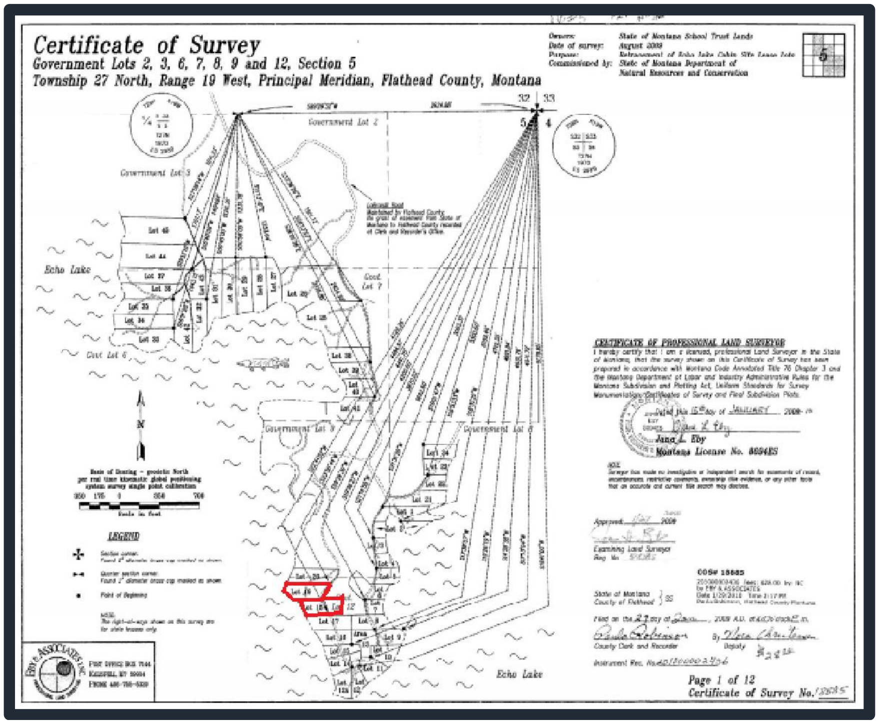
APPRAISAL REPORT OF:

LOTS 18 & 19
COS #18885 & COS #20591
BIGFORK, MONTANA



PREPARED FOR:

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

MARKET VALUES AS OF:
July 26, 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

CLARK
REAL ESTATE APPRAISAL

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

LETTER OF TRANSMITTAL

August 30, 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 18 and 19, COS #18885 and COS #20591, of Section 5, Township 27 North, Range 19 West, Bigfork, Flathead County, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 26, 2017. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. This visual inspection, review and analyses were made in order to prepare the attached summary appraisal report.

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

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

The values are based on the assumptions that all necessary governmental approvals have been obtained and will be maintained, and that the property owners will exhibit sound management and sales practices. The values are based upon the **Hypothetical Conditions** that the subject properties were legal parcels and that the parcels had legal and adequate access as of the report effective date.

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

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

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

Respectfully submitted,

Elliott M. Clark

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

17-025ec

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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 18 and Lot 19 of COS #18885 and COS #20591, Section 5, Township 27 North, Range 19 West, Flathead County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-029-0013.02
Flood Zone	Zone X, Map Panel 30029C1875G – Dated September 2, 2007
Zoning	SAG, Suburban Agricultural

HIGHEST AND BEST USE(S)

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

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

Report Date	August 30, 2017
Inspection Date(s)	July 26, 2017
Effective Date of Value(s)	July 26, 2017
Property Rights Appraised	Fee Simple
Estimate of Market Values	
Individual Lot Values	Property Valuation Section of Report & Page 59 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 59 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 59 of Report
Extraordinary Assumption(s)	None
Hypothetical Condition(s)	See Scope of the Appraisal

MARKETING & EXPOSURE TIME

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

APPRAISER INFORMATION

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

CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions, and conclusions.

- Elliott M. Clark, MAI and Christopher D. Clark have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.

- We have performed no services, as appraisers or in any other capacity, regarding the properties that are the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- We have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.

- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

- The compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or directions in value that favor the cause of the clients, the amounts of the value opinions, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.

- Elliott M. Clark, MAI and Christopher D. Clark both personally viewed the subject properties.

- No one provided significant real property appraisal assistance to the persons signing this certification.

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

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

- As of the date of this report Elliott M. Clark, MAI has completed the continuing education requirements of the Appraisal Institute.

Elliott M. Clark

____
Dated Signed: August 30, 2017
Elliott M. Clark, MAI
MT REA-RAG-LIC-683

____
Date Signed: August 30, 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 18 and Lot 19 of COS #18885 and COS #20591, Bigfork, Flathead 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.

<u>Scope of Property Viewing</u>
Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on July 26, 2017. We measured the improvements on the properties and walked the subject sites.

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

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

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

<u>Extraordinary Assumption(s)</u>
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 Lot 19 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. This subject property is not utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the value of Subject Lot 19 as improved.

Environmental

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

General Data Sources

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

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

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

IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County
18	849	20591	S5/T27N/R19W	Flathead
19	847	18885	S5/T27N/R19W	Flathead

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject property by the client. This report was prepared for the, the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The client is an intended user of this report. The Lessees for Lot 19 are additional intended users of this report. They are listed below;

Lot #	Sale #	Lessee
18	849	N/A
19	847	Ray & Shawn Christiaens

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 26, 2017

EFFECTIVE DATE OF MARKET VALUES

July 26, 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 owned by the State of Montana. Ownership of the improvements on Lot 18 reverted to the State of Montana in 2016. The improvements on Lot 19 are owned by the lessees. The lessees for Lot 19 are listed below;

Lot #	Sale #	Lessee	Last Transfer Document
18	849	N/A	Notice of Reversion of Improvements 2016
19	847	Ray & Shawn Christiaens	Quitclaim Deed 2013

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 both subject lots. The house construction dates and any recent listing information for the improvements via the area MLS for each property are below;

Lot #	Sale #	Lessee	Year House Built	Listing History via Area MLS
18	849	N/A	1946	Listed 2010-2011 $49,000
19	847	Ray & Shawn Christiaens	1965	Sold via MLS 11/20/2012 for $16,000

According to our research, the improvements on Lots 18 and 19 were not available for sale via the area MLS as of the report effective date.

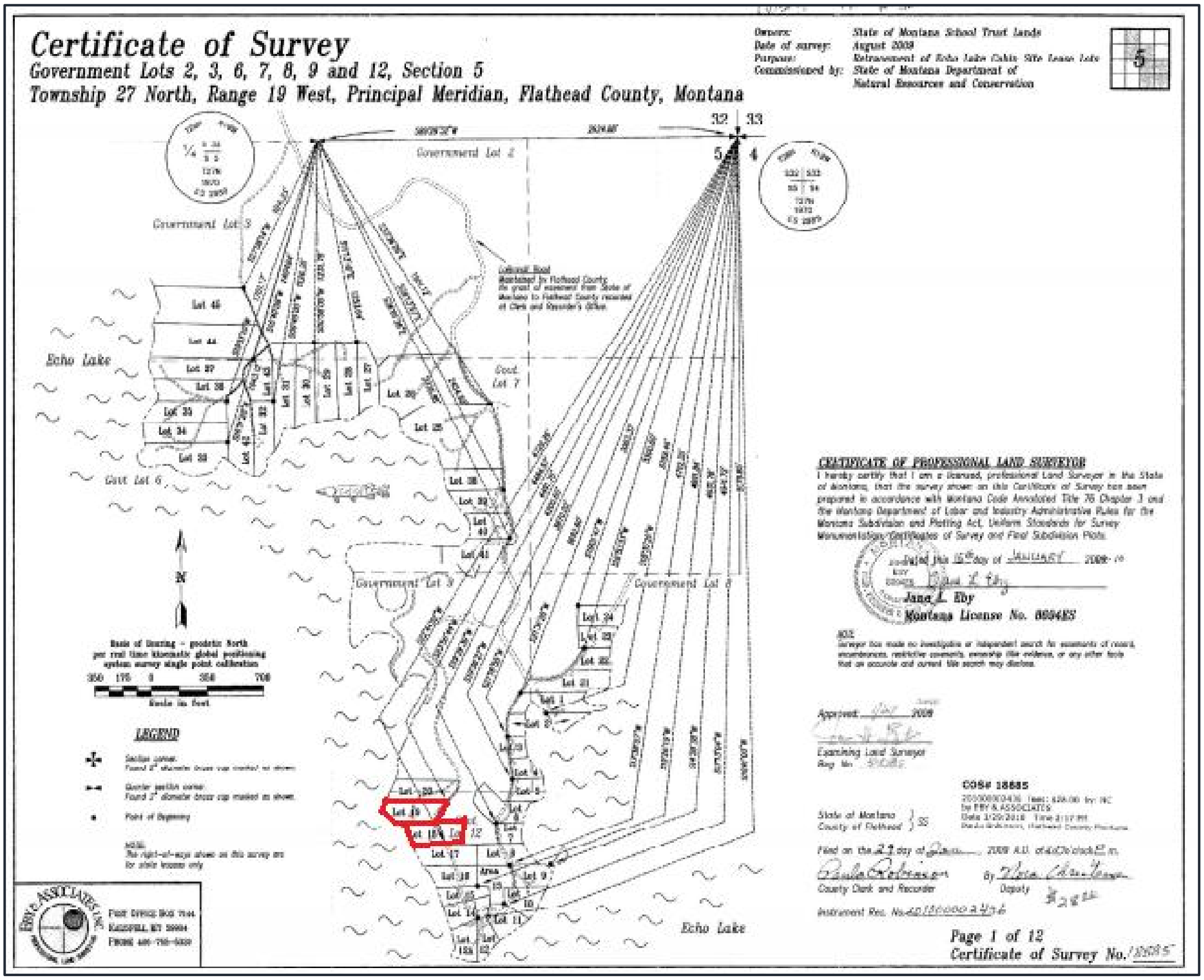
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

The subject properties are Lot 18 of Certificate of Survey #20591 and Lot 19 of Certificate of Survey #18885 in Section 5, Township 27 North, Range 19 West, in Flathead County, Montana. The subject properties are described on the table below;

Lot #	Lessee	Gross Acres	Net Acres	Front Feet	FF Per Acre	Topography
18	N/A	1.080	0.891	175.79	162.77	Slopes Dow n Tow ard Lake (Steep & Level Areas)
19	Ray & Shaw n Christiaens	1.039	0.897	174.18	167.64	Level w ith Steep Slope Tow ard East Side

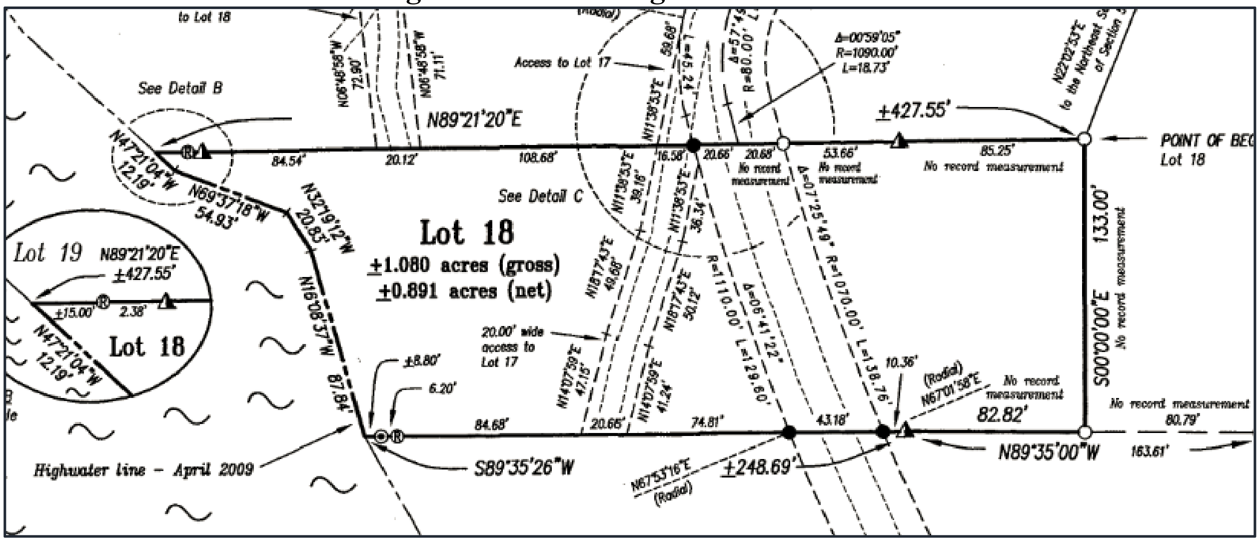
The subject properties are identified Page 1 of COS #18885 below;



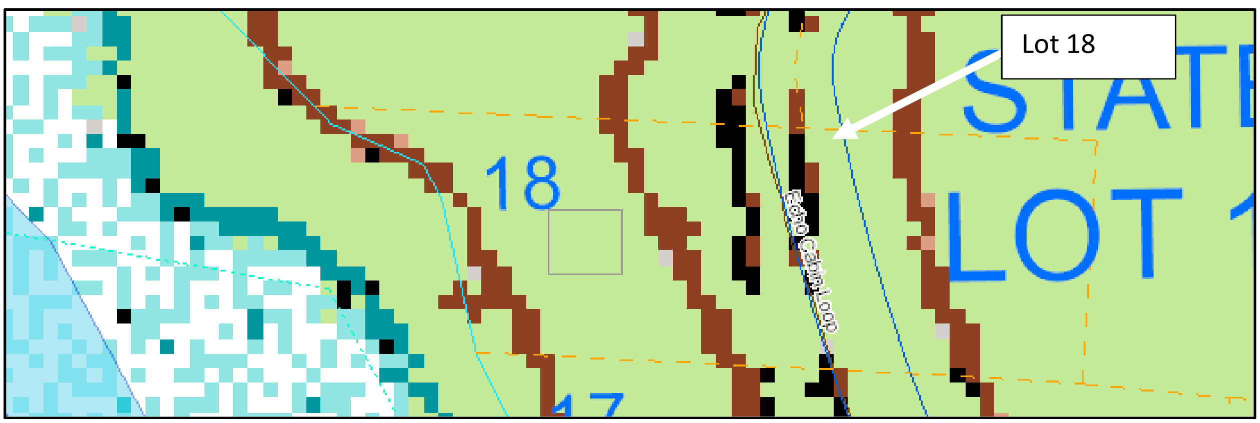
The boundaries identified for Subject Lot 18 boundaries above area approximate. An enlarged view of Lot 18 as part of the more recently recorded COS #20591 (July 2017) is included on the following page. Individual images depicting each subject site recorded as part of COS #18885 or COS #20594 and topographic maps are included on the following pages.

LOT 18

Enlarged View from Page 2 of COS # 20591

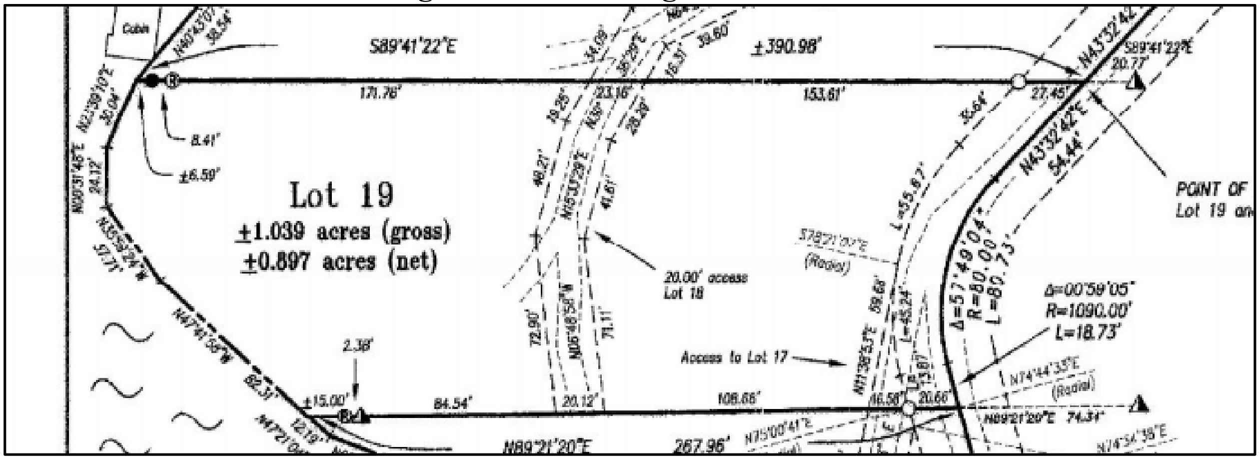


Area Topographic Map

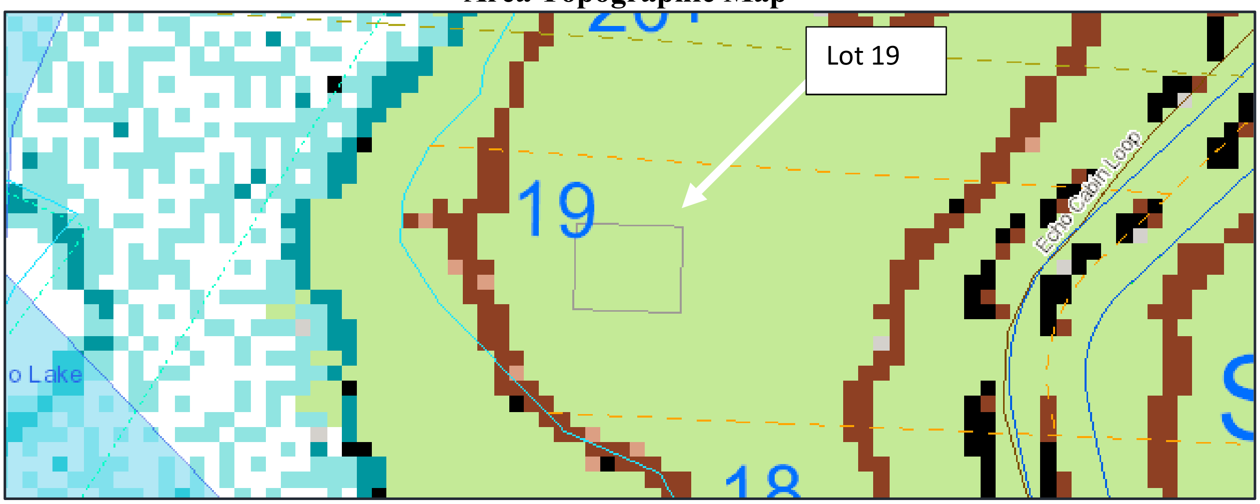


LOT 19

Enlarged View from Page 7 of COS 18885



Area Topographic Map



ACCESS AND VIEWS

Subject Lots 18 and 19 are accessed via a driveway off of Echo Cabin Loop. Echo Cabin Loop is a gravel road which is accessed via LaBrant Road. La Brant Road is a gravel, county road. Both subject sites have frontage along Echo Lake. Both have lake and mountain views.

IMPROVEMENTS

There is an older home and outbuilding on Subject Lot 18. The house is considered to have little utility due to overall poor condition and proximity to the lake frontage. Neither building on Subject Lot 18 is considered to contribute value to the property. For this reason, these improvements are not described in this report. The improvements on Subject Lot 19 are described on the table below;

Lot #	19
Residence SF	727
Construction Type	Wood Frame
Foundation	Concrete Foundation - Crawlspace
Quality	Average
Condition	Very Good
Year Built	1965 (Renovated)
# of Bedrooms	2
# of Bathrooms	1
Porches	162 SF Deck
Outbuildings	134 SF Storage Building & 35 SF Storage Shed
Other Site Improvements	Well c.2016/Septic c.1986/RV Hookup
Landscaping	Lawn
Notes	No Septic

The residence on Lot 19 was renovated between 2013 and 2017. The renovations include; all new electrical and plumbing service, new windows, new kitchen cabinets, new counter tops, and new insulation. A new well was installed in 2016 with a new pressure pump and well box.

Both subject Lots include floating docks. Floating docks are considered personal property and not real estate and are not valued in this report.

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

There are overhead power lines running across the approximate center of the east half of Subject Lot 19. Road and driveway easements considered in the valuation of the subject lots. The gross and net acres and easements for each lot are noted on the table below;

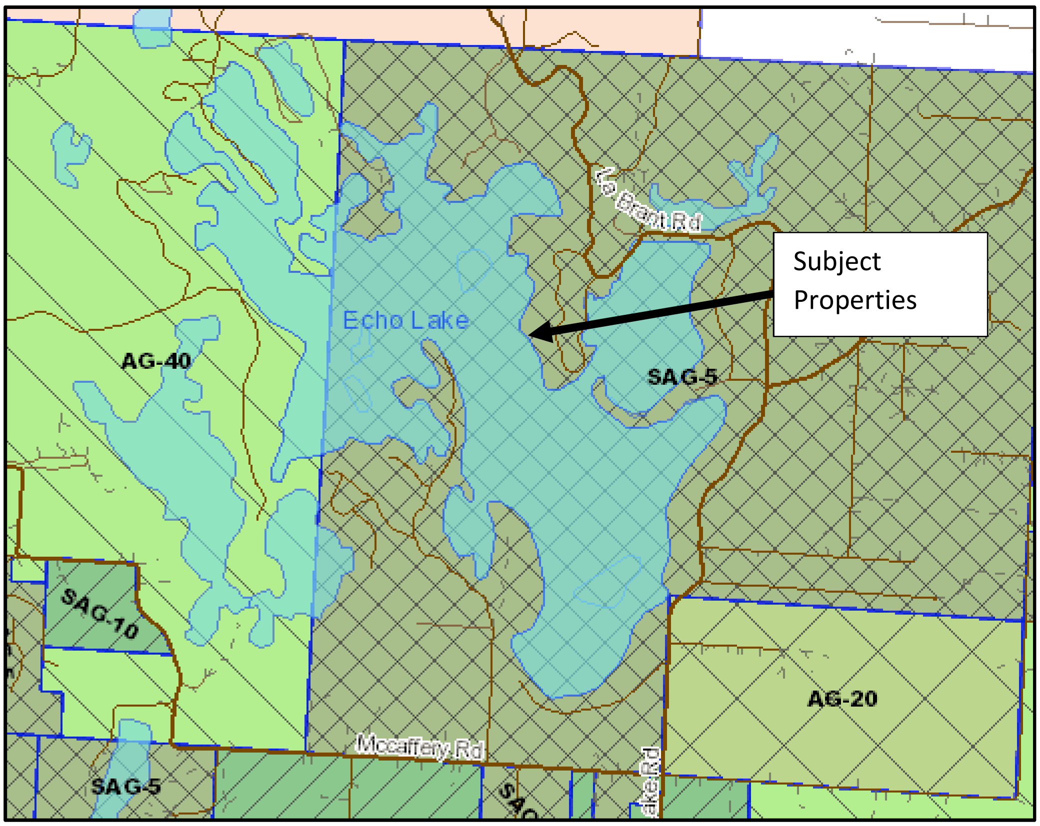
Lot #	Lessee	Gross Acres	Net Acres	Easements
18	N/A	1.080	0.891	Driveway Accessing Lot 17 & Bisected by Echo Cabin Loop Rd
19	Ray & Shawn Christiaens	1.039	0.897	Driveway Accessing Lots 17 & 18 & Portion of Echo Cabin Loop Rd Within East Side Lot Line

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

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

ZONING

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



The intent of the SAG-5 zoning district below;

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

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

Uses which may be permitted with a conditional use permit are; airfield. aircraft hangars, airport/landing field, animal hospital, veterinary clinic, bed and breakfast establishment, camp and retreat center, caretaker's facility, cellular tower, cemetery, mausoleum, columbarium, crematorium, church and other place of worship, community center building operated by a non-profit agency, community residential facility, contractor's storage yard, dwelling, family hardship, electrical distribution station, extractive industry, golf course, golf driving range, kennel, manufactured home park, recreational facility, RV park, riding academy and rodeo arena, primary and secondary school, stable, temporary building or structure, water and sewage treatment plant, and water storage facility.

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

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

ASSESSMENT/REAL PROPERTY TAXES

The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 2016 tax bills and taxable market values for the subject improvements (as per the Montana Department of Revenue) are included on the table below;

Tax Bills for Improvements			
Lot #	**Lessees**	**2016 Taxable Market Value**	**2015 Tax Bill Amount**
18	N/A	$37,880	$397.56
19	Ray & Shawn Christiaens	$38,070	$394.12

Although there was a copy of a tax bill available online with Flathead County for Subject Lot 18, the bill had been voided.

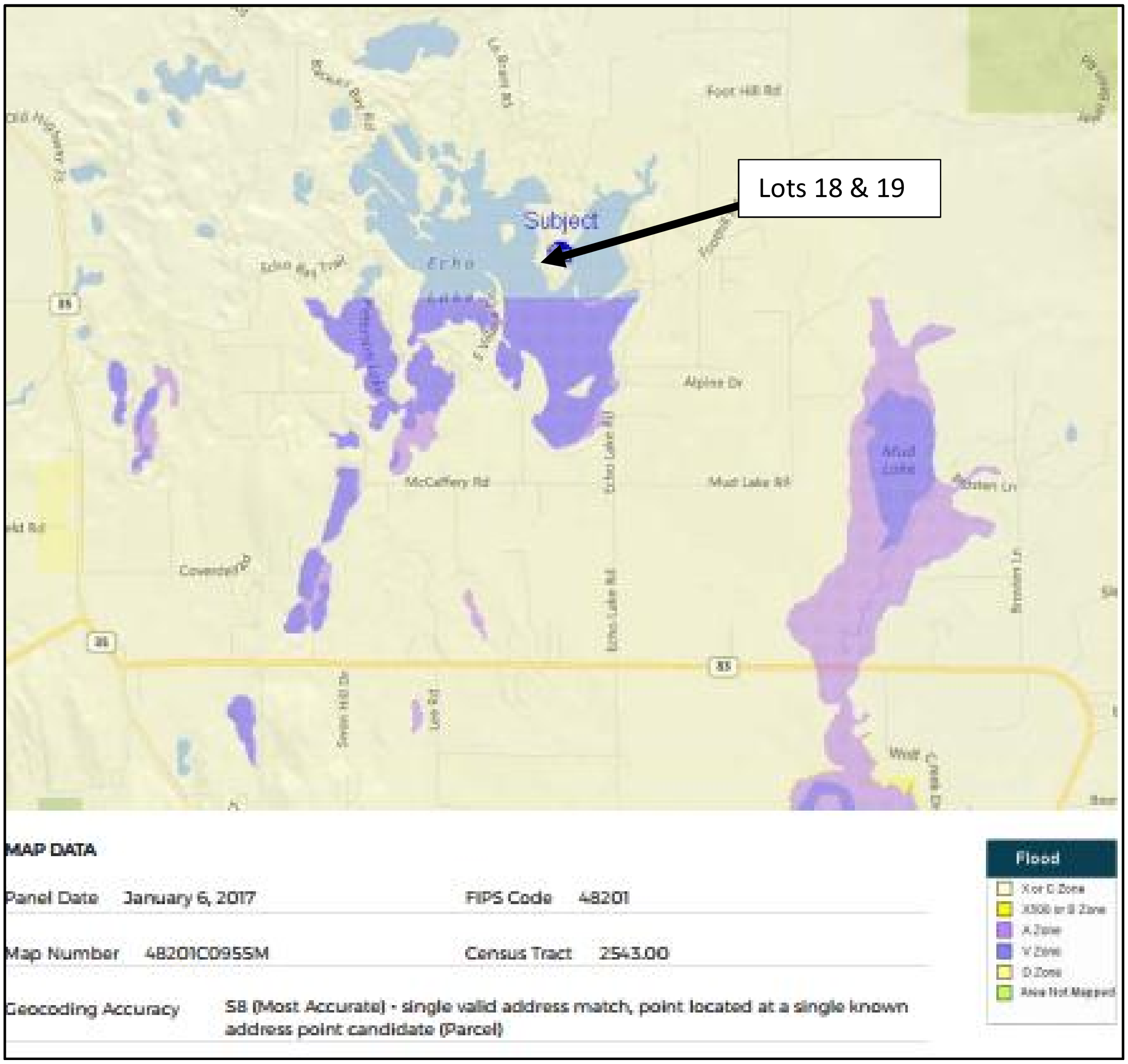
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

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

The subject lots include native vegetation and/or landscaping. Both subject properties include level areas and slope relatively steeply to the east. Subject Lot 18 includes a level area east of Echo Cabin Loop.

We assume that drainage and storm water runoff is adequate and was properly designed and engineered for the subject sites. We have not been provided with a soil study for the subject sites. We assume the soil can accommodate the type of construction, which is typically seen in the subject area. We have also not been provided with environmental audits for the subject sites and assume there are no toxic or hazardous materials, groundwater contamination or unstable soils that may be on or in the subject lots. Should any of these conditions be present, the values concluded in this report may be affected.

Area Flood Map Information



UTILITIES

The subject lots have access and/or are connected to electricity and phone lines. According to the Lessees for Lot 19, there is 85 foot deep well that produces potable water. According to the Lessees, Lot 19 also includes a septic system constructed between 1985 and 1987. Flathead County GIS indicates that there are two septic systems on Lot 19 and no system on Lot 18. Montana DNRC recently expanded the size of Subject Lot 18 so that this lot could accommodate a septic system. It is likely that some type of engineered system would be necessary due to the slope of the site.

PUBLIC SAFTEY AND SERVICES

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

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 18 – SUBJECT PHOTOGRAPHS

Depreciated Improvement on Lot 18

Northwest Property Boundary Marker Looking South

Echo Lake frontage and Old Dock Looking South

Echo Lake Frontage Looking South

Lot 18 Interior Looking West

Depreciated Storage Building near Lake

ADDITIONAL PHOTOGRAPHS

Driveway to Property Looking North

Southwest Property Boundary Marker Looking North

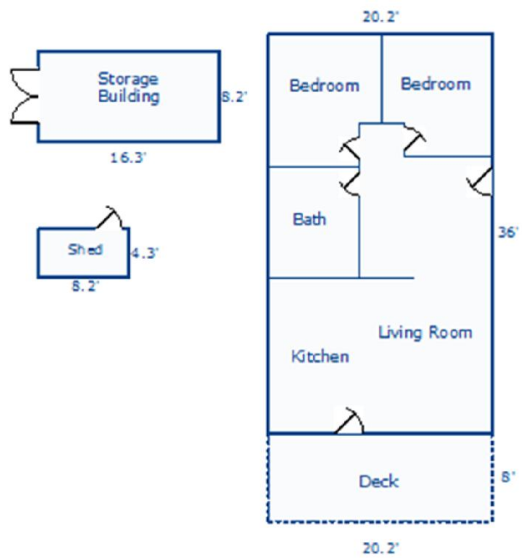
View East along South Property Boundary

Echo Lake Looking Southwest

Southeast Property Boundary Marker Looking West

Northeast Property Boundary Marker Looking West

LOT 19 – BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	727.20	727.20
P/P	Deck	161.60	161.60
OTH	Storage Building	133.66	
	Storage Shed	35.26	168.92
	Net LIVABLE Area	(rounded)	727

LIVING AREA BREAKDOWN

Breakdown		Subtotals
First Floor		
20.2 x 36.0		727.20
1 Item	(rounded)	727

LOT 19 – SUBJECT PHOTOGRAPHS

West Side of Residence on Lot 19

East Side of Residence on Lot 19

North Side of Residence on Lot 19

North Side of Residence on Lot 19

South Side of Residence on Lot 19

Kitchen

ADDITIONAL PHOTOGRAPHS

Living Room

Living Room

Hallway to Bedrooms & Bathroom

Bathroom

Bedroom

Bedroom

ADDITIONAL PHOTOGRAPHS

Storage Building

Storage Building

View toward Echo Lake from Deck

Northwest Property Boundary Marker Looking East

Northwest Property Boundary Marker Looking South

Lake Frontage Looking South

ADDITIONAL PHOTOGRAPHS

Echo Lake Looking West

Pier and Floating Dock

View toward Residence from Lakefront

Southwest Property Boundary Marker

Southwest Property Boundary Marker Looking North

View along Lake Frontage Looking Northwest

ADDITIONAL PHOTOGRAPHS


View toward Echo Lake from Deck


Newly Installed Well


Driveway


Parking Area


Lot 19 Interior Looking West from East Portion of Property


Southeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS

View along North Property Boundary Looking West

Signage for Lot 19

Driveway to Lot 19

Southeast Portion of Property Looking toward Lot 18

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

Subject Lot 18 includes 1.080 gross acres and 0.891 net acres with 175.79 front feet along Echo Lake. There are improvements on Lot 18; however, they are not considered to contribute value to the property. Subject Lot 19 includes 1.039 gross acres and 0.897 net acres with 174.18 front feet along Echo Lake. There is a house that contributes value to the property on Lot 19.

Area Land Use Trends

Most surrounding properties with frontage along Echo Lake include residential improvements. Surrounding properties are utilized for recreational/residential purposes.

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

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

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

Potential Users of Subject Property

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

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales of vacant and improved properties along area lakes with site size of less than 10.00 acres. We removed any sales with frontage along Flathead Lake and Whitefish Lake.

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

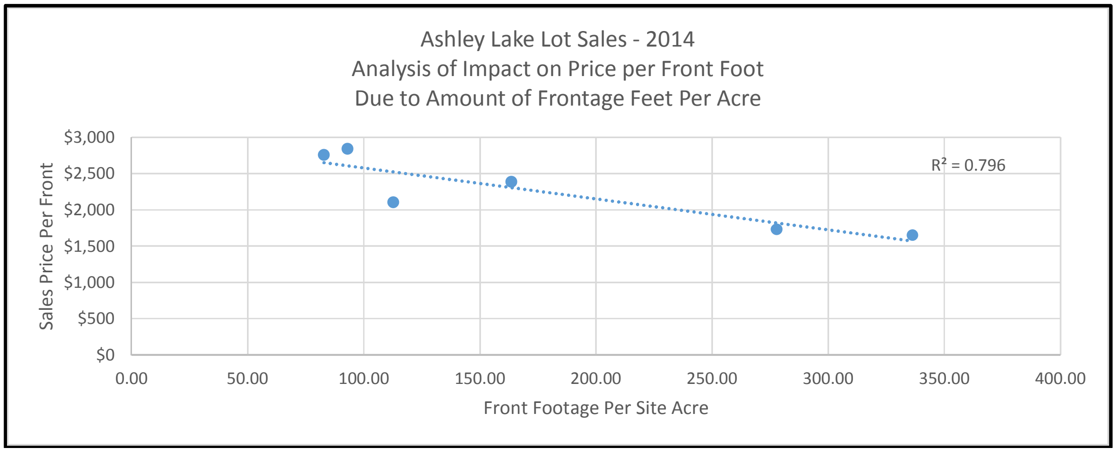
<u>Lakefront Lot Sales</u>

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

Address	City	Lake	Front Feet	Site Acres	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvement Value	Price/FF	DOM
5344 Ashley Lake Rd	Kila	Ashley Lake	249.00	2.21	2014	$525,000	$0	$525,000	$2,108	173
127 Emerald Cove	Kalispell	Ashley Lake	146.00	1.57	2014	$430,000	$15,000	$415,000	$2,842	153
3462 Ashley Lake Rd	Kalispell	Ashley Lake	139.00	0.85	2014	$347,000	$15,000	$332,000	$2,388	567
3916 Ashley Lake Rd	Kalispell	Ashley Lake	195.00	0.58	2014	$327,000	$5,000	$322,000	$1,651	172
4757 Ashley Lake Rd	Kila	Ashley Lake	116.00	1.40	2014	$320,000	$0	$320,000	$2,759	183
5690 N Ashley Lake Rd	Kila	Ashley Lake	150.00	0.54	2014	$270,000	$10,000	$260,000	$1,733	105
4693 Ashley Lake Rd	Kila	Ashley Lake	156.16	3.69	2014	$215,000	$0	$215,000	$1,377	451
4050 N Ashley Lake Rd	Kalispell	Ashley Lake	225.20	6.10	2016	$375,000	$0	$375,000	$1,665	356
5622 N Ashley Lake Rd	Kila	Ashley Lake	100.00	1.14	2016	$216,000	$0	$216,000	$2,160	153
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	132.00	1.65	2016	$340,000	$0	$340,000	$2,576	419
4018 N Ashley Lake Rd	Kalispell	Ashley Lake	135.00	1.35	2017	$295,000	$0	$295,000	$2,185	505
4022 N Ashley Lake Rd	Kalispell	Ashley Lake	140.00	1.30	2017	$485,000	$150,000	$335,000	$2,393	356
4659 Ashley Lake Rd	Kalispell	Ashley Lake	118.00	3.49	2017	$399,000	$0	$399,000	$3,381	445
104 Bitterroot Cove Ct	Marion	Bitteroot Lake	228.00	1.05	2014	$325,000	$5,000	$320,000	$1,404	105
1308 Bitteroot Ln	Marion	Bitteroot Lake	365.60	4.45	2015	$625,000	$15,000	$610,000	$1,668	134
134 Kelly Ct	Marion	Bitteroot Lake	150.83	1.13	2015	$330,000	$10,000	$320,000	$2,122	147
128 Bitterroot Cove	Marion	Bitteroot Lake	115.40	2.09	2015	$271,500	$10,000	$261,500	$2,266	349
1256 Bitteroot Ln	Marion	Bitteroot Lake	178.00	1.07	2015	$400,000	$0	$400,000	$2,247	37
122 Kelly Ct	Marion	Bitteroot Lake	150.00	1.24	2016	$330,000	$0	$330,000	$2,200	349
68 Bitterroot Cover Ct	Marion	Bitteroot Lake	131.61	1.08	2016	$330,000	$5,000	$325,000	$2,469	100
680 Echo Lake Rd	Bigfork	Echo Lake	100.00	1.52	2014	$395,000	$40,000	$355,000	$3,550	177
1010 Echo Lake Rd	Bigfork	Echo Lake	200.80	0.81	2015	$355,000	$35,000	$320,000	$1,594	70
636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	1.00	2016	$371,000	$0	$371,000	$2,968	409
1591 Lake Blaine Rd	Kalispell	Lake Blaine	114.00	0.14	2015	$262,000	$10,000	$252,000	$2,211	58
12390 Paradise Loop	Marion	McGregor Lake	304.43	2.42	2014	$307,000	$5,000	$302,000	$992	298
NHN Paradise Loop	Marion	McGregor Lake	192.44	2.05	2016	$350,000	$5,000	$345,000	$1,793	30
12710 US Hwy 2	Marion	McGregor Lake	217.27	1.22	2016	$229,000	$0	$229,000	$1,054	168

There were 10 lakefront lot sales in 2014, 6 in 2015, 8 in 2016, and 3 in 2017 Year-to-Date. Only three of the sales located had frontage on Echo Lake.

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



We placed a number of trend-lines on this graph. A linear trend-line provided the higher R-Squared indication. The R-Squared provides support that the price per front foot decreases in a linear manner as front footage per acre increases. In other words, the smaller the site area compared to the front footage, the lower the price per front foot. This is likely because there is less site area associated with the smaller sized sites available for development or construction of improvements. **Based upon this analysis, we utilized the relationship between front feet and site acres to select the comparable accorded the most weight in the final site value determination.**

Lakefront Home Sales

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

Lakefront Home Sales Analysis		
Smaller Recreational Lakes - Flathead County		
Sites 10 Acres or Smaller		
Year	**#Home Sales**	**Days on Market**
2014	7	293
2015	15	272
2016	13	168
2017 Year-to-Date	17	231
Actives	**47**	**205**

Competitive Supply

There were 27 active listings of lots with less than 10 acres and frontage along smaller lakes in Flathead County as of the report effective date. The median list price was $372,450. The marketing time for the active listings was approximately 284 days. There was one active listing with frontage along Echo Lake within the search parameters. The active listing was 0.47 acres with 100 feet of frontage along Echo Lake. The list price per front foot was $3,415.

There were 47 active listings of homes on smaller area lakes in Flathead County and with 10 acres or less for sale as of the report effective date. The marketing time for the active home listings was approximately 205 days.

Interaction of Supply and Demand

Based upon the sales volume in 2016, there is an approximately 3 year supply of vacant lots on smaller area lakes for sale. Downward price pressure is likely for the active listings to sell within typical historical marketing times.

Based upon sales volumes per year in 2014, 2015, 2016, and 2017 Year-to-Date, there is an over 3.5 year supply of homes for sale on smaller area lakes in the search parameters identified.

Subject Marketability Conclusion

The subject sites have frontage along Echo Lake. We located three sales of sites with frontage along Echo Lake since 2014. The subject properties are considered to have similar marketability compared to other properties with frontage along small area lakes.

Subject Lot 19 (as improved) is also considered to have similar marketability compared to other improved properties with frontage along small area lakes.

Estimated Marketing and Exposure Times

The 8 sales of vacant sites on similar area lakes that sold during 2016 were marketed for an average of 248 days. **Marketing times** between 6 to 12 months are appropriate for the subject sites. If the subject sites had sold on the effective date of this report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

The 13 homes sales along smaller area lakes that closed in 2016 were marketed for an average of 168 days. The 17 lakefront homes sale in 2017 Year-to-Date were marketed for an average of 231 days. A **marketing time** between 6 to 12 months is appropriate for Subject Lot 19 as improved. If this subject property as improved had sold on the effective date of this report, at the appraised value concluded in this report, a 6 to 12 month **exposure time** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

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

Physically Possible:
The physical adaptability of the site for a particular use.

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

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

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

AS IF VACANT

Legally Permissible
The subject lots are in the SAG-5, Suburban Agricultural zoning district of Flathead County. All permitted uses are listed in the Property Description portion of this report. Single family dwellings are one of the permitted uses.

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

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

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

AS IMPROVED
The improvements on Subject Lot 18 do not contribute value to that property. For this reason, the highest and best use as improved is not applicable to this property.

Subject Lot 19 includes a single family residence. There is market acceptance of many types of residences along Echo Lake. Area residences range from very small, older, un-renovated cottages used seasonally along with older mobile homes to newer homes utilized on a year round basis. Alteration of these subject residence for any use other than as single family homes would require a large capital expenditure. Continued use as a single family residence (recreational and/or residential) for Subject Lot 19 is the highest and best use as improved.

THE APPRAISAL PROCESS

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

APPROACHES IN THE VALUATION OF REAL PROPERTY

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

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

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

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

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

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

The Sales Comparison Approach is developed to determine the values of the Subject Lots 18 and 19 as if vacant. All three approaches to value were considered for the valuation of Subject Lot 19 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 residence on Subject Lot 19 is not utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report.

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

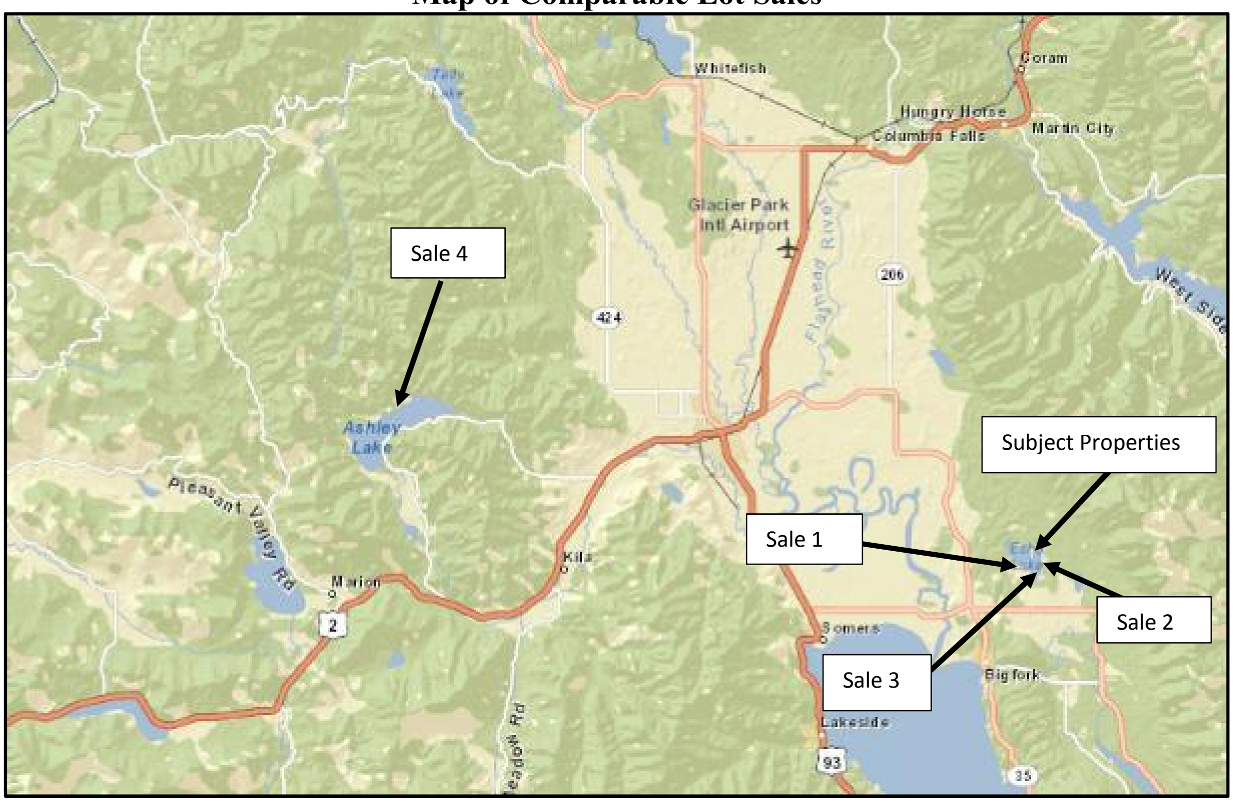
LAKEFRONT LOT SALES

We conducted a search for sales of sites along smaller lakes in Flathead County. As noted in the Subject Market Analysis, there were a total of 26 sales of vacant lakefront sites on somewhat similar lakes in Flathead County from 2014 to 2017 Year-to-Date. We selected the most recent and/or most similar of these sales as comparables for the subject lots. The recognized unit of comparison is price per feet of frontage along the lake. These comparables are described on the table below;

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

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

Map of Comparable Lot Sales



LAND SALE 1

COMPARABLE SALE INFORMATION

Location	636 Echo Chalet Drive
City/State	Bigfork, Montana
County	Flathead
Assessor Number	0339738
Zoning	SAG-5, Suburban Ag/5 Acre Min
Site Size: Acres	1.090
Square Feet	47,480
Date of Sale	November 10, 2016
Sales Price	$371,000
Less Cost of Improvements*	$0
Sales Price Adjusted	$371,000
MLS #	337550

ANALYSIS OF SALE

Price per Acre	$340,367	***Price per Square Foot***	$7.81
		Price Per Front Foot	$2,968

TRANSFER INFORMATION

Grantor	Jeff McNamara & Monica McNamara	***Grantee***	Richard W. Botting & Sharon K. Prier
Type of Instrument	Warranty Deed	***Document #***	201600025165
		Marketing Time	409 Days on Market
Financing/Conditions	Conventional/Market	***Verified By***	Cheri Hanson, Selling Agent
Legal Description	Tract 1 of COS #19637 in Government Lot 4, Flathead County, Montana	***Intended Use/Comments***	Purchased for Residential / Recreational Use
Section/Township/Range	S4/T27N/R19W		

PROPERTY DETAILS

Access	Echo Chalet Drive	***View***	Lake, Mountains
Topography	Level	***Lot Dimensions***	Various
Flood Plain	According to FEMA Map Panel 30029C2310J, this property is in an area of elevated flood risk or Flood Zone A.	***Improvements***	None
Water	Echo Lake	***Value of Improvements***	$0
Water Frontage/Front Feet	125.00		
Utilities	Electricity & Telephone at road.	***Miscellaneous***	
		Report File #	17-013ec

LAND SALE 2

COMPARABLE SALE INFORMATION	
Location	1010 Echo Lake Road
City/State	Bigfork, Montana
County	Flathead
Assessor Number	096700
Zoning	SAG-5, Suburban Agricultural
Site Size: Acres	0.81
Square Feet	35,284
Date of Sale	June 29, 2015
Sales Price	$355,000
*Less Cost of Improvements**	$35,000
Sales Price Adjusted	$320,000
MLS #	333505

ANALYSIS OF SALE			
Price per Acre	$395,062	*Price per Square Foot*	$9.07
		Price Per Front Foot	$1,594

TRANSFER INFORMATION			
Grantor	Ty J. Malek & Alecia M. Malek	*Grantee*	Ron R. Low & Tammy J. Low
Type of Instrument	Warranty Deed	*Document #*	201500012922
		Marketing Time	70 Days on Market
Financing/Conditions	Conventional/Market	*Verified By/Phone #*	Diana Rahdert, Listing Agent
Legal Description	COS # 1168, Flathead County, Montana	*Intended Use/Comments*	Purchased for recreational use.
Section/Township/Range	S4/T27N/R19W		

PROPERTY DETAILS			
Access	Echo Lake Road	*View*	Lake Blaine/Mountains
Topography	Level	*Lot Dimensions*	200.8' X 166.5' X 200.1' X 211.7'
Flood Plain	According to Flood Map # 30029C1875G, the property is located in an area of High Flood Risk.	*Improvements*	Sale included an older mobile home that was considered to contribute some value. The existence of the home allowed the purchaser to maintain the current septic system. Total building and site improvements estimated to contribute $35,000 to the purchase price.
*Feet of Water Frontage**	200.8	*Value of Improvements*	$35,000
Front Feet Per Acre	248		
Utilities	Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	*Miscellaneous*	Mobile home on site was remodeled in the 1970's. Purchaser intended to utilize the home for recreational purposes.

*Water front feet represents south side only due to road easement between north side water frontage. The total water frontage is approximately 401 Feet.

Report File # 15-054ec

LAND SALE 3

COMPARABLE SALE INFORMATION

Location	680 Echo Lake Road
City/State	Bigfork, Montana
County	Flathead
Assessor Number	0709880
Zoning	SAG-5, Suburban Agricultural
Site Size: Acres	1.52
Square Feet	66,211
Date of Sale	November 26, 2014
Sales Price	$395,000
*Less Cost of Improvements**	$40,000
Sales Price Adjusted	$355,000
MLS #	327468

ANALYSIS OF SALE

Price per Acre	$233,553	*Price per Square Foot*	$5.36
		Price Per Front Foot	$3,550

TRANSFER INFORMATION

Grantor	Shirley Cooper & Gary Cooper	*Grantee*	369728 Alberta, LTD
Type of Instrument	Warranty Deed	*Document #*	201400024095
		Marketing Time	177 Days on Market
Financing/Conditions	Cash/Market	*Verified By/Phone #*	Zac Andrews, Listing & Selling Agent
Legal Description	Lot 15 Deer Island Company, Flathead County, Montana	*Intended Use/Comments*	Purchased for recreational use.
Section/Township/Range	S8/T27N/R19W		

PROPERTY DETAILS

Access	Echo Lake Road	*View*	Lake Blaine/Mountains
Topography	Level	*Lot Dimensions*	100.0' X 510.14' X 159.5' X 542.66'
Flood Plain	According to Flood Map # 30029C2310G, the property is located in an area of High Flood Risk.	*Improvements*	Sale included an two older mobile homes that were considered to contribute some value. The existence of the homes allowed the purchaser to maintain the current septic system. Building and site improvements estimated to contribute a total of $40,000.
Feet of Water Frontage	100	*Value of Improvements*	$40,000
Front Feet Per Acre	66		
Utilities	Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	*Miscellaneous*	This property was purchased by the owner of an adjoining property. The purchaser intended to utilize the mobile homes for recreational use.
		Report File #	15-054ec

LAND SALE 4

COMPARABLE SALE INFORMATION	
Location	4018 N Ashley Lake Road
City/State	Kalispell, Montana
County	Flathead
Assessor Number	0003413
Zoning	Ashley Lake Neighborhood Plan
Site Size: Acres	1.354
Square Feet	58,967
Date of Sale	February 10, 2017
Sales Price	$295,000
Less Cost of Improvements*	$0
Sales Price Adjusted	$295,000
MLS #	21610888

ANALYSIS OF SALE			
Price per Acre	$217,921	Price per Square Foot	$5.00
		Price Per Front Foot	$2,185

TRANSFER INFORMATION			
Grantor	Randall G. Nelson & Jean M. Nelson	Grantee	Michael R. Porter, Richard Porter, & Jennifer Porter
Type of Instrument	Warranty Deed	Document #	201700002994
		Marketing Time	505 Days on Market
Financing/Conditions	Conventional/Market	Verified By	P.C. Musgove, Listing Agent
Legal Description	Lot 28 of Emerald Point on Ashley Lake No. 2, Flathead County, Montana	Intended Use/Comments	Purchased for Residential / Recreational Use
Section/Township/Range	S1/T28N/R24W		

PROPERTY DETAILS			
Access	N Ashley Lake Road	View	Lake, Mountains
Topography	Slopes Down Toward Lake	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30029C1775G, the property is not located in an area of elevated flood risk.	Improvements	None
Water	Ashley Lake	Value of Improvements	$0
Water Frontage/Front Feet	135		
Utilities	Electricity & Telephone at road.	Miscellaneous	
		Report File #	17-013ec

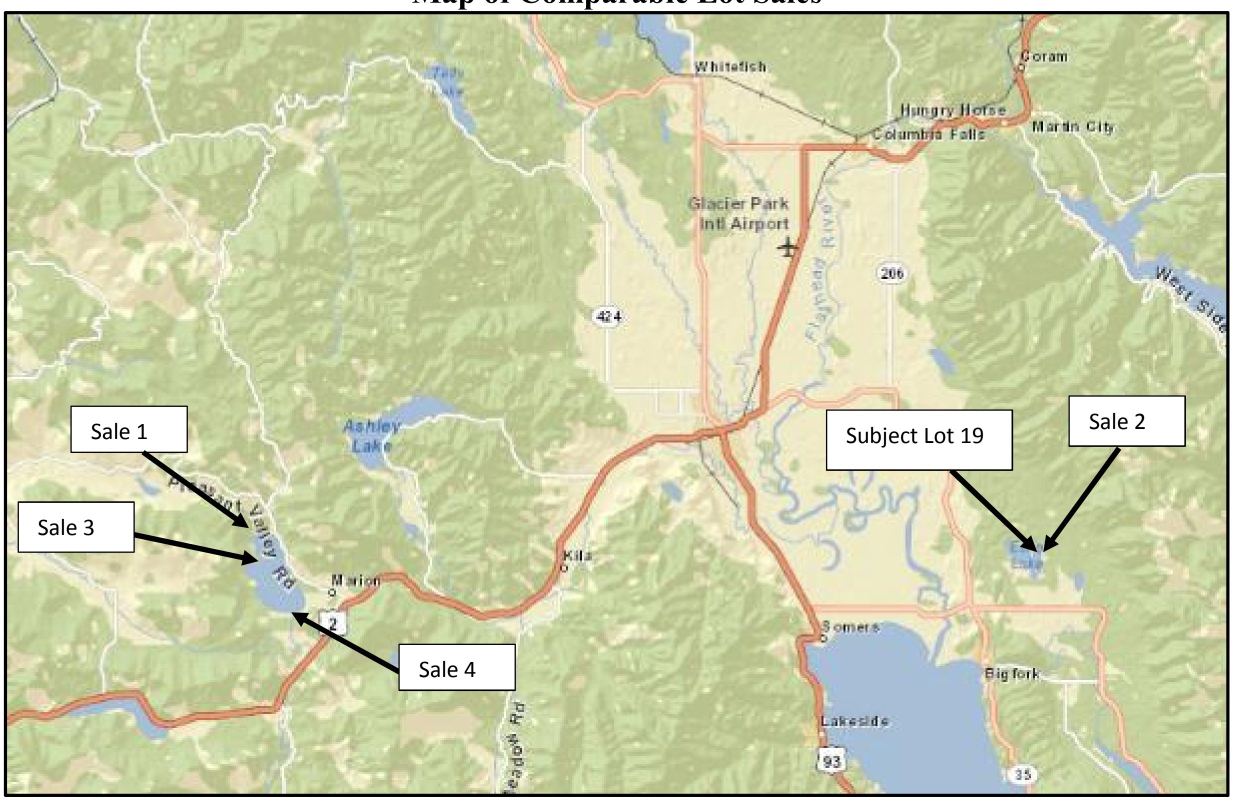
LAKEFRONT HOME SALES

We conducted a search for sales of homes on lakefront sites similar the home on Subject Lot 19 for use as comparables to determine the value of subject improvements. The most applicable and recent 4 sales located are described on the table below;

Lakefront Home Sales							
Sale #	Address	City	Lake	Sale Date	Sales Price*	Less Site Value	Sale Price of Improvements
1	525 Lodgepole Dr	Marion	Bitterroot Lake	2016	$372,500	$300,000	$72,500
2	930 Echo Lake Rd	Bigfork	Echo Lake	2016	$350,000	$290,000	$60,000
3	118 Locke Bay Dr E	Marion	Bitterroot Lake	2017	$372,250	$250,000	$122,250
4	1136 Bitterroot Ln	Marion	Bitterroot Lake	2017	$363,000	$250,000	$113,000
*Price for Sale 4 Adjusted Downward for Seller Concessions							

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

Map of Comparable Lot Sales



HOME SALE 1

COMPARABLE SALE INFORMATION

Location	525 Lodgepole Drive
City/State	Marion, Montana
County	Flathead
Assessor Number	0929700
Zoning	Little Bitterroot Lake
Site Size: Acres	1.400
Square Feet	60,984
Date of Sale	June 30, 2016
Sales Price	$372,500
Adjustment to Sales Price	$0
Adjusted Sales Price	$372,500
MLS #	2163235

TRANSFER INFORMATION

Grantor	Amber Shuldheisz VanNyhuis & Riley VanNyhuis	*Grantee*	Gary P. Jackson & Pamela A. Jackson
Recording Data	WD #201600012828	*Marketing Time*	77 Days on Market
Financing/Conditions	Cash/Market	*Verified By*	Phyllis Sprunger, Listing Agent
Legal Description	Lots 3 & 4 of Blue Grouse SD	*Intended Use*	Residential
Section/Township/Range	S6/T27N/R24W		

DESCRIPTION OF IMPROVEMENTS

Body of Water	Bitterroot Lake
Front Footage	200.00
Access	County Road - Paved
House Square Feet	690
Bedroom/Bathrooms	1 BR/1 BA
Year Built or Renovated	1950
Construction	Wood Frame
Quality	Average
Condition	Good
Water/Sewer	Well, Septic
Utilities	Electricity, Telephone, Internet
Topography	Level, then sloping toward lake.
Outbuildings	Bunkhouse
Miscellaneous	This site consists of 2 separate lots; however, septic approval for 1 lot could be problematic. Property is served by a shared well and a private septic system.

ANALYSIS OF SALE

Sales Price	$372,500
Estimated Site Value	$300,000
Sales Price of Improvements	$72,500
Improvement Price/SF	$105

Report File # 17-013ec

HOME SALE 2

COMPARABLE SALE INFORMATION

Location	930 Echo Lake Road
City/State	Bigfork, Montana
County	Flathead
Assessor Number	0337501
Zoning	SAG-5, Suburban Ag/5 Acre Min
Site Size: Acres	0.880
Square Feet	38,333
Date of Sale	August 15, 2016
Sales Price	$350,000
Adjustment to Sales Price	$0
Adjusted Sales Price	$350,000
MLS #	21606876

TRANSFER INFORMATION

Grantor	Cheryl L. Hamer	***Grantee***	Sanna Skelton & Thomas M. Skelton
Recording Data	WD #201600017287	***Marketing Time***	54 Days on Market
Financing/Conditions	Conventional/Market	***Verified By***	Scott Hollinger, Listing Agent
Legal Description	Lot 26 of Echo Acres	***Intended Use***	Residential
Section/Township/Range	S4/T27N/R19W		

DESCRIPTION OF IMPROVEMENTS

Body of Water	Echo Lake
Front Footage	100.00
Access	County Road - Paved
House Square Feet	522
Bedroom/Bathrooms	1 BR/1 BA
Year Built or Renovated	1968
Construction	Wood Frame
Quality	Average
Condition	Average
Water/Sewer	Well, Septic
Utilities	Electricity, Telephone, Internet
Topography	Level, then sloping toward lake.
Outbuildings	None
Miscellaneous	Septic in place is suitable for 1 bedroom.

ANALYSIS OF SALE

Sales Price	$350,000
Estimated Site Value	$290,000
Sales Price of Improvements	$60,000
Improvement Price/SF	$115

Report File # 17-013ec

HOME SALE 3

COMPARABLE SALE INFORMATION

Location	118 Locke Bay Drive East
City/State	Marion, Montana
County	Flathead
Assessor Number	0313921
Zoning	Little Bitterroot Lake
Site Size: Acres	0.550
Square Feet	23,958
Date of Sale	March 16, 2017
Sales Price	$372,250
Adjustment to Sales Price	$0
Adjusted Sales Price	$372,250
MLS #	21609475

TRANSFER INFORMATION

Grantor	Wile E. Lakeside Properties, LLC	*Grantee*	Micah Sampson & Bethany Sampson
Recording Data	WD #201600005496	*Marketing Time*	206 Days on Market
Financing/Conditions	Conventional/Market	*Verified By*	Greg Bauske, Selling Agent
Legal Description	Lengthy - in Appraisal Workfile	*Intended Use*	Residential
Section/Township/Range	S6T27N/R24W		

DESCRIPTION OF IMPROVEMENTS

Body of Water	Bitterroot Lake
Front Footage	100.00
Access	Private Road - Gravel
House Square Feet	1,075
Bedroom/Bathrooms	2 BR/1 BA
Year Built or Renovated	1974
Construction	Wood Frame
Quality	Average
Condition	Good
Water/Sewer	Well, Septic
Utilities	Electricity, Telephone, Internet
Topography	Level, then sloping toward lake.
Outbuildings	None
Miscellaneous	

ANALYSIS OF SALE

Sales Price	$372,250
Estimated Site Value	$250,000
Sales Price of Improvements	$122,250
Improvement Price/SF	$114

Report File # 17-013ec

HOME SALE 4

COMPARABLE SALE INFORMATION	
Location	1136 Bitterroot Lane
City/State	Marion, MT
County	Flathead
Assessor Number	0000855830
Zoning	Little Bitterroot Lake
Site Size: Acres	0.440
Square Feet	19,007
Date of Sale	January 27, 2017
Sales Price	$368,000
Adjustment to Sales Price	($5,000)
Adjusted Sales Price	$363,000
MLS #	21607449

TRANSFER INFORMATION

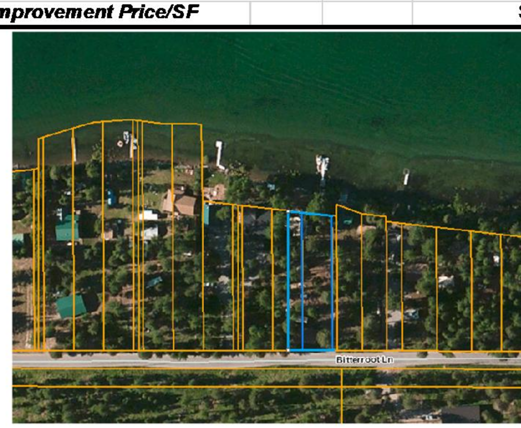
Grantor	Kimberly A. Anderson & Randy L. Moore	Grantee	Donald R. Weatherston & Elizabeth F. Weatherston
Recording Data	Warranty Deed #201700002050	Marketing Time	209 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Michael Hodge, Selling Agent
Legal Description	East 1/2 of Lot 18, All of Lot 19, and a portion of the abandoned alley lying east of Lot 19, oKelsey's Bitterroot Lake Cottage Sites.	Intended Use	Residential
Section/Township/Range	S16/T27N/R24W		

DESCRIPTION OF IMPROVEMENTS

Body of Water	Bitterroot Lake
Front Footage	83'
Access	Bitterroot Lane, Gravel
House Square Feet	880
Bedroom/Bathrooms	1BR/1BA
Year Built or Renovated	1965
Construction	Wood Frame
Quality	Average
Condition	Very Good
Water/Sewer	Well, Septic
Utilities	Electricity, Telephone, Internet, Lake Water, Septic
Topography	Level, then sloping toward lake.
Outbuildings	864 SF Shop, Tool Shed
Miscellaneous	Home was sold fully furnished and included a floating dock and boat lift. Sellers also paid $2,000 in closing costs. According to the selling agent,the dock and boat lift contributed approximately $3,000 toward the sale price.

ANALYSIS OF SALE

Sales Price	$363,000
Estimated Site Value	$250,000
Sales Price of Improvements	$113,000
Improvement Price/SF	$128



Report File # 17-025ec

PROPERTY VALUATIONS

LOT 18

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 18, COS #20591, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		636 Echo Chalet Dr	1010 Echo Lake Rd	680 Echo Lake Rd	4018 N Ashley Lake Rd
CITY		Bigfork, MT	Bigfork, MT	Bigfork, MT	Kalispell, MT
SALES PRICE		$371,000	$355,000	$395,000	$295,000
ADJUSTMENT FOR IMPROVEMENTS		$0	-$35,000	-$40,000	$0
PROPERTY RIGHTS	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**
PROPERTY RIGHTS ADJUSTMENT		$0	$0	$0	$0
FINANCING	**Market**	**Market**	**Market**	**Market**	**Market**
FINANCING ADJUSTMENT		$0	$0	$0	$0
CONDITIONS OF SALE	**Market**	**Market**	**Market**	**Market**	**Market**
CONDITIONS OF SALE ADJUSTMENT		$0	$0	$0	$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		$0	$0	$0	$0
ENVIRONMENTAL		$0	$0	$0	$0
OTHER		$0	$0	$0	$0
LEGAL/ZONING		$0	$0	$0	$0
DATE OF SALE		11/10/16	06/29/15	11/26/14	02/10/17
MARKET CONDITIONS FACTOR		**1.00**	**1.00**	**1.00**	**1.00**
ADJUSTED PRICE		$371,000	$320,000	$355,000	$295,000
SITE SIZE/ACRES	1.080	1.090	0.810	1.520	1.354
FRONT FEET ON LAKE	175.79	125.00	200.80	100.00	135.00
ADJUSTED SALES PRICE PER FRONT FOOT		$2,968	$1,594	$3,550	$2,185
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	**Echo Lake**	**Echo Lake**	**Echo Lake**	**Echo Lake**	**Ashley Lake**
		0%	0%	0%	0%
SHAPE	**Irregular**	**Irregular**	**Irregular**	**Irregular**	**Irregular**
		0%	0%	0%	0%
TOPOGRAPHY	**Some Slope**	**Level**	**Level**	**Level**	**Some Slope**
		0%	0%	0%	0%
FRONTAGE/ACCESS	**Public Road**	**Public Road**	**Private Rd**	**Public Road**	**Public Road**
		0%	0%	0%	0%
ZONING	**SAG-5**	**SAG-5**	**SAG-5**	**SAG-5**	**ALNP**
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	**Yes**	**No**	**Yes**	**No**	**No**
		-50%	-40%	-50%	-50%
ELECTRICITY/TELEPHONE	**Available**	**Available**	**Available**	**Available**	**Available**
		0%	0%	0%	0%
SITE SIZE/ACRES	**1.080**	**1.09**	**0.81**	**1.52**	**1.35**
		0%	0%	0%	0%
FRONT FEET	**175.79**	**125.00**	**200.80**	**100.00**	**135.00**
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		-50%	-40%	-50%	-50%
TOTAL ADJUSTMENT ADJUSTMENT		-$1,484	-$637	-$1,775	-$1,093
FRONT FEET PER ACRE	163	115	248	66	100
ADJUSTED PRICE PER SF		**$1,484**	**$956**	**$1,775**	**$1,093**

Discussion of Adjustments

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

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

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

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

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

Market Conditions: The comparable sales closed in 2014, 2015, 2016, and 2017. The available data indicates that market conditions for lakefront home sites have not changed appreciably since 2014. For this reason, no adjustment was necessary in this category.

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

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

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

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

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

Easements Affecting Value: The subject site is bisected by Echo Cabin Loop Road and is crossed by a driveway providing access to Lot 17. Echo Cabin Loop Road effectively splits this subject lot. This road easement is considered to significantly affect the marketability of this property.

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

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

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

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

Size/Acres: The subject lot is bracketed in size by the comparables. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

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

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of $1,484 $956, $1,775, and $1,093 per front foot respectively. Land Sales 1 and 4 are the most similar to the subject property in the amount of front feet per acre. Approximately equal weight is accorded the indications from these two sales. The average of the indications from these sales is $1,289 per front foot. We have rounded this indication up to $1,300 per front foot. A value of $1,300 per front foot is well supported by this analysis. Consequently;

175.79 FF @ $1,300/FF	$228,527
Rounded To	**$229,000**

LOT 19

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOTS 19, COS #18885, ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		636 Echo Chalet Dr	1010 Echo Lake Rd	680 Echo Lake Rd	4018 N Ashley Lake Rd
CITY		Bigfork, MT	Bigfork, MT	Bigfork, MT	Kalispell, MT
SALES PRICE		$371,000	$355,000	$395,000	$295,000
ADJUSTMENT FOR IMPROVEMENTS		$0	-$35,000	-$40,000	$0
PROPERTY RIGHTS	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**
PROPERTY RIGHTS ADJUSTMENT		$0	$0	$0	$0
FINANCING	**Market**	**Market**	**Market**	**Market**	**Market**
FINANCING ADJUSTMENT		$0	$0	$0	$0
CONDITIONS OF SALE	**Market**	**Market**	**Market**	**Market**	**Market**
CONDITIONS OF SALE ADJUSTMENT		$0	$0	$0	$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		$0	$0	$0	$0
ENVIRONMENTAL		$0	$0	$0	$0
OTHER		$0	$0	$0	$0
LEGAL/ZONING		$0	$0	$0	$0
DATE OF SALE		11/10/16	06/29/15	11/26/14	02/10/17
MARKET CONDITIONS FACTOR		**1.00**	**1.00**	**1.00**	**1.00**
ADJUSTED PRICE		$371,000	$320,000	$355,000	$295,000
SITE SIZE/ACRES	1.039	1.090	0.810	1.520	1.354
FRONT FEET ON LAKE	174.18	125.00	200.80	100.00	135.00
ADJUSTED SALES PRICE PER FRONT FOOT		$2,968	$1,594	$3,550	$2,185
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	**Echo Lake**	**Echo Lake**	**Echo Lake**	**Echo Lake**	**Ashley Lake**
		0%	0%	0%	0%
SHAPE	**Irregular**	**Irregular**	**Irregular**	**Irregular**	**Irregular**
		0%	0%	0%	0%
TOPOGRAPHY	**Some Slope**	**Level**	**Level**	**Level**	**Some Slope**
		0%	0%	0%	0%
FRONTAGE/ACCESS	**Public Road**	**Public Road**	**Private Rd**	**Public Road**	**Public Road**
		0%	0%	0%	0%
ZONING	**SAG-5**	**SAG-5**	**SAG-5**	**SAG-5**	**ALNP**
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	**Yes**	**No**	**Yes**	**No**	**No**
		-10%	0%	-10%	-10%
ELECTRICITY/TELEPHONE	**Available**	**Available**	**Available**	**Available**	**Available**
		0%	0%	0%	0%
SITE SIZE/ACRES	**1.039**	**1.09**	**0.81**	**1.52**	**1.35**
		0%	0%	0%	0%
FRONT FEET	**174.18**	**125.00**	**200.80**	**100.00**	**135.00**
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		-10%	0%	-10%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-$297	$0	-$355	-$219
FRONT FEET PER ACRE	168	115	248	66	100
ADJUSTED PRICE PER SF		**$2,671**	**$1,594**	**$3,195**	**$1,967**

Discussion of Adjustments

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

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

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

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

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

Market Conditions: The comparable sales closed in 2014, 2015, 2016, and 2017. The available data indicates that market conditions for lakefront home sites have not changed appreciably since 2014. For this reason, no adjustment was necessary in this category.

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

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

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

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

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

Easements Affecting Value: The subject is crossed by a driveway providing access to Lots 17 and 18. This easement is considered to have some negative impact on the value of the subject site. Sale 2 includes a road easement along the north boundary that is considered to have a similar negative impact on value and no adjustment was necessary for this comparable in this category. Sales 1, 3, and 4 do not include easements that affect value. Some downward adjustment was considered necessary in this category for these comparables. There was little definitive market data available on which to determine a specific adjustment for a shared driveway. We elected to make downward adjustment of 10% to these sales in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

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

Size/Acres: The subject lot is bracketed in size by the comparables. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

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

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of $2,671 $1,594, $3,195, and $1,967 per front foot respectively. Land Sales 1, 2, and 4 are the most similar to the subject property in the amount of front feet per acre. Approximately equal weight is accorded the indications from these two sales. The average of the indications from these sales is $2,077 per front foot. We have rounded this indication up to $2,100 per front foot. A value of $2,100 per front foot is well supported by this analysis. Consequently;

174.18 FF @ $2,100/FF	$365,778
Rounded To	**$366,000**

Improvement Value Estimates

A sales comparison analysis was prepared for Subject Lot 19 utilizing the improved comparables selected. This analysis is below;

SALES COMPARISON ANALYSIS FOR LOT 19, COS #18885, ECHO LAKE					
DESCRIPTION	**SUBJECT**	**SALE 1**	**SALE 2**	**SALE 3**	**SALE 4**
IDENTIFICATION		525 Lodgepole Dr	930 Echo Lake Rd	118 Locke Bay Dr E	1136 Bitterroot Ln
LOCATION		Marion, MT	Bigfork, MT	Marion, MT	Marion, MT
SALES PRICE		$372,500	$350,000	$372,250	$368,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**	**Fee Simple**
PROPERTY RIGHTS ADJUSTMENT		$0	$0	$0	$0
FINANCING	**Market**	**Market**	**Market**	**Market**	**Market**
FINANCING ADJUSTMENT		$0	$0	$0	$0
CONDITIONS OF SALE	**Market**	**Market**	**Market**	**Market**	**Market**
CONDITIONS OF SALE ADJUSTMENT		$0	$0	$0	-$5,000
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		$0	$0	$0	$0
ENVIRONMENTAL		$0	$0	$0	$0
OTHER		$0	$0	$0	$0
LEGAL/ZONING		$0	$0	$0	$0
DATE OF SALE		06/30/16	08/15/16	03/16/17	01/27/17
MARKET CONDITIONS FACTOR		**1.00**	**1.00**	**1.00**	**1.00**
ADJUSTED PRICE		$372,500	$350,000	$372,250	$363,000
LESS SITE VALUE		($300,000)	($290,000)	($250,000)	($250,000)
ADJUSTED IMPROVEMENT PRICE		$72,500	$60,000	$122,250	$113,000
ADJUSTMENT FOR:					
LOCATION/SITE	Echo Lake	Bitterroot Lake	Echo Lake	Bitterroot Lake	Bitterroot Lake
		$0	$0	$0	$0
QUALITY	**Average**	**Average**	**Average**	**Average**	**Average**
		$0	$0	$0	$0
CONDITION	**Very Good**	**Good**	**Average**	**Good**	**Very Good**
		$7,250	$12,000	$12,225	$0
BATHROOMS	**1**	**1**	**1**	**1**	**1**
		$0	$0	$0	$0
HOUSE SIZE/SF	**727**	**690**	**522**	**1,075**	**880**
		$1,850	$10,250	-$17,400	-$7,650
OUTBUILDINGS	**2 Storage Buildings**	**Superior**	**Inferior**	**Inferior**	**Similar**
		-$1,500	$3,500	$3,500	$0
TOTAL ADJUSTMENT		**$7,600**	**$25,750**	**-$1,675**	**-$7,650**
NET ADJUSTMENT PERCENTAGE		**10%**	**43%**	**-1%**	**-7%**
ADJUSTED PRICE INDICATION		**$80,100**	**$85,750**	**$120,575**	**$105,350**

Discussion of Adjustments

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

Conditions of Sale: Improved Sale 4 included seller concessions of $5,000. For this reason, an adjustment in this amount was made to this sale. No adjustments were necessary in this category for Improved Sales 1, 2, or 3.

Market Conditions: The comparable sales closed in 2016 and 2017. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2016. For this reason, no adjustment is necessary in this category.

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

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

Condition: The subject residence and Improved Sale 4 were rated as very good in this category. No adjustment was necessary for Improved Sale 4 in this category. Improved Sales 1, 2, and 3 were rated as good or average in this category. We made upward adjustments of 10% per difference in rating to these comparables. This adjustment percentage per rating is subjective but is considered reasonable and indicative of the actions of market participants relative to condition.

Bathrooms: The subject residence and comparables include 1 bathrooms. No adjustment was necessary in this category.

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

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

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of $80,100, $85,750, $120,575, and $105,350. Approximately equal weight is accorded the indications from Improved Sales 3 and 4 as these sales required the lowest net adjustment percentages. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of $113,000 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	$366,000
Subject Improvements Value	$113,000
Total Value Indication	**$479,000**

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
18	$229,000	$0	$229,000	7/26/2017
19	$366,000	$113,000	$479,000	7/26/2017

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:
REAL ESTATE APPRAISER MENTOR

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
RENEW OR VERIFY YOUR LICENSE AT:
https://ebiz.mt.gov/pol/

State of Montana
Business Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
LICENSED APPRAISER

License #: **REA-RAL-LIC-841**
Status: **Active**
Expiration Date: **03/31/2018**

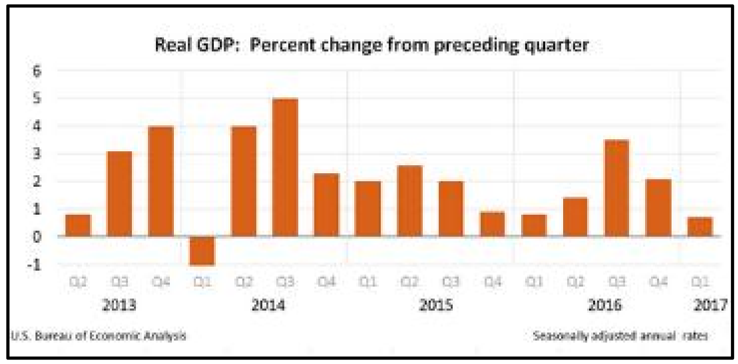
CHRISTOPHER D CLARK
CLARK REAL ESTATE APPRAISAL
704C E 13TH STREET #509
WHITEFISH, MT 59937

Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
https://ebiz.mt.gov/pol/

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 locate 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.

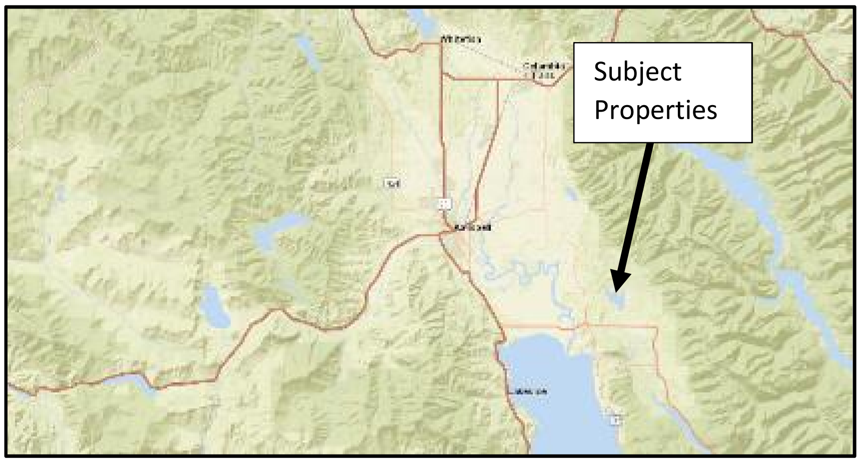
According to the Montana Bureau of Business and Economic Development; there may be issues with cattle prices and wheat production in 2017, state production of pulse crops such as lentils and peas greatly increased in 2016, coal production dropped dramatically in 2016, forest industry employment dropped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

FLATHEAD COUNTY DATA

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

Geographical Information

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



Population

According to 2016 ESRI estimates based upon US Census data, the population of Flathead County was 98,050. The population is forecasted to increase to 104,631 or by approximately 1.34% per year by 2021.

Employment

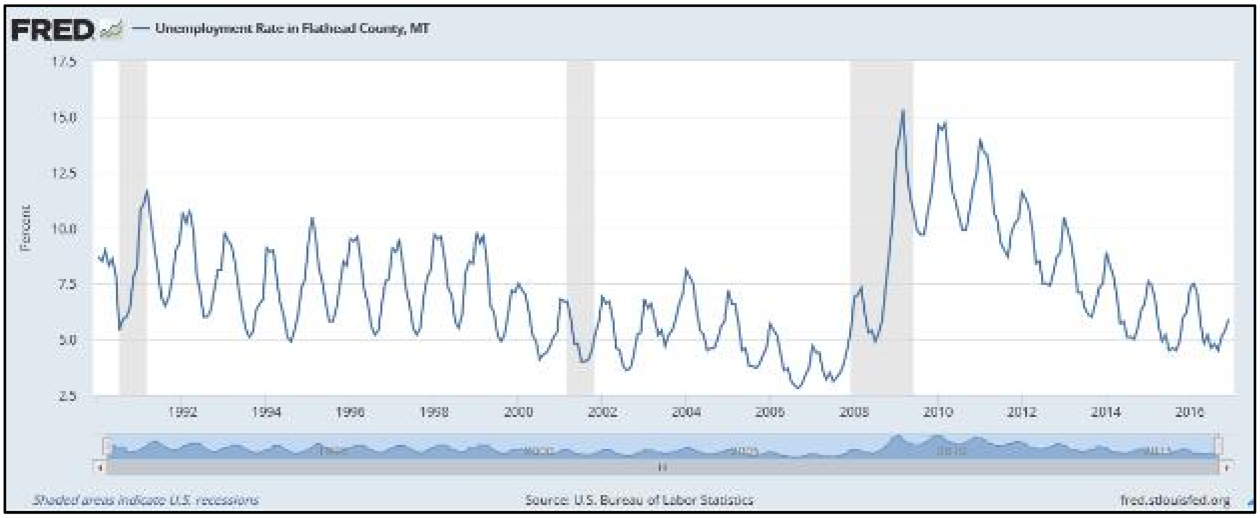
The retail trade industry represents approximately 15% of employment in Flathead County. Approximately 13% of the workforce is employed in the accommodation and food services industries and the healthcare and social assistance industries represents 12% of employment in Flathead County. Some of the largest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

Income

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

Unemployment

According to the US Bureau of Labor and Statistics, the non-seasonally adjusted unemployment rate for Flathead County was 5.9% in December of 2016. This is below the December 2015 unemployment rate of 6.2%. Unemployment fluctuations for the county since 1990 are included on the graph below.



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

Construction & Development

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

Single Family Building Permits Issued Per Year													
City	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change: 2015-2016
Kalispell	233	170	146	78	46	50	42	54	106	81	72	104	44%
Whitefish	80	60	22	26	14	19	36	51	75	72	48	49	2%
Columbia Falls	52	38	68	8	6	4	9	8	8	21	17	15	-12%
Total	**365**	**268**	**236**	**112**	**66**	**73**	**87**	**113**	**189**	**174**	**137**	**168**	23%

The twelve year high for residential single family permits in the three municipalities is 365 permits issued in 2005. Thousands of new residential subdivision lots were created in Flathead County (incorporated and unincorporated areas) during the early and mid 2000's. Supply exceeded demand for the years immediately following the national recession. According to research by Clark Real Estate Appraisal, supply and demand moved closer to a balanced level in the municipalities in Flathead County over the past three years.

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

Tourism
Glacier National Park is a significant draw in Flathead County with 1.8 to over 2.9 million visitors each year over the last 10 years. There are many area recreational opportunities that draw resident and nonresident travelers. These include natural amenities such as the numerous lakes, rivers and mountain ranges and manmade amenities such as ski and mountain biking areas.

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

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

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

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

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

City and Communities

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

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

County Economic Data Conclusion

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

BIGFORK ECONOMIC DATA

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

Recreation

The Bigfork area provides outdoor enthusiasts with an abundance of nature and recreational activities. Flathead Lake is a significant attraction for tourists and Montana residents. The lake is 28 miles long and up to 15 miles wide. Water activities on Flathead Lake include; fishing, cruises, sailing, boating and water sports. The Swan River is known for fly fishing, whitewater rafting and kayaking. Echo Lake and Swan Lake are smaller fresh water lakes located near Bigfork. Nearby mountains provide opportunities for hiking, camping, biking, snowmobiling and snow skiing. Wilderness areas located near Bigfork include Glacier National Park, the Swan Wilderness, Jewel Basin, and Bob Marshall Wilderness which offer many recreational opportunities. Whitefish Mountain Resort and Blacktail Ski Resort are close by and offer winter activities including snowboarding, downhill and cross country skiing. The Eagle Bend Golf Course is a semi-private 27-hole championship course available for the golf enthusiasts.

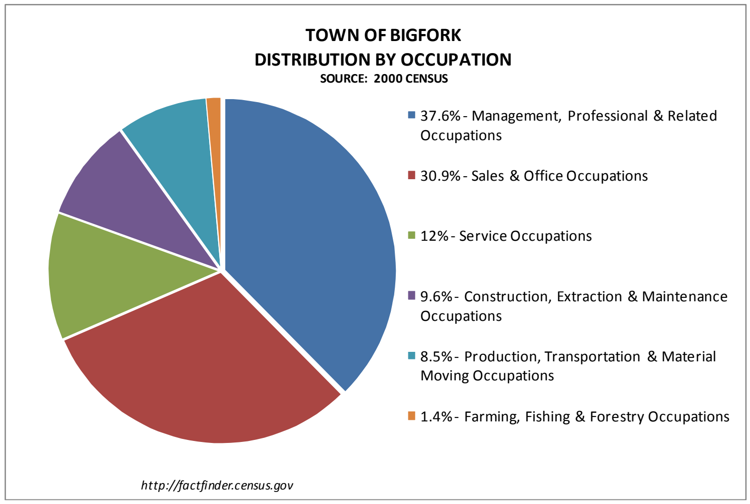
Population and Income

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

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

Employment

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



Linkages and Transportation

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

Commercial Real Estate

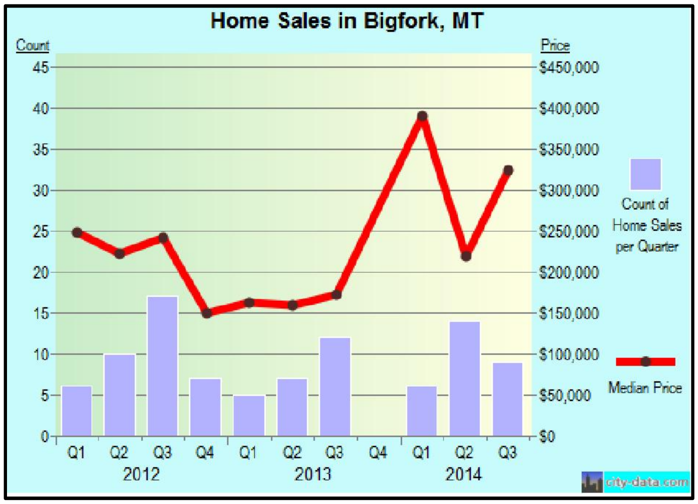
Since the economy in Bigfork is tied to tourism and the second home market most businesses in the Bigfork Village fluctuate based upon the overall health of these market segments. There was increased commercial development in the Village between 2003 and 2006 compared to prior years. Several buildings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

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

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

Residential Real Estate

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



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

Conclusion

There are relatively few larger employers in Bigfork and the year round population is fairly small. Much of the commercial development during the past decade was tied to real estate and new subdivision development. Businesses occupying space related to real estate in area buildings included real estate agencies, builders, and architects. The slowdown in the residential real estate market negatively affected the area commercial market.

The Bigfork area will likely continue to be an attractive destination for second home buyers and retirees due to the proximity of Flathead Lake and the abundance of recreational opportunities. The second home market is tied to the national economy. The national second home market has been improving over the past couple of years. Market conditions are forecasted to continue to improve in Bigfork.

Amended 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, Teri Owens- Stephens, 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 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.

Amended 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 (Flathead County):

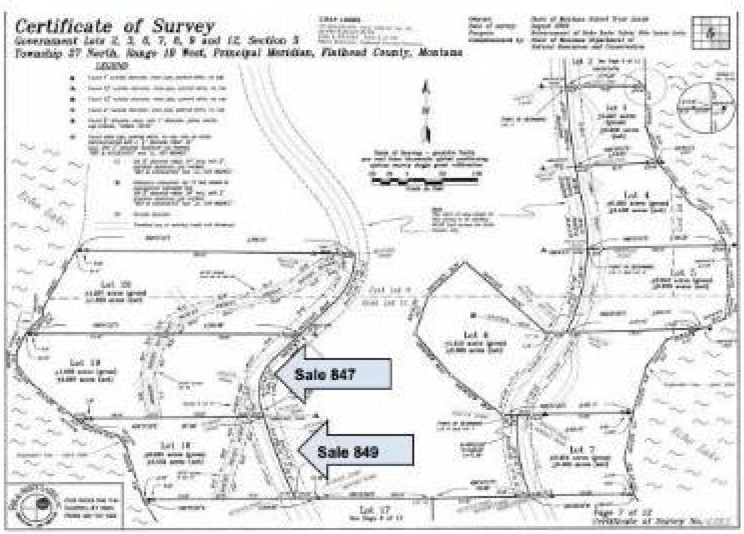
Sale #	Acres	Legal Description
847	1.699	Lot 19, Echo Lake, T27N-R19W, Sec. 5
849	1.08	Lot 18, Echo Lake, T27N-R19W, Sec. 5

Lessees:

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

Echo Lake (Flathead County) Sale Location Map

Echo Lake Lots



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 (Flathead County):

Sale #	Acres	Legal Description
851	1.997	Lot 9, McGregor Lake, T26N-R25W, Sec. 16

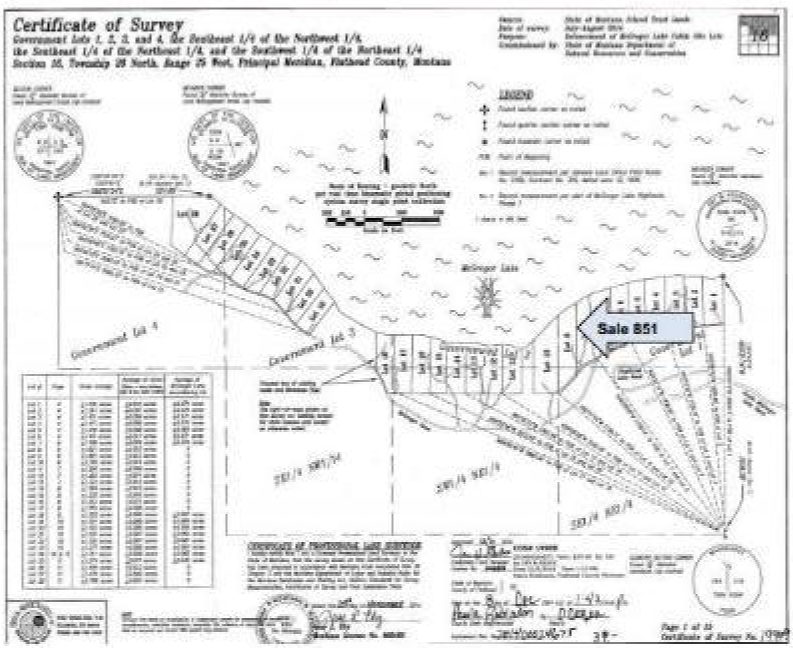
Lessees:

Sale 851
Terri Owen Stephens
370 Blacktail Rd
Lakeside, MT 59922

McGregor Lake (Flathead County) Sale Location Map

McGregor Lake Lot


851


Certificate of Survey
Sale 851
Government Lot 4
Government Lot 3
McGregor Lake

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 W½NE¼NE¼, 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
885	0.856 ±	Lot 15, Morrell Flats, T16N-R15W, Sec. 14

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	

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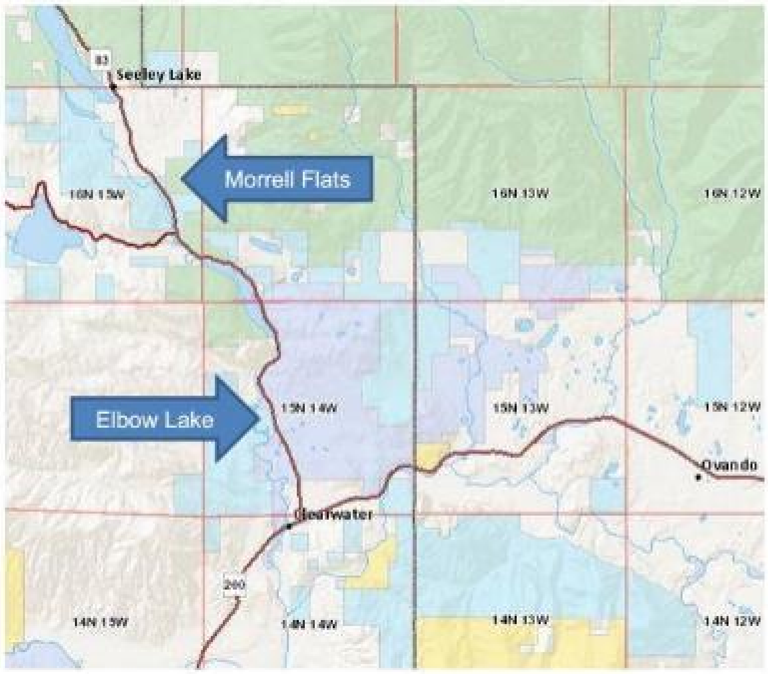
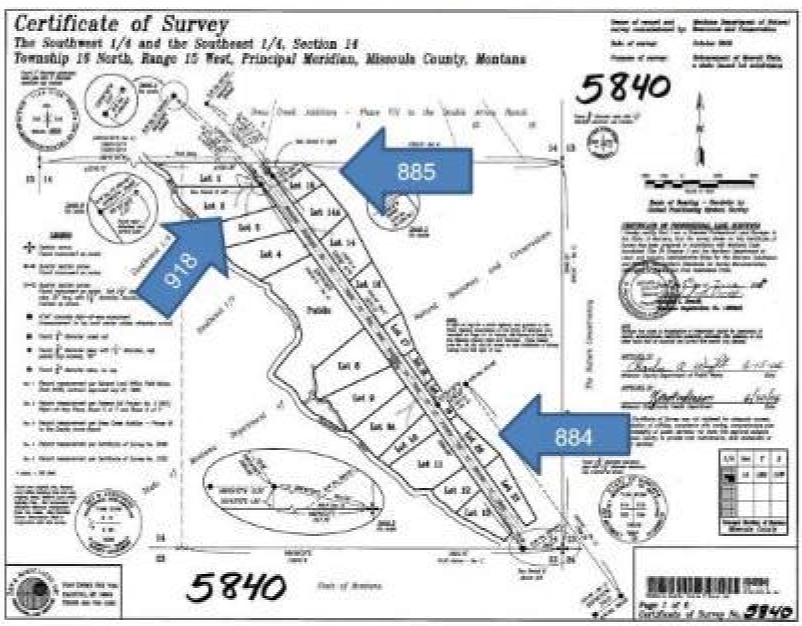
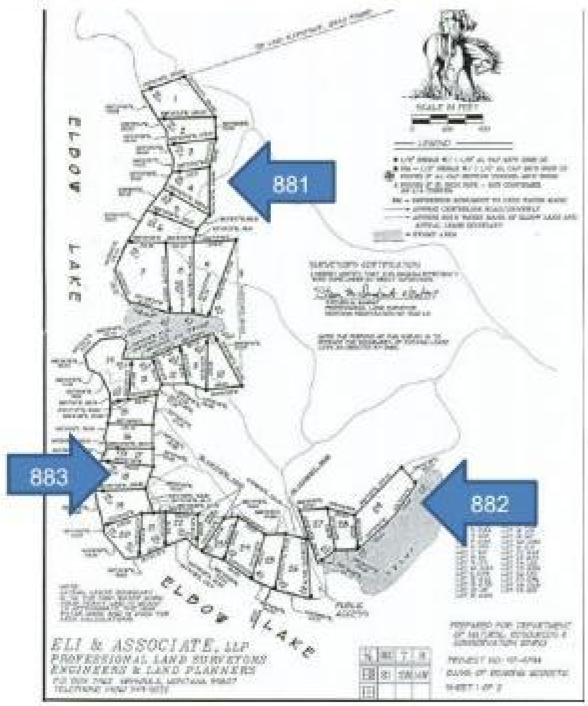
MISSOULA COUNTY SALE LOCATION MAP



Morrell Flats Sales



Elbow Lake 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:

Sales 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. 114th 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

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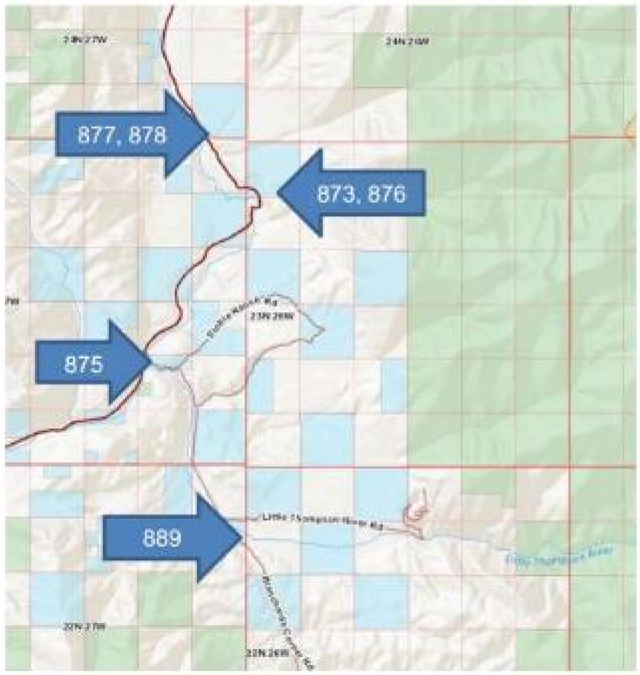
Sale Location Map



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