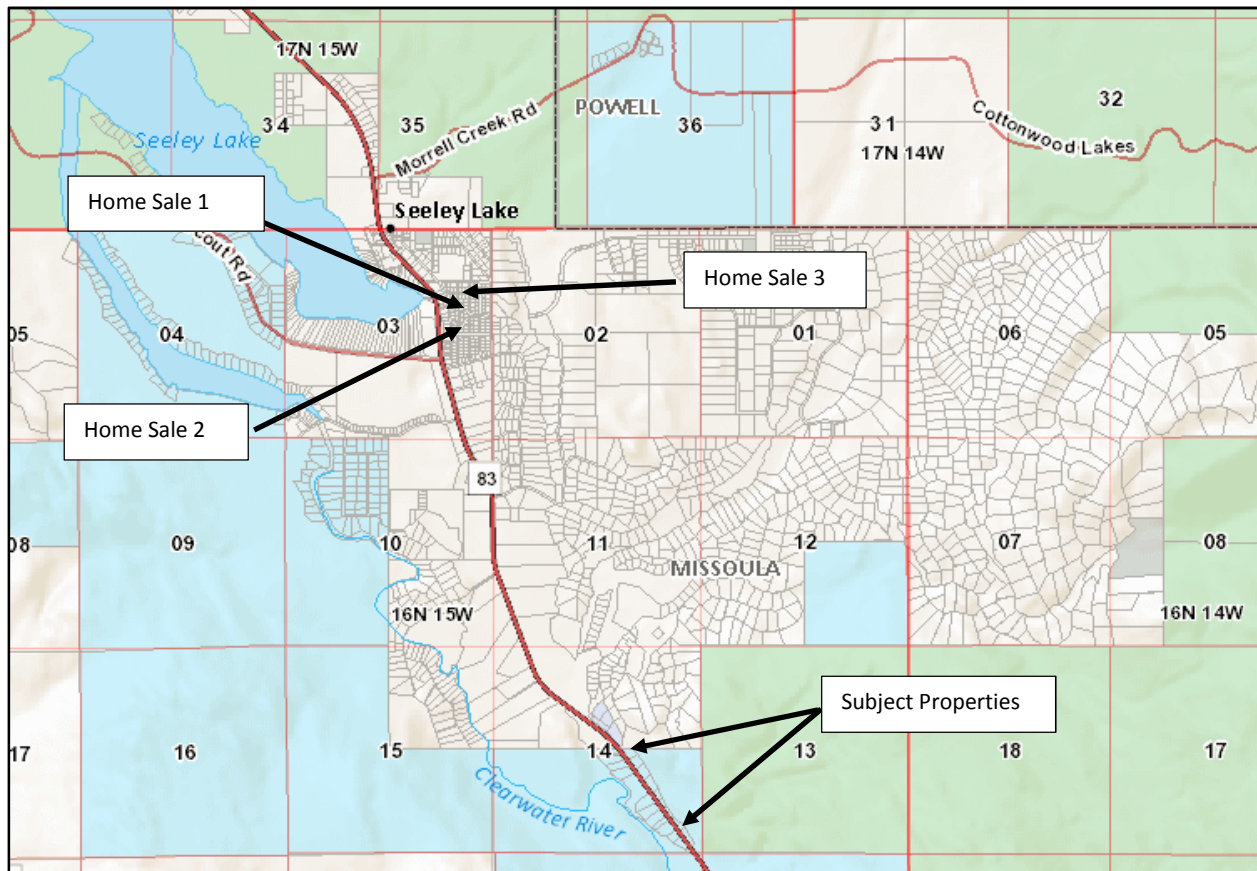
HOME SALES

Lots 15 and 20 include residences and outbuildings. We conducted a search for sales of homes on interior sites similar these subject properties 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;

Comparable Home Sales						
Sale #	Address	City	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	700 Spruce Dr	Seeley Lake	2017	\$148,000	\$35,000	\$113,000
2	656 Juniper Ln	Seeley Lake	2017	\$140,000	\$25,000	\$115,000
3	193 Larch Ln	Seeley Lake	2017	\$144,000	\$25,000	\$119,000

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	700 Spruce Drive
City/State	Seeley Lake
County	Missoula
Assessor Number	03366603
Zoning	Unzoned Portion of Missoula Co.
Site Size: Acres	0.425
Square Feet	18,513
Date of Sale	May 12, 2017
Sales Price	\$148,000
Adjustment to Sales Price	\$0
Adjusted Sales Price	\$148,000
MLS #	21603859

TRANSFER INFORMATION

Grantor	George R. Blendermann & Pamela C. Blendermann	Grantee	Brenda M. Flanagan	
Recording Data	Warranty Deed #201708012	Marketing Time	382	Days on Market
Financing/Conditions	Cash/Market	Verified By	Kim Koppen, Listing Agent	
Legal Description	Lots 10 & 11 of Block 6, Seeley Lake Homesites #2	Intended Use	Residential	
Section/Township/Range	S03/T16N/R15W			

DESCRIPTION OF IMPROVEMENTS



ANALYSIS OF SALE

Water Frontage	N/A	Sales Price	\$148,000
Access	Locust Ln, Paved/Spruce Dr, Gravel	Estimated Site Value	\$35,000
House Square Feet	1,260	Sales Price of Improvements	\$113,000
Bedroom/Bathrooms	3BR/1.5BA	Improvement Price/SF	\$90
Year Built or Renovated	1980		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Average		
Condition	Average		
Water/Sewer	City Water/Septic		
Utilities	Electricity/Telephone/Gas		
Topography	Level		
Garage	None		
Outbuildings	Sheds		
Miscellaneous	Property consists of 2 city lots.		

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HOME SALE 2

COMPARABLE SALE INFORMATION			
		Location 656 Juniper Lane	
		City/State Seeley Lake	
		County Missoula	
		Assessor Number 2291956	
		Zoning Unzoned Portion of Missoula Co.	
		Site Size: Acres 0.190	
		Square Feet 8,276	
		Date of Sale May 1, 2017	
		Sales Price \$140,000	
		Adjustment to Sales Price \$0	
		Adjusted Sales Price \$140,000	
		MLS # 21611173	
TRANSFER INFORMATION			
Grantor	William F. Grone	Grantee	John R. Sisko
Recording Data	Warranty Deed #201707262	Marketing Time	570 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 11 of Block 8, Seeley Lake Homesites #2	Intended Use	Residential
Section/Township/Range	S02/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$140,000
Access	Juniper Drive, Gravel	Estimated Site Value	\$25,000
House Square Feet	1,398	Sales Price of Improvements	\$115,000
Bedroom/Bathrooms	2BR/1BA	Improvement Price/SF	\$82
Year Built or Renovated	1968		
Basement	Crawl Space		
Construction	Log		
Quality	Average		
Condition	Average		
Water/Sewer	City Water/Septic		
Utilities	Electricity/Telephone/Propane		
Topography	Level		
Garage	2 Car Detached		
Outbuildings	Storage Shed		
Miscellaneous			

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HOME SALE 3

COMPARABLE SALE INFORMATION



Location	193 Larch Lane
City/State	Seeley Lake
County	Missoula
Assessor Number	2132200
Zoning	Unzoned Portion of Missoula Co.
Site Size: Acres	0.220
Square Feet	9,583
Date of Sale	February 7, 2017
Sales Price	\$144,000
Adjustment to Sales Price	\$0
Adjusted Sales Price	\$144,000
MLS #	21612047

TRANSFER INFORMATION

Grantor	Lucretia Ann Beaudry	Grantee	Kevin J. Peterson
Recording Data	Warranty Deed #201702353	Marketing Time	649 Days on Market
Financing/Conditions	Rural Development/Market	Verified By	Bruce Wold, Listing Agent
Legal Description	Lot 3 of Block 4, Seeley Lake Homesites #1	Intended Use	Residential
Section/Township/Range	S03/T16N/R15W		

DESCRIPTION OF IMPROVEMENTS

ANALYSIS OF SALE

Water Frontage	N/A	Sales Price	\$144,000
Access	Larch Ln, Gravel, Juniper Dr, Paved	Estimated Site Value	\$25,000
House Square Feet	1,456	Sales Price of Improvements	\$119,000
Bedroom/Bathrooms	4BR/2BA	Improvement Price/SF	\$82
Year Built or Renovated	1980		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Average		
Condition	Average		
Water/Sewer	City Water/Septic		
Utilities	Electricity/Telephone/Propane		
Topography	Level		
Garage	1 Car Attached, 2 Car Detached		
Outbuildings	Storage Shed		
Miscellaneous			



Report File # 17-028ec

PROPERTY VALUATIONS

LOT 2

Site Value Estimate

The 3 comparable site sales with non-navigable water frontage were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE				
LOT 2, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		224 Morrell Creek Dr	123 Rainbow Ct	230 Cut Throat Ct
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$116,500	\$98,500	\$95,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$5,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		11/01/16	09/01/16	08/18/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$116,500	\$93,500	\$95,000
SITE SIZE/ACRES	2.890	2.890	2.470	2.180
ADJUSTED SALES PRICE		\$116,500	\$93,500	\$95,000
ADJUSTMENT FOR:				
LOCATION/LAKE NAME	Morrell Creek	Morrell Creek	Morrell Creek	Trail Creek
		0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%
TOPOGRAPHY	Level	Level, Some Slope	Level, Some Slope	Level, Some Slope
		0%	0%	0%
FRONTAGE/ACCESS	Highway	Private Road	Private Road	Private Road
		0%	0%	0%
ZONING	None	None	None	None
		0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No
		0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available
		0%	0%	0%
SITE SIZE/ACRES	2.890	2.890	2.470	2.180
		0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0
ADJUSTED PRICE PER SF		\$116,500	\$93,500	\$95,000

Discussion of Adjustments

Adjustments for Improvements: A downward adjustment of \$5,000 was necessary for Land Sale 2 as it included a well at the time of sale. There were no improvements noted on the other two comparables. No adjustments were necessary in this category for Land Sales 1 or 3.

Property Rights: The ownership interest in this report for the subject site and for the land sales are the fee simple interests. 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 2016. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For these reasons, no adjustment was made.

Location/Lake Name: The subject site has frontage along Morrell Creek and the comparables have frontage along Morrell Creek or Trail Creek. No adjustments were necessary in this category.

Shape: The subject site and comparables have shapes that are suitable for development and no adjustment was necessary in this category.

Topography: The subject lot and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category.

Frontage/Access: The subject site and comparables have frontage along and access from shared roads and no adjustment was necessary in this category.

Zoning: The subject sites and comparables are in the same zoning district of Missoula County. No adjustments were necessary in this category.

Easements Affecting Value: The subject and comparables do not include easements that affect value. For this reason, no adjustment was made to the comparables.

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 site is similar in size to the comparables and no adjustments were made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide indications of value for the subject site of \$116,500, \$93,500, and \$95,000 per front foot. All weight is accorded Comparable Sales 1 and 2 as they include frontage along Morrell Creek as does the subject. Approximately equal weight is accorded these two comparables. The average of the indications is \$105,000. A value of \$105,000 is well supported by this analysis. Consequently;

Site Value

\$105,000

LOT 15

Site Value Estimate

The interior home site sales presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE				
LOT 15, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		295 Frontier Dr	2203 Airport Rd	1030 Elm Dr
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$55,000	\$40,000	\$32,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		01/25/17	05/24/16	04/21/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$55,000	\$40,000	\$32,000
SITE SIZE/ACRES	1.443	1.840	1.250	0.491
ADJUSTED SALES PRICE		\$55,000	\$40,000	\$32,000
ADJUSTMENT FOR:				
LOCATION	Interior	Interior	Interior	Interior
		0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Rectangular
		0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level
		0%	0%	0%
FRONTAGE/ACCESS	Highway	County Road	County Road	Country Road
		0%	0%	0%
ZONING	None	None	None	None
		0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No
		0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available
		0%	0%	0%
SITE SIZE/ACRES	1.443	1.840	1.250	0.491
		0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0
ADJUSTED PRICE PER SF		\$55,000	\$40,000	\$32,000

Discussion of Adjustments

Adjustments for Improvements: There were no improvements noted on the comparables. No adjustments were necessary in this category.

Property Rights: The ownership interest in this report for the subject site and for the land sales are the fee simple interests. 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 2016 or 2017. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For these reasons, no adjustment was made.

Location: The subject site as if vacant and comparables are interior home sites in Seeley Lake. No adjustments were necessary in this category.

Shape: The subject site and comparables have shapes that are suitable for development and no adjustment was necessary in this category.

Topography: The subject lot and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category.

Frontage/Access: The subject site and comparables have frontage along and access public roads. No adjustment was necessary in this category.

Zoning: The subject sites and comparables are in the same zoning district of Missoula County. No adjustments were necessary in this category.

Easements Affecting Value: The subject and comparables do not include easements that affect value. For this reason, no adjustment was made to the comparables.

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 site is size is bracketed by the sizes of the comparable sales. No adjustments were made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide indications of value for the subject site of \$55,000, \$40,000, and \$32,000 per front foot. All three comparables are considered reasonable substitutes for the subject site as if vacant. Approximately equal weight is accorded the indications from all three sales. The average of the indications is \$42,333. A value of \$42,000 is well supported by this analysis. Consequently;

Site Value

\$42,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 15, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		700 Spruce Dr	656 Juniper Ln	193 Larch Ln
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$148,000	\$140,000	\$144,000
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		05/12/17	05/01/17	02/07/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$148,000	\$140,000	\$144,000
LESS SITE VALUE		(\$35,000)	(\$25,000)	(\$25,000)
ADJUSTED IMPROVEMENT PRICE		\$113,000	\$115,000	\$119,000
ADJUSTMENT FOR:				
LOCATION/SITE	Interior	Interior	Interior	Interior
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Average	Average	Average
		\$0	\$0	\$0
BATHROOMS	1	1.5	1	2
		-\$2,500	\$0	-\$5,000
HOUSE SIZE/SF	968	1,260	1,398	1,456
		-\$11,680	-\$17,200	-\$19,520
OUTBUILDINGS/AMENITIES	Garage & Storage	Superior	Superior	Inferior
		\$8,500	\$500	-\$1,500
TOTAL ADJUSTMENT		-\$5,680	-\$16,700	-\$26,020
NET ADJUSTMENT PERCENTAGE		-5%	-15%	-22%
ADJUSTED PRICE INDICATION		\$107,320	\$98,300	\$92,980

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 Improved Comparables Sales closed in 2017 and no adjustment is necessary in this category.

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

Quality: The subject and Improved Sales were rated as average in this category. No adjustments were necessary for differences in quality of construction.

Condition: The subject and Improved Sales were rated as average in this category. No adjustments were necessary.

Bathrooms: The subject residence includes 1 bathroom. Adjustments of \$5,000 per full bath and \$2,500 per half bath were made to the comparables as necessary. There was not sufficient market data on which to base paired sales analysis to isolate the contributory value of bathrooms; however, the adjustments made are considered reasonable and indicative of the actions of market participants relative to bathrooms.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$40 per square foot is considered reasonable and appropriate. This adjustment amount reflects ½ of the average sales price per square foot of the improved sales.

Outbuildings/Amenities: 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

The comparables provided adjusted indications of market value for the subject improvements of \$107,320, \$98,300, and \$92,980. All three comparables are considered reasonable substitutes for the subject improvements. Approximately equal weight is accorded the indications from all three sales. A value of \$100,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

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

Subject Site Value	\$ 42,000
Subject Improvements Value	<u>\$100,000</u>
Total Value Indication	\$142,000

LOT 20

Site Value Estimate

The interior home site sales presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE				
LOT 20, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		295 Frontier Dr	2203 Airport Rd	1030 Elm Dr
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$55,000	\$40,000	\$32,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		01/25/17	05/24/16	04/21/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$55,000	\$40,000	\$32,000
SITE SIZE/ACRES	0.983	1.840	1.250	0.491
ADJUSTED SALES PRICE		\$55,000	\$40,000	\$32,000
ADJUSTMENT FOR:				
LOCATION	Interior	Interior	Interior	Interior
		0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Rectangular
		0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level
		0%	0%	0%
FRONTAGE/ACCESS	Highway	County Road	County Road	Country Road
		0%	0%	0%
ZONING	None	None	None	None
		0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No
		0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available
		0%	0%	0%
SITE SIZE/ACRES	0.983	1.840	1.250	0.491
		0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0
ADJUSTED PRICE PER SF		\$55,000	\$40,000	\$32,000

Discussion of Adjustments

Adjustments for Improvements: There were no improvements noted on the comparables. No adjustments were necessary in this category.

Property Rights: The ownership interest in this report for the subject site and for the land sales are the fee simple interests. 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 2016 or 2017. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For these reasons, no adjustment was made.

Location: The subject site as if vacant and comparables are interior home sites in Seeley Lake. No adjustments were necessary in this category.

Shape: The subject site and comparables have shapes that are suitable for development and no adjustment was necessary in this category.

Topography: The subject lot and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category.

Frontage/Access: The subject site and comparables have frontage along and access public roads. No adjustment was necessary in this category.

Zoning: The subject sites and comparables are in the same zoning district of Missoula County. No adjustments were necessary in this category.

Easements Affecting Value: The subject and comparables do not include easements that affect value. For this reason, no adjustment was made to the comparables.

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 site is size is bracketed by the sizes of the comparable sales. No adjustments were made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide indications of value for the subject site of \$55,000, \$40,000, and \$32,000 per front foot. All three comparables are considered reasonable substitutes for the subject site as if vacant. Approximately equal weight is accorded the indications from all three sales. The average of the indications is \$42,333. A value of \$42,000 is well supported by this analysis. Consequently;

Site Value

\$42,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 20, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		700 Spruce Dr	656 Juniper Ln	193 Larch Ln
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$148,000	\$140,000	\$144,000
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		05/12/17	05/01/17	02/07/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$148,000	\$140,000	\$144,000
LESS SITE VALUE		(\$35,000)	(\$25,000)	(\$25,000)
ADJUSTED IMPROVEMENT PRICE		\$113,000	\$115,000	\$119,000
ADJUSTMENT FOR:				
LOCATION/SITE	Interior	Interior	Interior	Interior
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Average	Average	Average
		\$0	\$0	\$0
BATHROOMS	1	1.5	1	2
		-\$2,500	\$0	-\$5,000
HOUSE SIZE/SF	1,195	1,260	1,398	1,456
		-\$2,600	-\$8,120	-\$10,440
OUTBUILDINGS/AMENITIES	Garage/Storage Building & 2 Sheds	Superior	Superior	Inferior
		\$9,500	\$1,500	-\$500
TOTAL ADJUSTMENT		\$4,400	-\$6,620	-\$15,940
NET ADJUSTMENT PERCENTAGE		4%	-6%	-13%
ADJUSTED PRICE INDICATION		\$117,400	\$108,380	\$103,060

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 Improved Comparables Sales closed in 2017 and no adjustment is necessary in this category.

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

Quality: The subject and Improved Sales were rated as average in this category. No adjustments were necessary for differences in quality of construction.

Condition: The subject and Improved Sales were rated as average in this category. No adjustments were necessary.

Bathrooms: The subject residence includes 1 bathroom. Adjustments of \$5,000 per full bath and \$2,500 per half bath were made to the comparables as necessary. There was not sufficient market data on which to base paired sales analysis to isolate the contributory value of bathrooms; however, the adjustments made are considered reasonable and indicative of the actions of market participants relative to bathrooms.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$40 per square foot is considered reasonable and appropriate. This adjustment amount reflects ½ of the average sales price per square foot of the improved sales.

Outbuildings/Amenities: 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

The comparables provided adjusted indications of market value for the subject improvements of \$117,400, \$108,380, and \$103,060. All three comparables are considered reasonable substitutes for the subject improvements. Approximately equal weight is accorded the indications from all three sales. A value of \$110,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

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

Subject Site Value	\$ 42,000
Subject Improvements Value	<u>\$110,000</u>
Total Value Indication	\$152,000

RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
2	\$105,000	\$0	\$105,000	7/14/2017
15	\$42,000	\$100,000	\$142,000	7/14/2017
20	\$42,000	\$110,000	\$152,000	7/14/2017

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

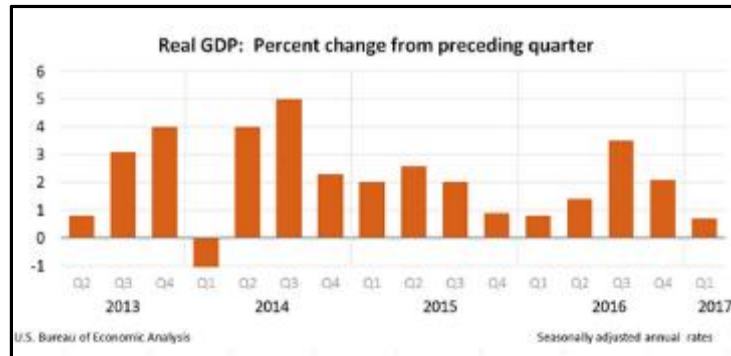
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: <i>REAL ESTATE APPRAISER MENTOR</i>
License #:	REA-RAG-LIC-683	
Status:	Active	
Expiration Date:	03/31/2018	
ELLIOTT M CLARK CLARK REAL 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;

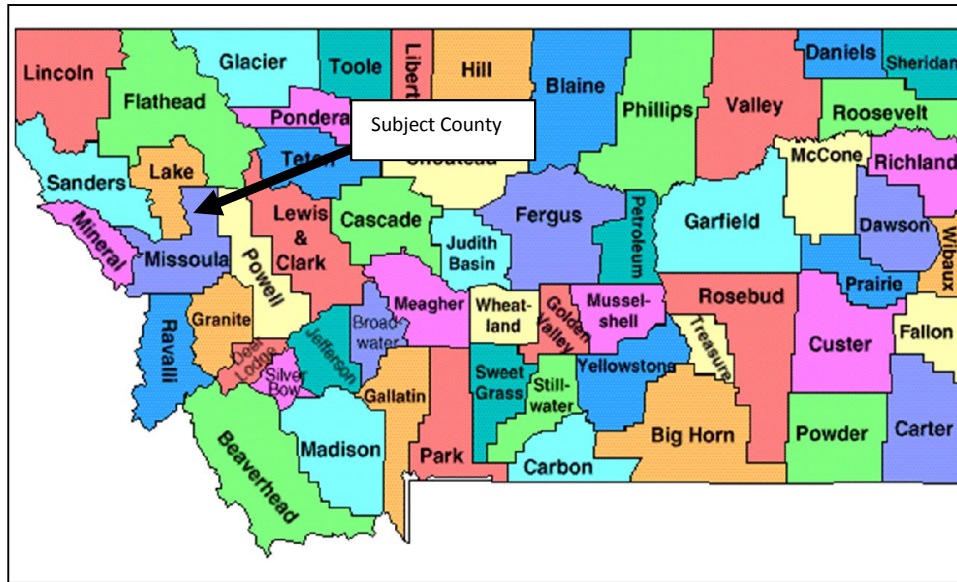
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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.

MISSOULA COUNTY DATA

The subject properties are in Missoula County which is the western half of the state. The total land area of the county is approximately 2,618 square miles. The county seat is the city of Missoula which is in the southern portion of the county. A map of Montana with counties identified is below.



Geographical Information

Missoula County is bordered to the north by Flathead, Lake, Sanders and Mineral Counties of Montana. It is bordered to the south and east by Ravalli, Granite and Powell Counties of Montana. A small portion of Missoula County is bordered to the west by Idaho and Clearwater Counties in Idaho. The general geography of the county is mountainous. Missoula County is comprised of five valleys and includes two significant rivers. There are a number of national protected areas in the county. These include; the Rattlesnake National Recreation Area and portions of Bitterroot, Flathead and Lolo National Forests.

City and Communities

Missoula is the only incorporated city in Missoula County. Towns and Census designated places in Missoula County include; Bonner, Clinton, Condon, East Missoula, Evaro, Frenchtown, Huson, Lolo, Milltown, Orchard Homes, Seeley Lake and Wye

Population

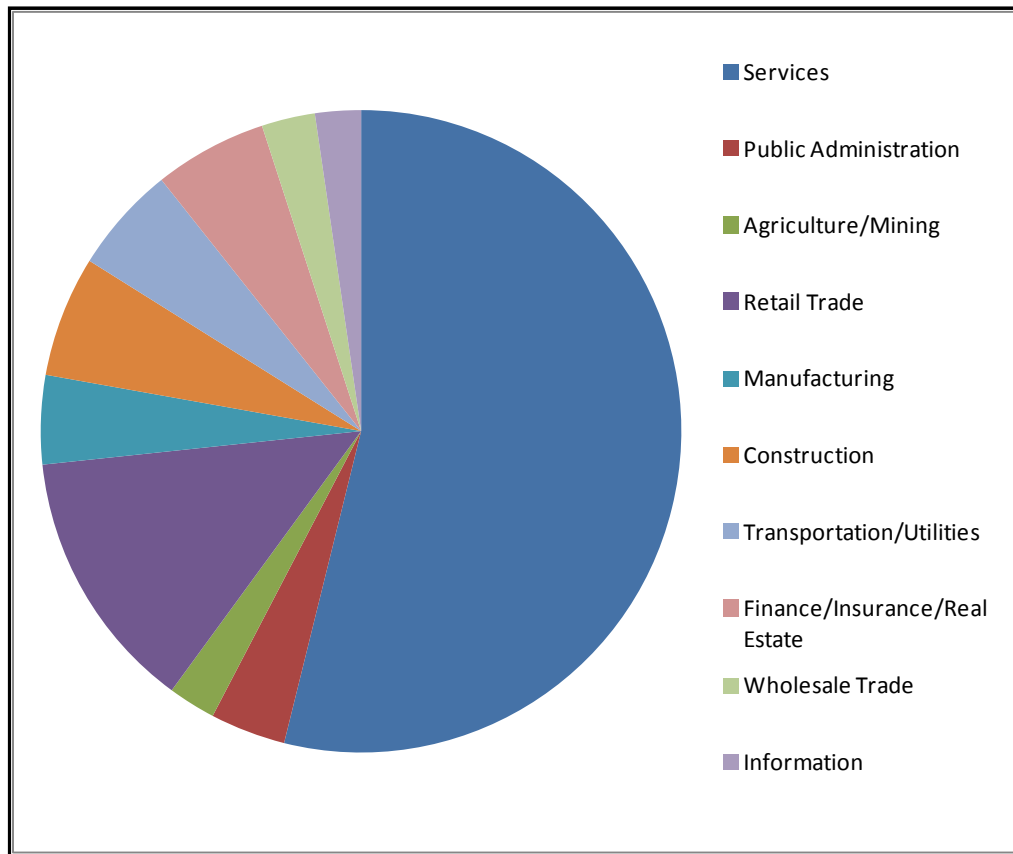
Missoula County is the 2nd most populous county in Montana. The 2015 county population estimate from ESRI based upon US Census Bureau data was 113,665. The population is projected to increase to 118,223 by 2020 or 0.8% per year.

Income

According to data from the US Census the median household income for Missoula County was \$47,534 in 2015. This is 0.40% less than the median household income for the same period for the state of Montana. Approximately 16.8% of the population of Missoula County was below the poverty level between 2008 and 2012. This is higher than the percentage below the poverty level for the state of Montana for the same period of 13.7%.

Employment

According to ESRI there were 56,415 people over 16 years of age in the workforce in Missoula County in 2010. The workforce percentages by industry are included on the chart below;



Services comprise the largest employment by substantial margin. The next largest category is retail trade.

Real Estate

According to ESRI estimates based upon US Census data there were 52,799 housing units in Missoula County in 2015. The home ownership rate was estimated at 51.6% in 2015. The median home value was estimated to be \$224,299 in 2015. It is expected to increase by approximately 4.5% per year to \$275,920 in 2020.

Education & Healthcare

There are elementary, middle schools and high schools in the various population centers of Missoula County. The University of Montana and The University of Montana College of Technology are both located in Missoula County. There are two acute care hospitals in Missoula County.

Linkages & Transportation

United States Interstate Highway 90 runs through Missoula County. US Highway 12 and 93 both go through the county. There are Montana Highways in the county as well. There is an International Airport in Missoula.

County Data Conclusion

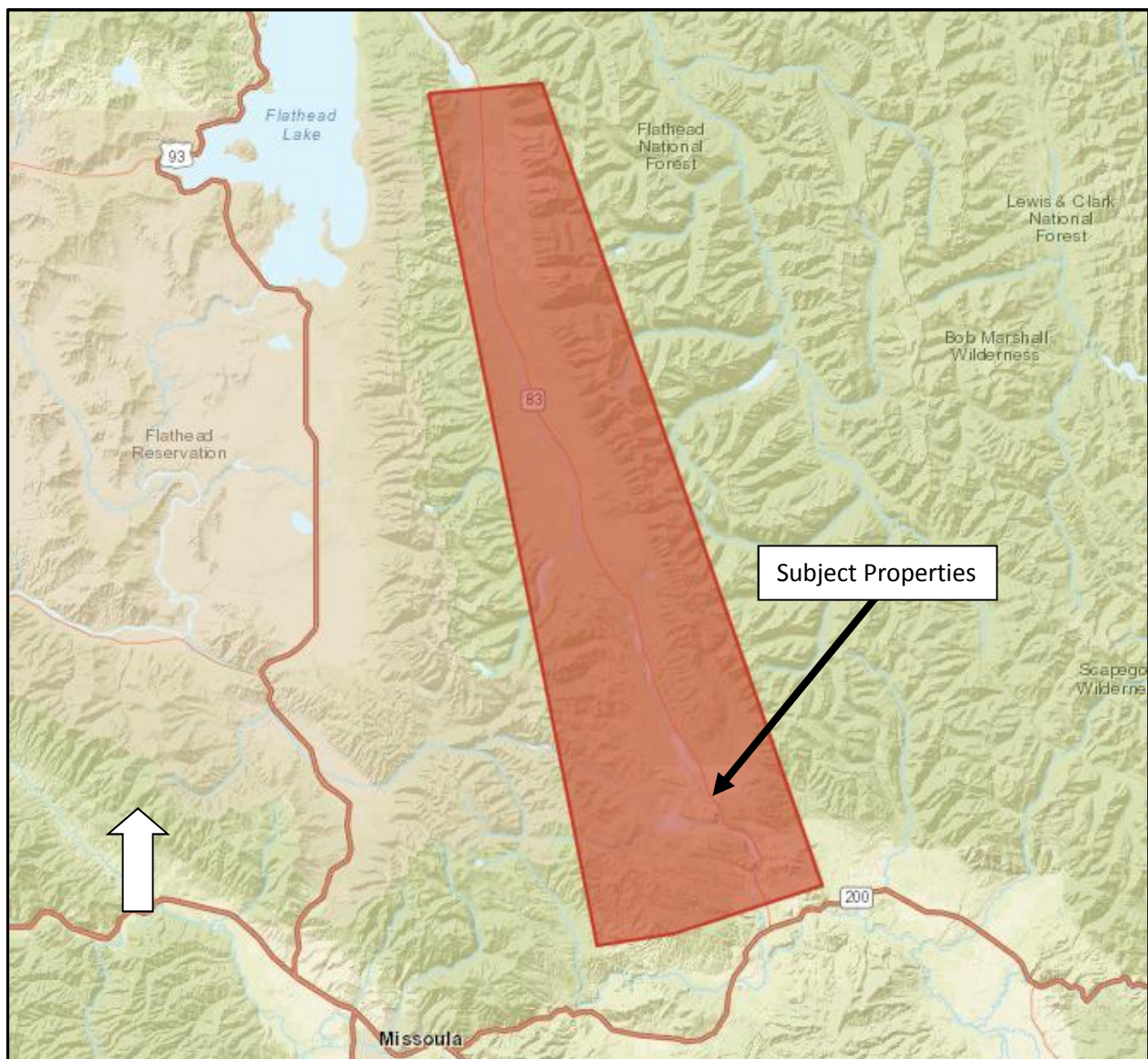
Missoula County is one of the most populous counties in Montana. The population is slated to increase approximately 0.8% per year through 2020. Missoula County is the home of the University of Montana. The location of the university provides some stability in employment. The county unemployment rate is similar to that of the state but lower than of the nation. The economy and the real estate market have remained relatively stable for the past several years. Missoula County did experience the real estate “bubble”; however, the market appears to have stabilized. The economy of Missoula County is considered relatively stable with growth likely in the foreseeable future

SEELEY-SWAN VALLEY DATA

General Information

The subject properties are located in a relatively remote, rural area generally known as the “Seeley-Swan Valley”. There is relatively little privately owned land in the area.

For report purposes the neighborhood boundaries consist of properties between Bigfork to the north and Montana Highway 200 to the south. Montana Highway 83 runs north to south through the entire area. The Mission Mountain Range forms the west side neighborhood boundary and the Swan Mountain Range forms the east side neighborhood boundary. The subject neighborhood is approximately 1 to 1.5 hour drive from Kalispell and approximately 1 to 1.5 hour drive from Missoula. A map depicting the area and the location of the subject properties is below;



Much of the land in the subject market area is protected. A recent cooperative project that involved a large amount of acreage in the area is known as “The Montana Legacy Project.” It is a cooperative project of The Nature Conservancy, The Trust for Public Land and state, federal and private partners. The Nature Conservancy and The Trust for Public Land have acquired approximately 310,000 acres of land formerly owned by Plum Creek since 2009. The land will eventually be conveyed to a mix of public and private owners. Under this partnership, actual land ownership and management responsibilities rest with The Nature Conservancy.

Geography

The subject area is generally bounded by the Swan Mountains on the east and the Mission Mountains on the west. Area mountain peaks extend as high as 9,000 feet. Portions of two national forests are in this area. They are the Lolo and Flathead National Forests. There are number of lakes, rivers and creeks in the area. Seeley Lake is the nearest relatively large lake to the subject properties.

Population

According to 2015 US Census data the population of the subject neighborhood (as defined by the map presented) was 2,911. According to ESRI forecasts the population is expected to increase to 3,038 by 2020. This equates to an increase of approximately 1% per year.

Economy/Income

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2015 median household income for the neighborhood was indicated to be \$50,843. The median household income is projected to increase by approximately 3% per year through 2020.

Housing & Real Estate

According to the ESRI there were 3,033 housing units in the identified subject neighborhood in 2015. Approximately 36% of the housing units were identified as owner occupied, approximately 10% were identified as renter occupied, and approximately 54% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for the neighborhood in 2015 was \$207,169. The home value is projected to increase to \$257,411 or approximately 34% by 2020. The most expensive homes are typically on navigable water or on large acreage tracts.

There are commercial properties located mostly along the highway. These primarily consist of service type businesses to provide for the area residents. There are some lodging facilities; however, they are mostly oriented to or based upon proximity to an area natural amenity or a particular activity.

Recreation

There are a large number of camp grounds and hiking trails in the subject area. The Bob Marshall Wilderness is located near (to the east) of this area. It is a popular destination for hikers and hunters. The numerous lakes, rivers and creeks provide many recreational opportunities. Area winter activities include snowmobiling, cross country skiing, and snowshoeing.

Conclusion

The immediate subject neighborhood is a remote area comprised of rural properties that are mostly residential in nature. There is little employment in the area. There is relatively little privately owned land in the area. The area is very attractive for recreation. Recreational opportunities include hiking, mountain biking, Nordic skiing, snowmobiling, hunting, boating, and fishing.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 15)

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, Michael & Patrice Schwenk, Patrick & Cathy Schwenk, Patrick Dougherty & Tom Ward, Lou Ann Nelson & Michael Marosits, Mary Adams Riggs, Alan Davis & Karen Cooper, Peter Dunning & Dianne Lovell, Shannon Holmes, Donna Davis & Denise White, Darvin & Bonnie Struck, Thompson River Club, LLC, Jerry & Joye Pope, Lynn Hansen & Connie Weber. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties and is intended for use in the decision making process concerning the potential sale of said subject properties.

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

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

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

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

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that included analysis and appraised values of the thirteen (13) 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.

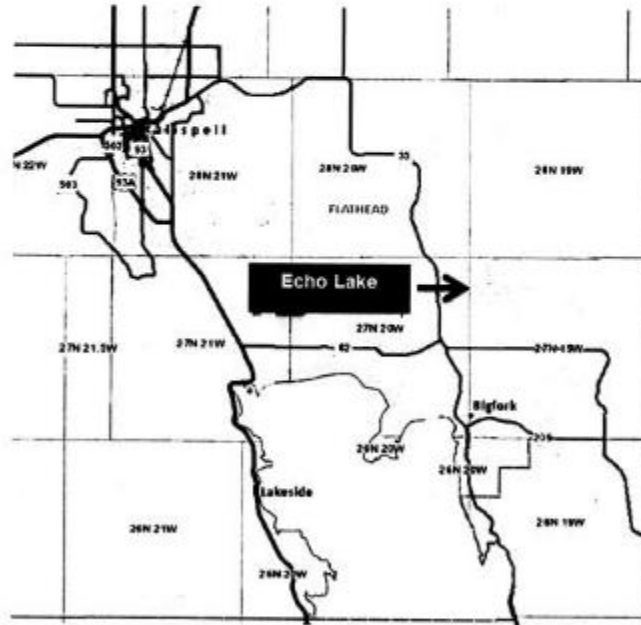
Subject Properties (Located in Flathead County):

Sale #	Acres	Legal Description
847	1.699	Lot 19, Echo Lake, T27N-R19W, Sec. 5

Lessees:

Sale 847
Ray & Shawn Christiaens
12 East Main Street
Cut Bank, MT
P: (406) 337-2151

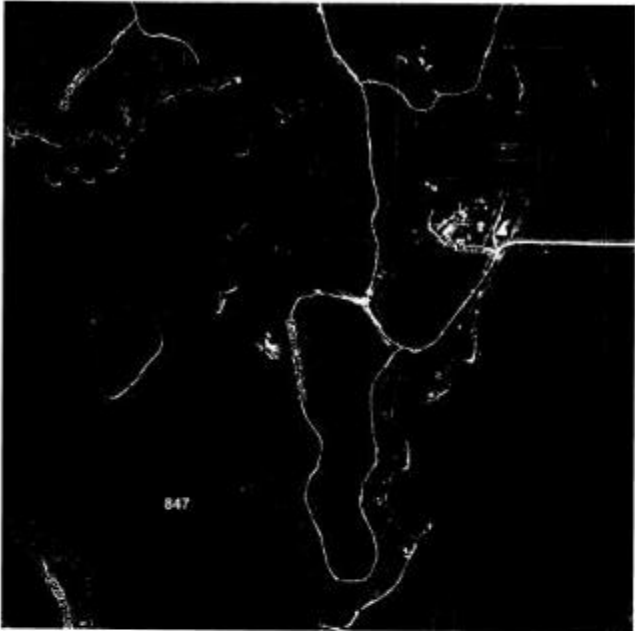
Echo Lake (Flathead County) Sale Location Map



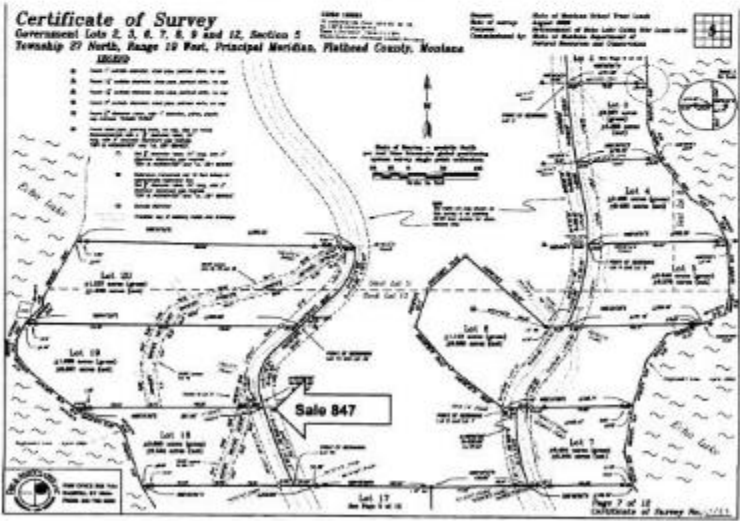
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Echo Lake Lots



Echo Lake Sale Parcels Survey



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 Property (Located in Lincoln County):

Sale #	Acres	Legal Description
879	8.00 ±	Lot in W½NE¼NE¼, T34N-R25W, Sec. 36

Lessees:

Sale 879
Peter Dunning & Dianne Lovell
c/o Noel R. Duram
PO Box 2221
Eureka, MT 59917
08-91402300 (Australia)

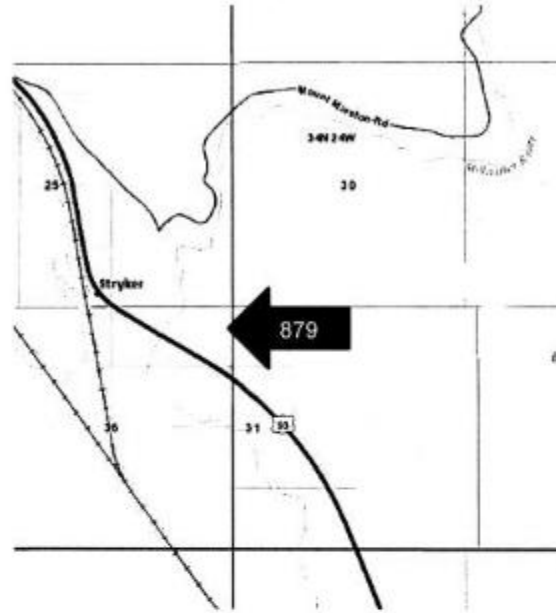
The following will be located in the body of the contract:

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.

LINCOLN COUNTY SALE LOCATION MAP



Sale No. 879
Unsurveyed Lot in W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, T34N-R25W Sec. 36



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 Property (Located in Missoula County):

Sale #	Acres	Legal Description
881	1.00 ±	Lot 4, Elbow Lake, T15N-R14W, Sec. 20
882	1.5 ±	Lot 29, Elbow Lake T15N-R14W, Sec. 20
883	1.03 ±	Lot 18, Elbow Lake T15N-R14W, Sec. 20
884	0.983 ±	Lot 20, Morrell Flats, T16N-R15W, Sec. 14
918	2.89 ±	Lot 2, Morrell Flats, T16N-R15W, Sec. 14
896	0.856 ±	Lot 8, Placid Lake, T16N-R15W, Sec. 30

Lessees:

Sale 881 Michael & Patrice Schwenk 1600 Marie Drive Missoula, MT 59801 (406) 549-2003	Sale 882 Patrick & Cathy Schwenk 3111 Humble Road Missoula, MT 59804 (406) 544-1026	Sale 883 Patrick Dougherty & Tom Ward 2418 Murray Missoula, MT 59802 (406) 728-4193
Sale 884 Lou Ann Nelson & Michael Marosits 5178 Highway 89 South Livingston, MT 59047 (406) 222-7441	Sale 885 Mary Adams Riggs PO Box 143 Seeley Lake, MT 59868 (406) 677-2697	Sale 896 Alan Davis & Karen Cooper 1211 Hollins Helena, MT 59601 (406) 442-2292

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

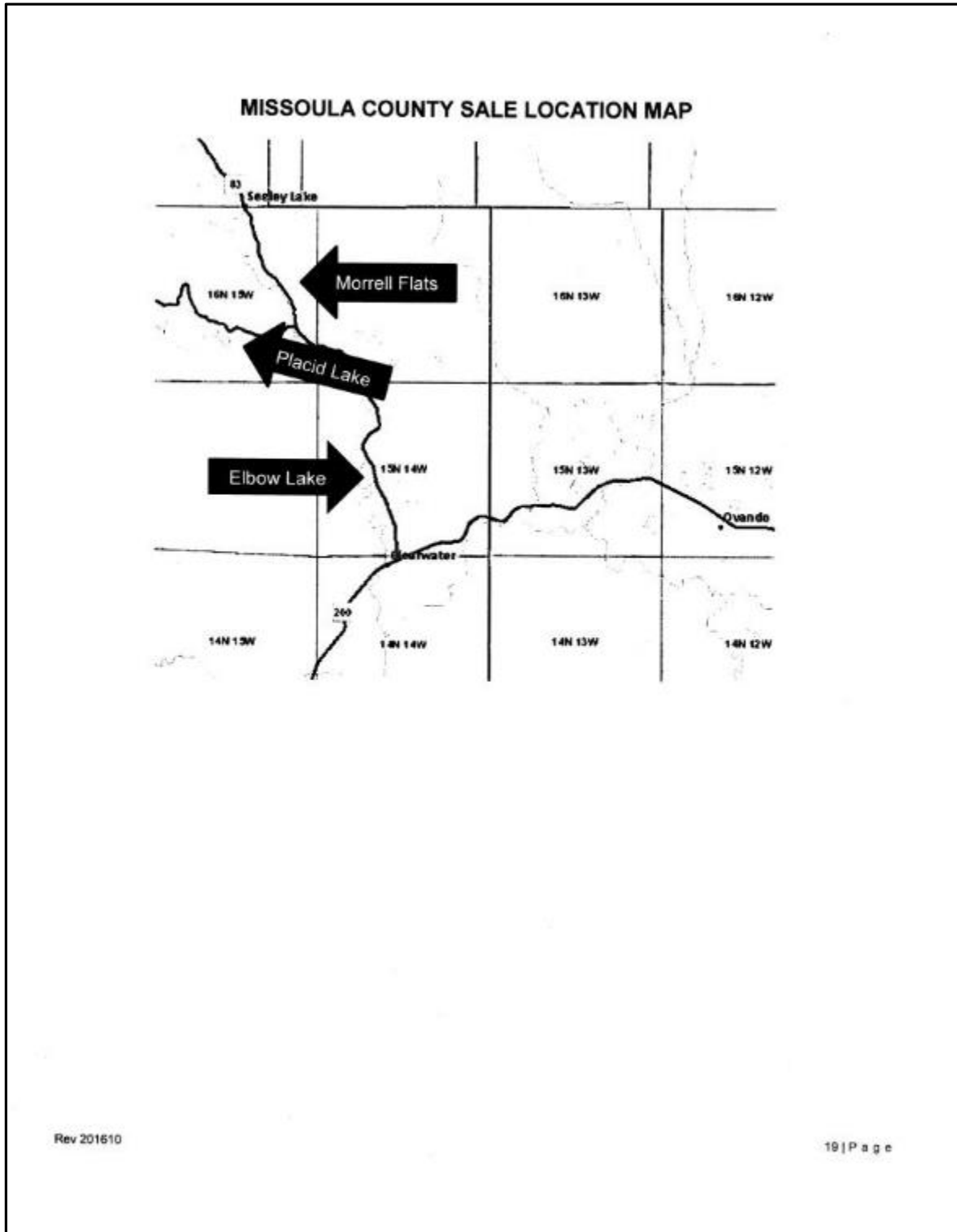
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The definition of market value is that as defined in 70-30-313 M.C.A.

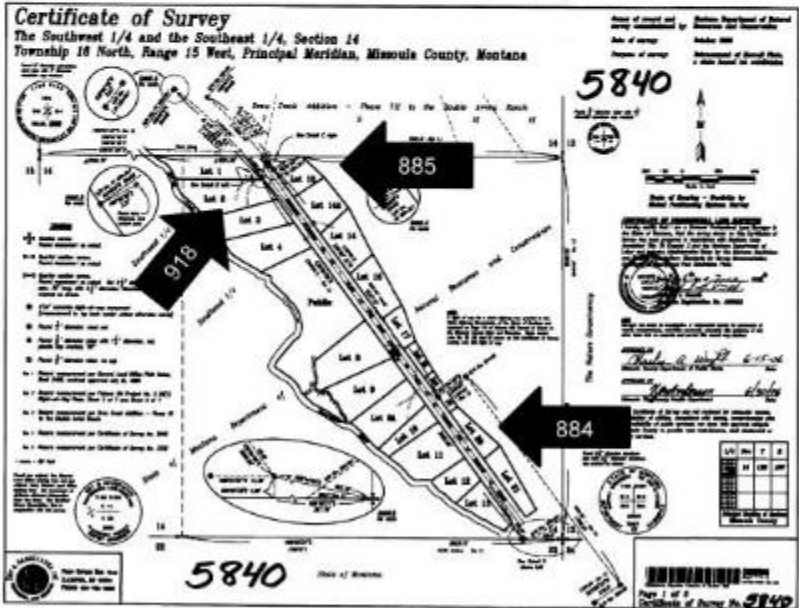
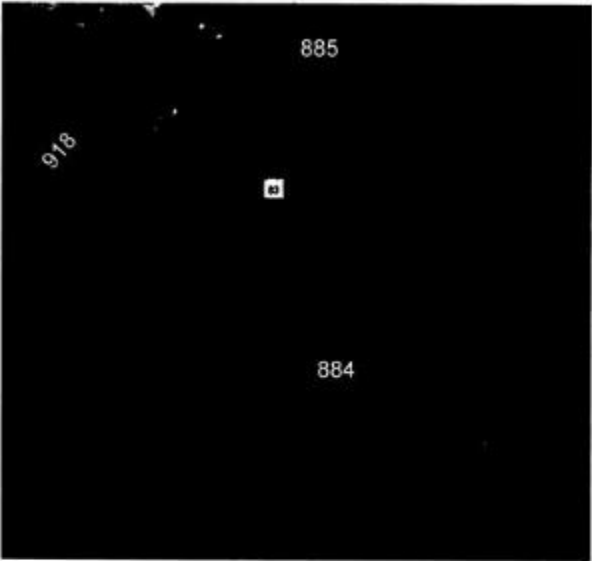
The DNRC will provide access to the state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, property issues, surveys (if any), and production history. The local land office will provide contact information to the appraiser, if necessary, in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

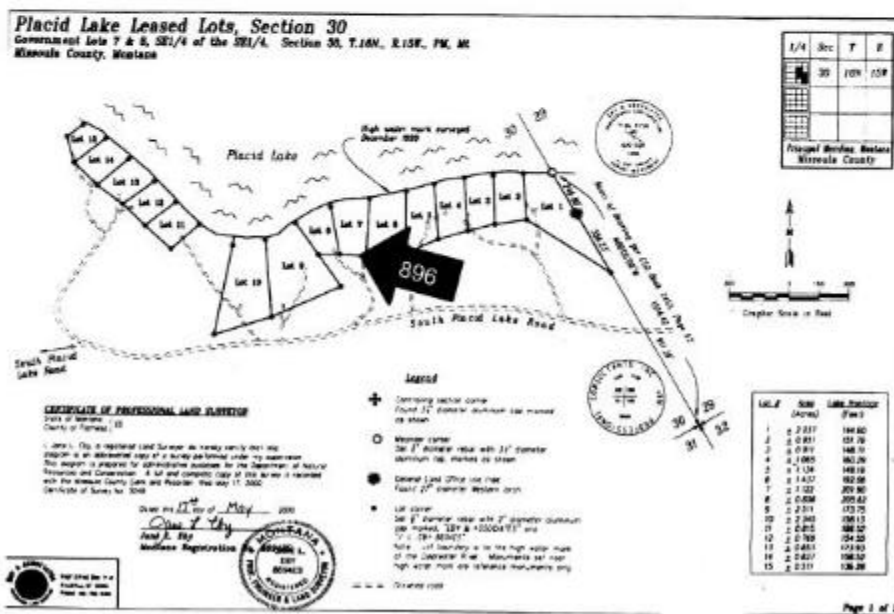
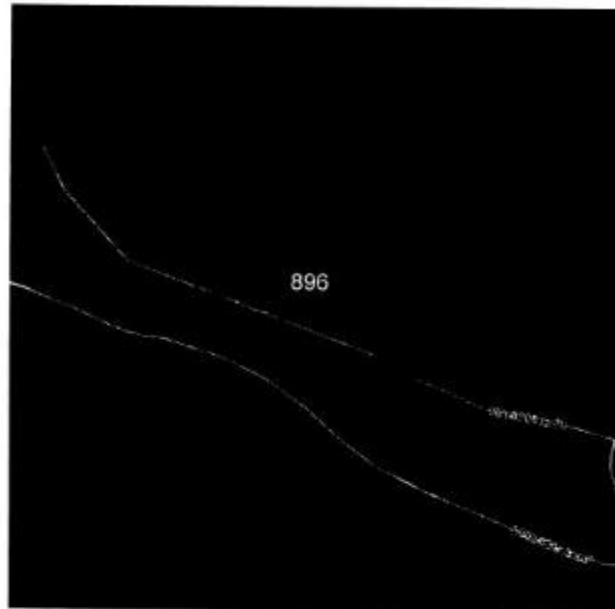
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Morell Flats Sales





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 Property (Located in Sanders County):

Sale #	Acres	Legal Description
873	1.54 ±	Lot in SW¼SW¼, T23N-R26W, Sec. 6
875	1.27 ±	Lot in NW¼NW¼, T23N-R27W, Sec. 34
876	0.99 ±	Lot in SW¼SW¼, T23N-R26W, Sec. 6
877	0.7 ±	Lot in SW¼SW¼, T24N-R27W, Sec. 36
878	1.09 ±	Lot in SW¼SW¼, T24N-R27W, Sec. 36
889	1.41 ±	Lot 8, Mudd Creek, T22N-R27W, Sec. 12

Lessees:

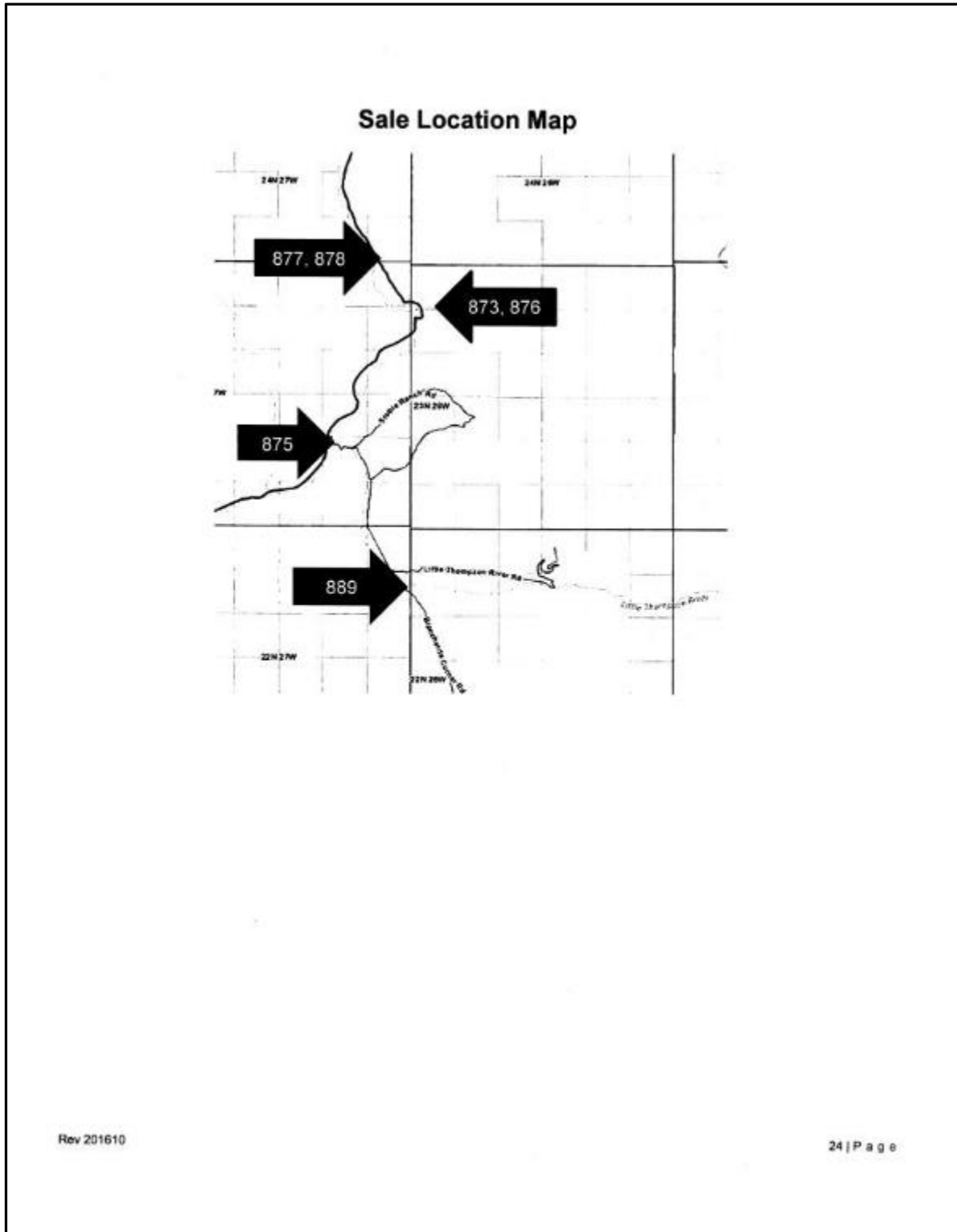
Sale 873 Shannon Holmes 3788 Rodeo Road Missoula, MT 59803 (406) 721-1350	Sale 875 Donna Davis & Denise White 6893 Farm to Market Road Whitefish, MT 59937 (406) 862-6505	Sale 876 Darvin & Bonnie Struck 521 E. Cottonwood Dr. Kalispell, MT 59901 (406) 250-4879
Sale 877 Thompson River Club, LLC 7328 W. 114 th St. Circle Bloomington, MN 55438 (952) 884-5247	Sale 878 Jerry & Joye Pope PO Box 416 Plains, MT 59859 (406) 826-0671	Sale 889 Lynn Hansen & Connie Weber PO Box 2492 Missoula, MT 59806 (406) 360-5711

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

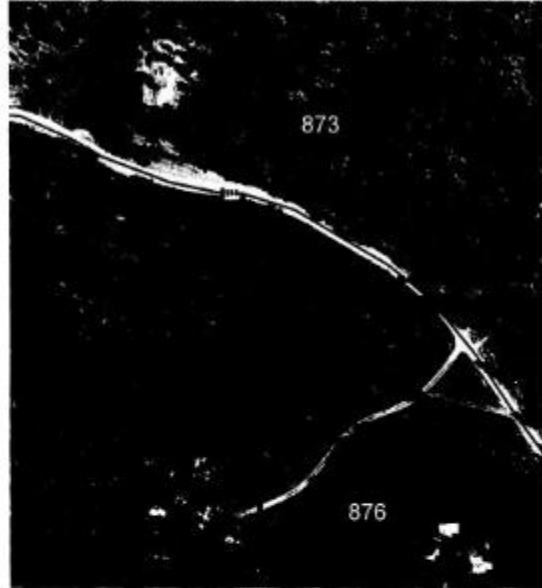
The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel. If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the 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.

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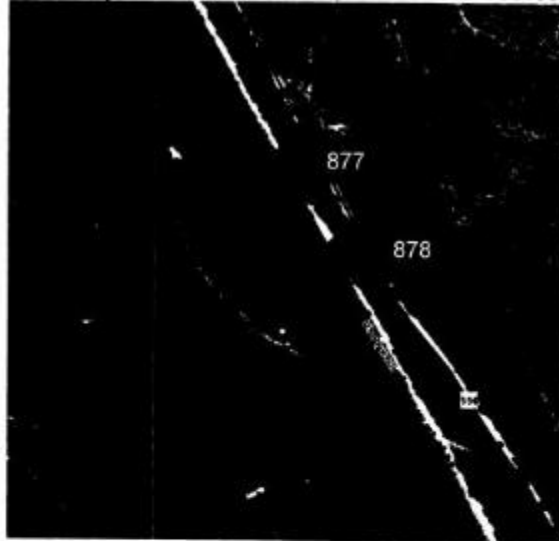
Sale Numbers 873, 876
Unsurveyed Lots in SW¼SW¼, T23N-R26W Sec. 6



Sale Numbers 875
Unsurveyed Lot in NW¼NW¼, T23N-R27W Sec. 34



Sale Numbers 877, 878
Unsurveyed Lots in SW¼SW¼, T24N-R27W Sec. 36



Sale Numbers 889
Lot 8, Mudd Creek, T22N-R27W Sec. 12

