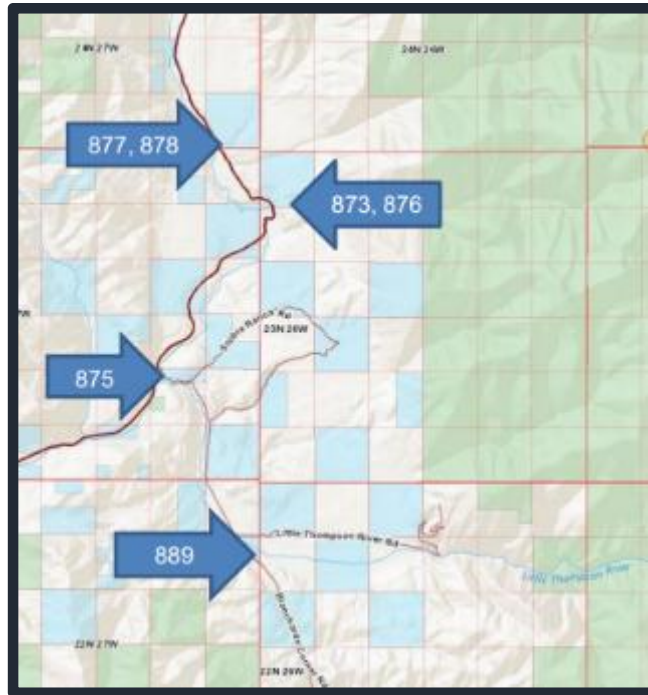


APPRAISAL REPORT OF:

**SIX UNSURVEYED LOTS IN
SECTION 6 (T 23 N, R 26 W), SECTION 12 (T 22 N, R 27 W),
SECTION 34 (T 23 N, R 27 W), & SECTION 36 (T 24 N, R 27 W)
SANDERS COUNTY, MONTANA
AKA MT DNRC SALE #'S 873, 875, 876, 877, 878, & 889**



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 25, 2017

PREPARED BY:

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



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

LETTER OF TRANSMITTAL

August 25, 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: Six Unsurveyed Lots in Section 6 (T 23 N, R 26 W), Section 12 (T 22 N, R 27 W), Section (T 23 N, R 27 W), & Section 36 (T 24 N, R 27 W), Sanders County, Montana, AKA MT DNRC Sale #'S 873, 875, 876, 877, 878, & 889

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 25, 2017. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. These visual inspections, reviews, and analyses were made in order to prepare the attached summary appraisal report.

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

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

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

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

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

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

Respectfully submitted,



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



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

17-030ec

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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 | See Property Description |
| Site Sizes | See Property Description |
| Description of Improvements | See Property Description |
| Assessor Number(s) | See Property Description |
| Census Tract | 30-089-0001.00 |
| Flood Zone | Zones X and/or A, FEMA Map Panel 30089C1150D – Dated 6/5/12 |
| Zoning | Area Not Zoned |

HIGHEST AND BEST USE(S)

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

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

| | |
|-----------------------------------|-----------------|
| Report Date | August 25, 2017 |
| Inspection Date(s) | July 25, 2017 |
| Effective Date of Value(s) | July 25, 2017 |
| Property Rights Appraised | Fee Simple |

Estimate of Market Values

| | |
|---------------------------------------|---|
| Individual Lot Values | Property Valuation Section of Report & Page 114 of Report |
| Individual Improvement Values | Property Valuation Section of Report & Page 114 of Report |
| Individual Total Market Values | Property Valuation Section of Report & Page 114 of Report |

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

MARKETING & EXPOSURE TIME

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

APPRAISER INFORMATION

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

CERTIFICATION OF APPRAISAL

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

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

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



Dated Signed: August 25, 2017
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: August 25, 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 six unsurveyed lots in Section 6 (T 23 N, R 26 W), Section 12 (T 22 N, R 27 W), Section (T 23 N, R 27 W), & Section 36 (T 24 N, R 27 W), Sanders County, Montana, AKA MT DNRC Sale #'S 873, 875, 876, 877, 878, & 889.

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

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on July 25, 2017. We measured the improvements on the properties and walked the subject sites.

Scope of Research

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

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

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

Extraordinary Assumption(s)

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

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

Hypothetical Conditions

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

The values concluded in this report for the subject properties are based upon the **Hypothetical Conditions** that the properties were legal parcels as of the report effective date and that there was legal and adequate access to the properties. It is assumed for report purposes that access easements and road user’s agreements will be recorded for Sale #’s 877 and 878. The values concluded for these properties include consideration for such recorded documents.

Highest & Best Use

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

Appraisal Process

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

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

Environmental

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

General Data Sources

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

- Sanders 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;

| Sale # | Section/Township/Range | County |
|--------|------------------------|---------|
| 873 | S6/T23N/R26W | Sanders |
| 875 | S34/T23N/R27W | Sanders |
| 876 | S6/T23N/R26W | Sanders |
| 877 | S36/T24N/R27W | Sanders |
| 878 | S36/T24N/R27W | Sanders |
| 889 | S12/T22N/R27W | Sanders |

INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

| Sale # | Lessees |
|--------|----------------------------|
| 873 | Shannon Holmes |
| 875 | Donna Davis & Denise White |
| 876 | Darvin & Bonnie Struck |
| 877 | Thompson River Club, LLC |
| 878 | Jerry & Joye Pope |
| 889 | Lynn Hansen & Connie Weber |

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 25, 2017

EFFECTIVE DATE OF MARKET VALUES

July 25, 2017

PROPERTY RIGHTS APPRAISED

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

DEFINITION OF MARKET VALUE

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

Current Fair Market Value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

STATEMENT OF OWNERSHIP & USE HISTORY

The subject sites are all owned by the State of Montana. The improvements on the subject lots are owned by the lessees. The names of the lessees and information about the most recent transfers of the improvements are included below;

| Sale # | Lessees | Last Transfer Document for Improvements |
|--------|----------------------------|---|
| 873 | Shannon Holmes | Bill of Sale Recorded 1993 |
| 875 | Donna Davis & Denise White | Per Lessee - Leased for 67 Years |
| 876 | Darvin & Bonnie Struck | Quitclaim Deed Recorded 1993 |
| 877 | Thompson River Club, LLC | Per Lessee - Leased for 15 Years |
| 878 | Jerry & Joye Pope | Per Lessee - Leased Aprox. 47 Years |
| 889 | Lynn Hansen & Connie Weber | Per Lessee - Leased for 4 Years |

We did not locate Bill of Sales or deeds for Sale #'s 875, 877, 878, or 889. We relied upon information from the lessees regarding improvement purchase dates for these properties.

USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lots are in this program. According to the available information, the subject lots have been used for recreational/residential purposes for the three years prior to the report effective date. Houses were constructed on all of the subject sites. Information about construction dates and any recent listing information for the improvements via the area MLS for each property is below;

| Sale # | Lessees | Yr House Built (Per Lessee) | Yr House Built (Per MT DOR) | Listing History via Area MLS |
|--------|----------------------------|-----------------------------|-----------------------------|------------------------------|
| 873 | Shannon Holmes | Unknown | 1958 | None |
| 875 | Donna Davis & Denise White | 1930's - 1940's & 2007 | 1952 & 2005 | None |
| 876 | Darvin & Bonnie Struck | Unknown | 1946 | None |
| 877 | Thompson River Club, LLC | 1930's | 1935 | None |
| 878 | Jerry & Joye Pope | 1932 | 1937 | None |
| 889 | Lynn Hansen & Connie Weber | 1950's | 1970 | None |

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

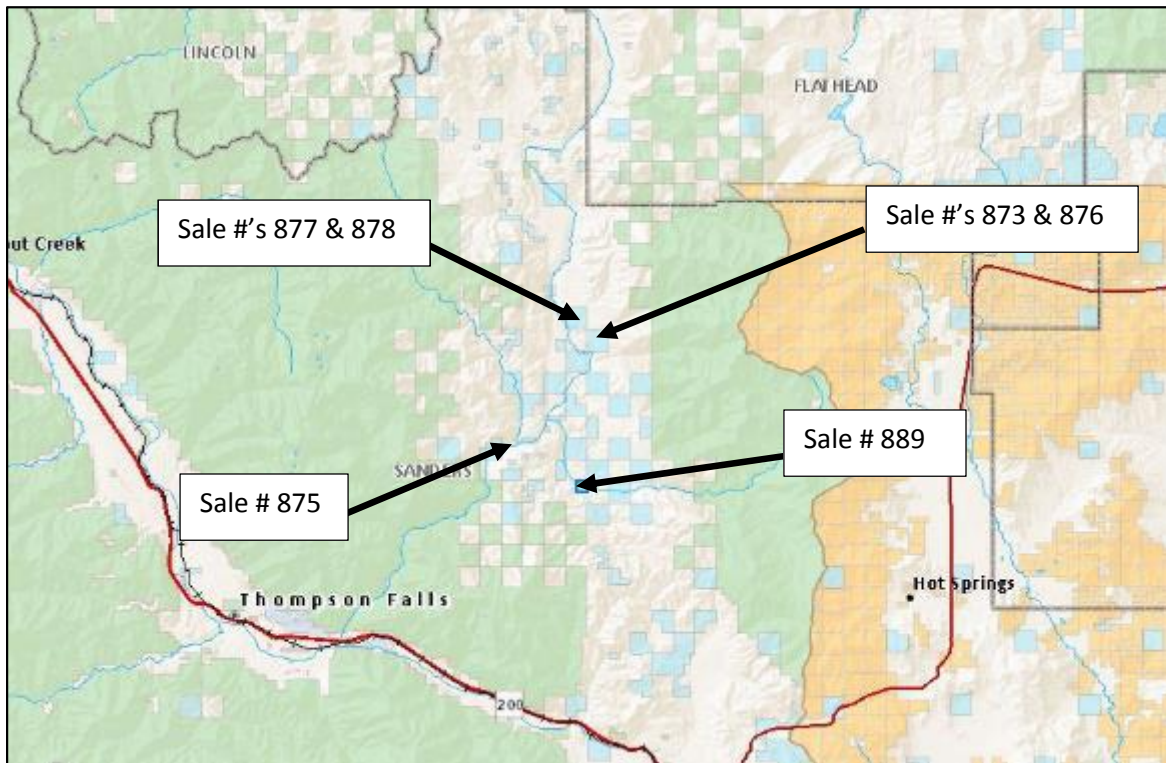
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

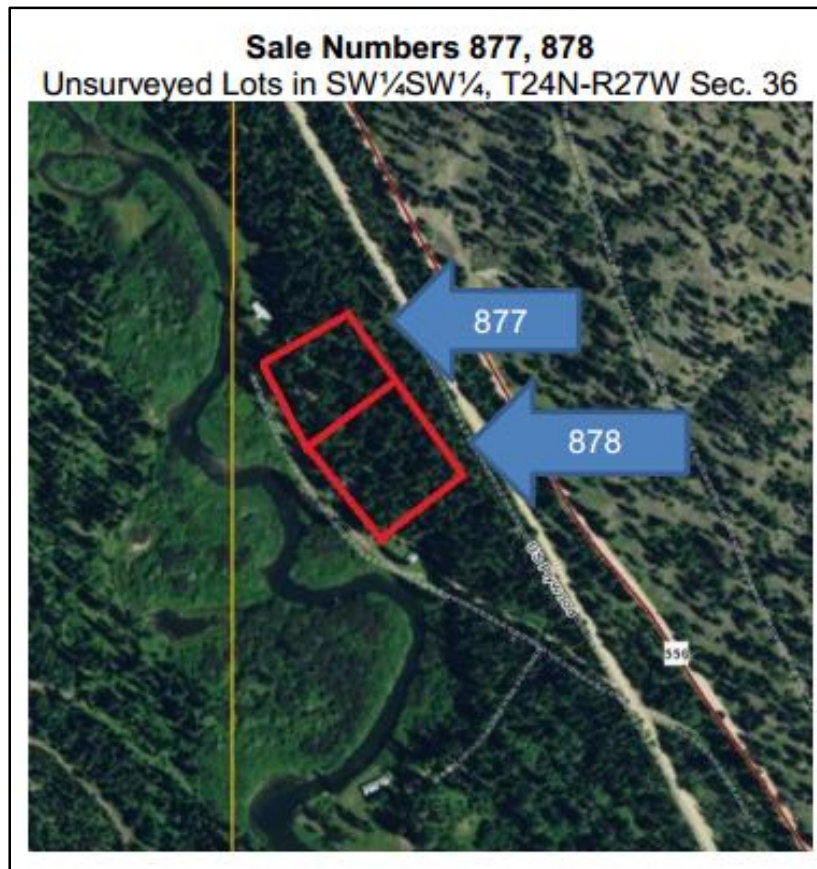
The subject properties are six unsurveyed lots within larger tracts owned by the State of Montana. The subject sites described on the table below;

| Sale # | Lessees | Section/Township/Range | County | Acres | Water Frontage or Proximity | Topography |
|--------|----------------------------|------------------------|---------|-------|-----------------------------|---|
| 873 | Shannon Holmes | S6/T23N/R26W | Sanders | 1.540 | None | Mostly Level |
| 875 | Donna Davis & Denise White | S34/T23N/R27W | Sanders | 1.270 | Walking Distance to River | Mostly Level - Slope Tow ard River |
| 876 | Darvin & Bonnie Struck | S6/T23N/R26W | Sanders | 0.990 | Walking Distance to River | Level |
| 877 | Thompson River Club, LLC | S36/T24N/R27W | Sanders | 0.700 | River Frontage | Mostly Level - Slope Upw ard Tow ard NE |
| 878 | Jerry & Joye Pope | S36/T24N/R27W | Sanders | 1.090 | River Frontage | Mostly Level - Slope Upw ard Tow ard NE |
| 889 | Lynn Hansen & Connie Weber | S12/T22N/R27W | Sanders | 1.410 | Creek Frontage | Level |

The parent tracts for the subject properties are identified on the Montana Department of Revenue Cadastral map below;



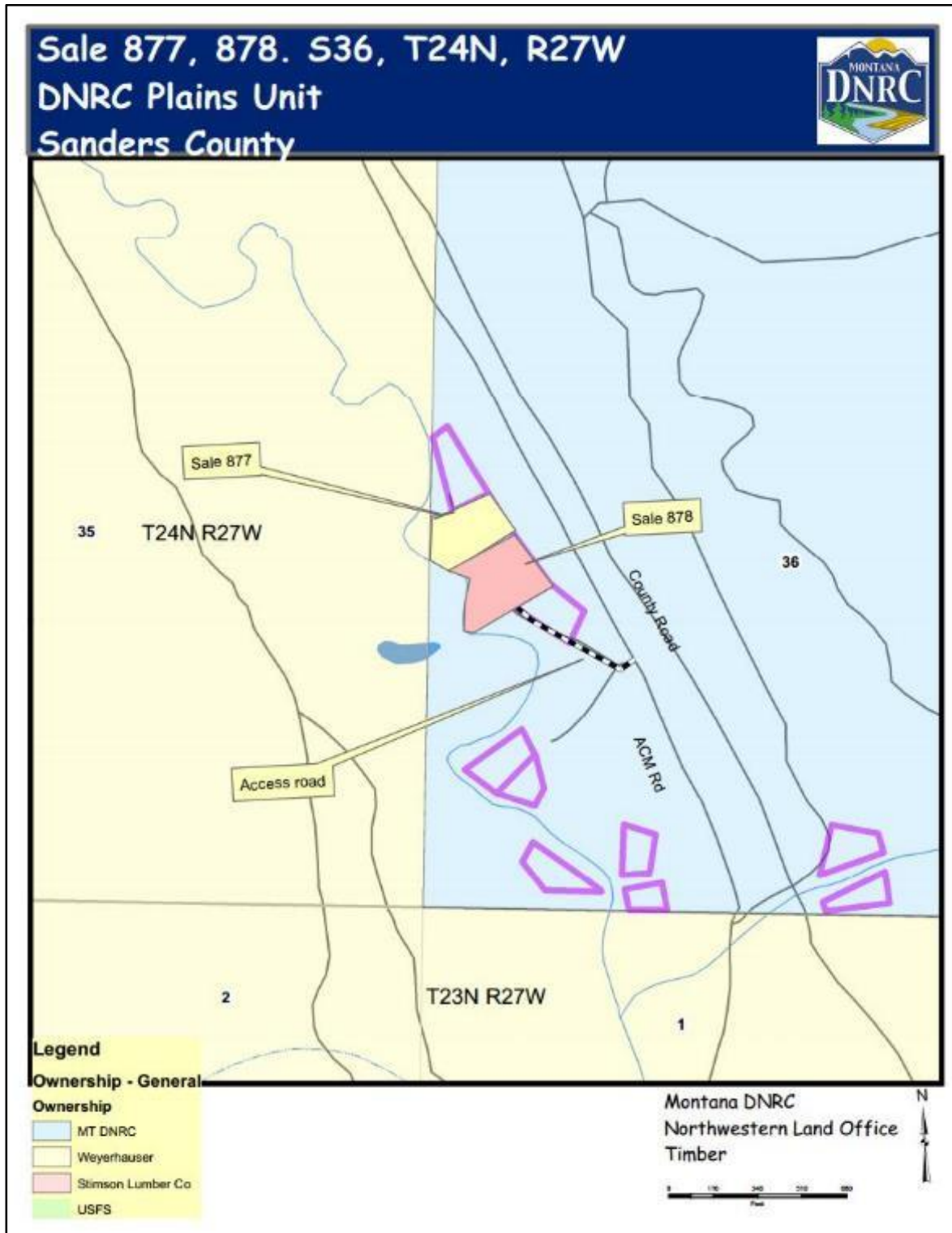
Images depicting each subject site as provided by the Montana Department of Natural Resources and Conservation and from Montana Department of Revenue Cadastral Mapping are included on the following pages.

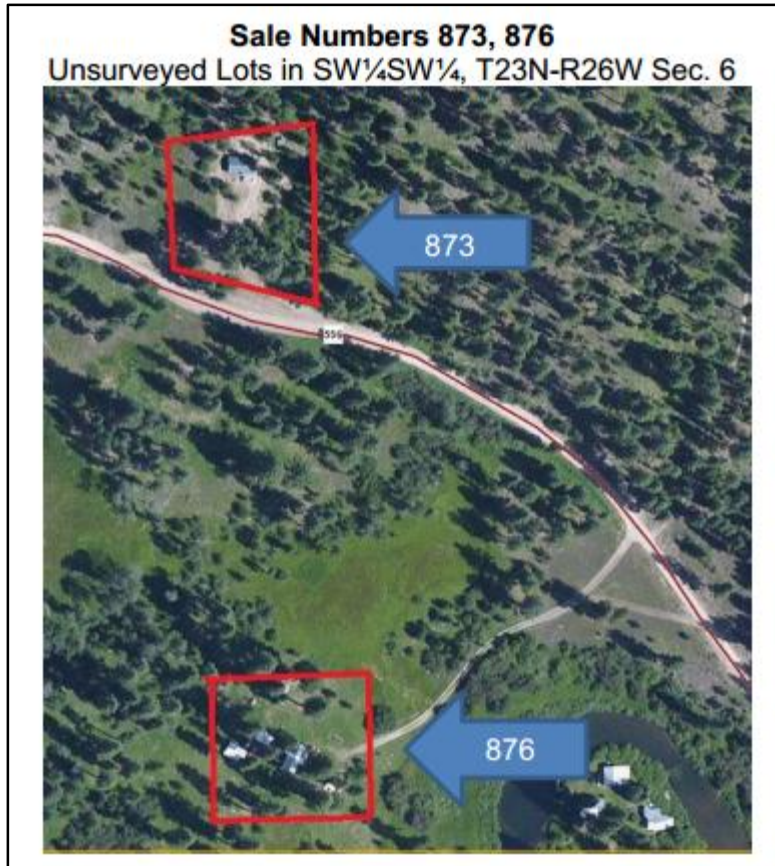


Area Topographic Map



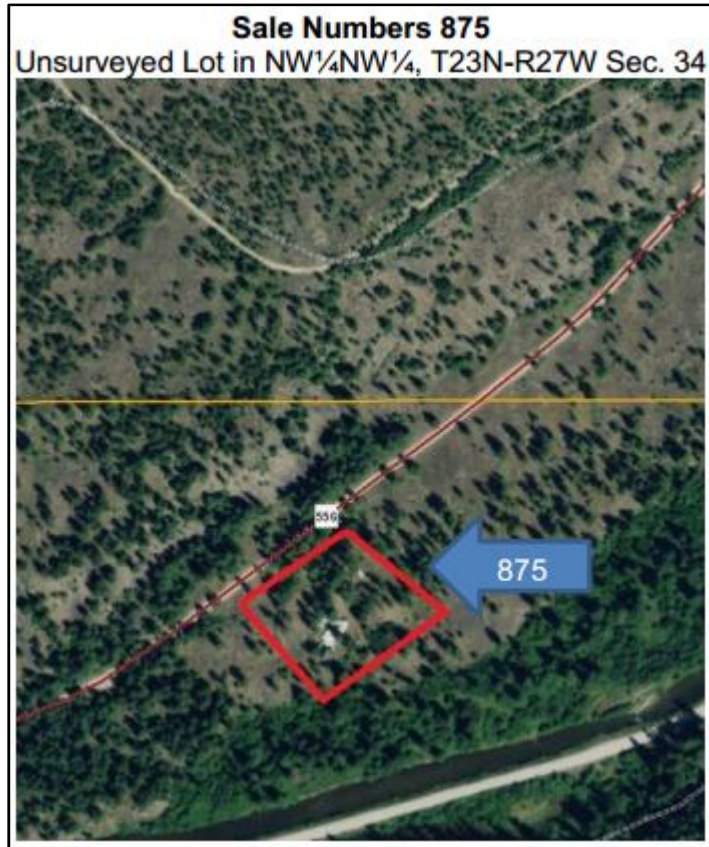
Image of Potential Surveys for Sales #'s 877 & 878
Provided by MT DNRC





Area Topographic Map





Area Topographic Map





Area Topographic Map



ACCESS AND VIEWS

Sale #'s 873, 875, and 876 are accessed via Thompson River Road (aka Montana Secondary Highway 556). Sale #'s 877 and 878 are accessed via a driveway from Thompson River Road. This driveway will cross both of these sales when the final surveys are recorded. Sale # 889 is accessed via Blanchard's Corner Road. Montana Secondary Highway 556 is a gravel road extending 44 miles from US Highway 2 to the north to Montana Highway 200 to the south.

IMPROVEMENTS

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

| Sale # | 873 | 875 | 876 |
|-------------------------|---|---|---|
| Residence SF | 597 | 917 | 972 |
| Construction Type | Wood Frame | Wood Frame | Wood Frame |
| Foundation | Concrete with Curtain Wall | Concrete Block | Post & Pier |
| Quality | Average | Average | Average |
| Condition | Good | Average | Average |
| Year Built | 1958 | 1930's - 1940's | 1946 |
| # of Bedrooms | 2 | 1 | 1 |
| # of Bathrooms | 0 | 1/2 Bath (Toilet Only) | 1 |
| Porches | 182 SF Deck & 82 SF Covered Porch | 60 SF Covered Entry & 204 SF Covered Porch, | 151 SF Covered Porch |
| Outbuildings/Amenities | 55 SF Storage Building, 221 SF Storage Building, & Outhouse | 496 SF Guest House (c. 2007), 182 SF Root Cellar, 502 SF Storage Building (w ith Show er), 36 SF Storage Building, & Outhouse | 403 SF Storage Building, 210 SF Wood Shed, & Outhouse |
| Other Site Improvements | None | Older Septic Tank | Sandpoint Type Well |
| Landscaping | Law n | Law n | Law n |
| Notes | | Solar Pow er | Cistern Tank for Water & Solar Pow er |

| Sale # | 877 | 878 | 889 |
|-------------------------|---|--|--|
| Residence SF | 573 | 819 SF | 863 |
| Construction Type | Log Frame | Wood & Log Frame | Wood Frame |
| Foundation | Concrete Foundation | Concrete Foundation | Concrete Block |
| Quality | Average | Average | Average |
| Condition | Average | Good | Good |
| Year Built | 1935 | 1932 | 1970 |
| # of Bedrooms | 0 | 1 | 1 |
| # of Bathrooms | 0 | 1 (No Toilet) | 0 |
| Porches | | | 120 SF Covered Porch, 73 SF Covered Deck, 32 SF Stoop, & 216 SF Covered Rec. Area |
| Outbuildings/Amenities | 139 SF Storage Building, 64 SF Storage Building, & Outhouse | 168 SF Storage Building, 120 SF Storage Building, & Outhouse | 107 SF Storage Building, 80 SF Storage Building, 215 SF Wood Cutting Shelter, & Outhouse |
| Other Site Improvements | None | Sandpoint Type Well c.2006 | Shallow Well/Grayw ater System |
| Landscaping | Law n | Law n | Walkw ays |
| Notes | Solar Pow er | Solar Pow er | |

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

No easements were noted for the subject properties on the site images provided by the Montana Department of Natural Resources and Conservation. We did not observe encroachments on the subject properties. It is assumed for report purposes that access easements and road user's agreements will be recorded for Sale #'s 877 and 878. The values concluded for these properties include consideration for such recorded documents.

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

ZONING

The subject properties are in an area that is not zoned.

ASSESSMENT/REAL PROPERTY TAXES

The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each 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;

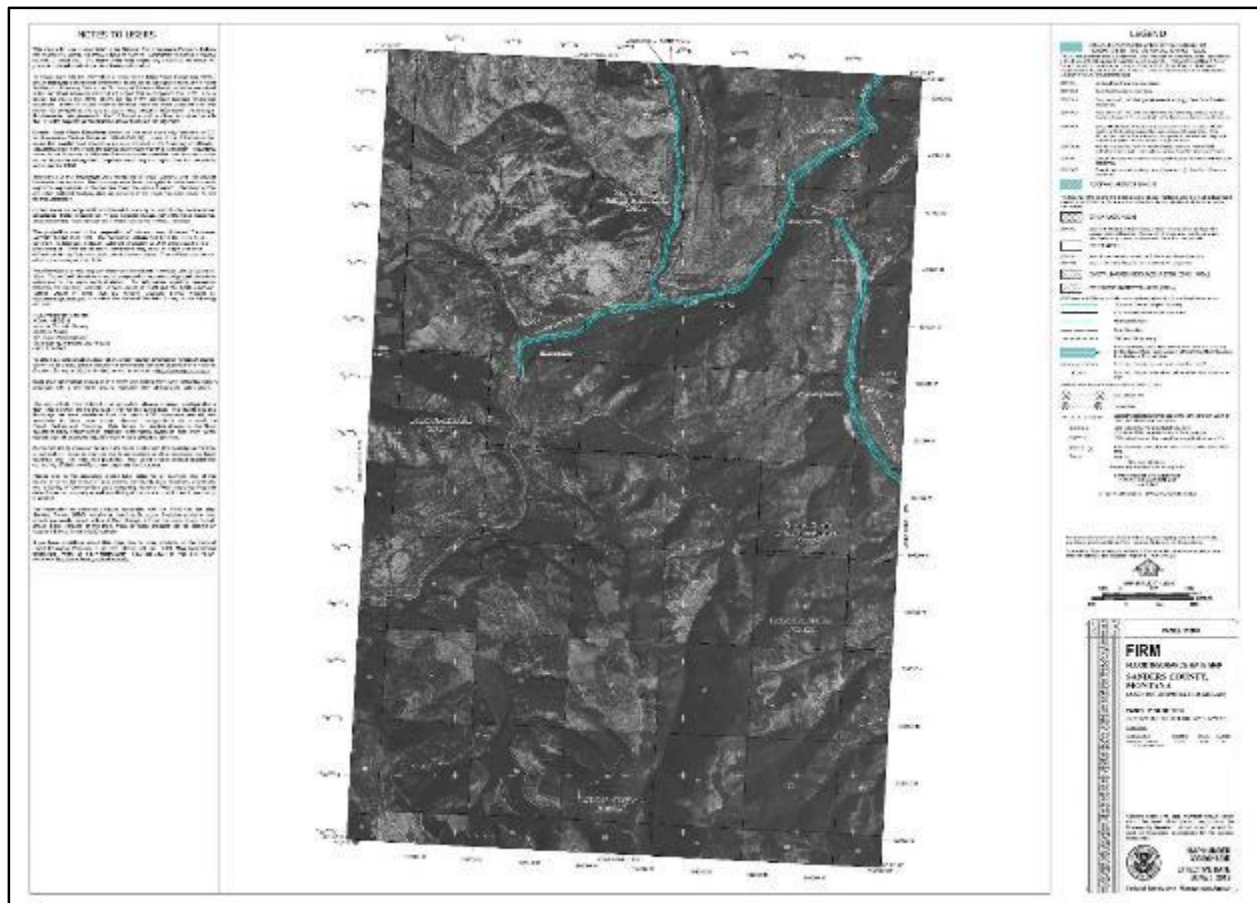
| Tax Bills for Improvements | | | |
|----------------------------|----------------------------|---------------------------|----------------------|
| Sale # | Lessees | 2016 Taxable Market Value | 2016 Tax Bill Amount |
| 873 | Shannon Holmes | \$26,890 | \$268.72 |
| 875 | Donna Davis & Denise White | \$66,010 | \$492.48 |
| 876 | Darvin & Bonnie Struck | \$39,620 | \$350.91 |
| 877 | Thompson River Club, LLC | \$22,360 | \$248.93 |
| 878 | Jerry & Joye Pope | \$20,030 | \$241.08 |
| 889 | Lynn Hansen & Connie Weber | \$29,080 | \$325.72 |

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

The topographies and proximities to water are described on the table below;

| Sale # | Lessees | Water Frontage or Proximity | Topography |
|--------|----------------------------|-----------------------------|---------------------------------------|
| 873 | Shannon Holmes | None | Mostly Level |
| 875 | Donna Davis & Denise White | Walking Distance to River | Mostly Level - Slope Toward River |
| 876 | Darvin & Bonnie Struck | Walking Distance to River | Level |
| 877 | Thompson River Club, LLC | River Frontage | Mostly Level - Slope Upward Toward NE |
| 878 | Jerry & Joye Pope | River Frontage | Mostly Level - Slope Upward Toward NE |
| 889 | Lynn Hansen & Connie Weber | Frontage on Small Creek | Level |

According to FEMA Map Panel 30089C1150D, dated June 5, 2012, it appears that the subject properties are all or predominantly in areas of minimal flood risk and are valued as such in this report. It is important to note that land immediately adjacent to the Thompson River is identified as a Special Flood Area. **Since we were not provided with surveys for the subject sites, we were not able to definitively determine flood risk for each property.** The referenced map panel is included on the follow page.



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

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

The subject lots all have some degree of lawn and/or landscaping. None of the lots have landscaping that significantly impacts value.

UTILITIES

There is no electricity or telephone service in the subject area. None of the subject lots have access to electricity or telephone service. Sale #'s 875, 876, 877, and 878 include some level of solar panels with battery storage systems.

Information relative to wells and/or septic systems for each lot is included on the tables below;

| Sale # | 873 | 875 | 876 |
|-------------------------|------|-------------------|---------------------|
| Other Site Improvements | None | Older Septic Tank | Sandpoint Type Well |

| Sale # | 877 | 878 | 889 |
|-------------------------|------|----------------------------|-------------------------------|
| Other Site Improvements | None | Sandpoint Type Well c.2006 | Shallow Well/Graywater System |

Sale # 878 includes a cistern for water storage.

PUBLIC SAFETY AND SERVICES

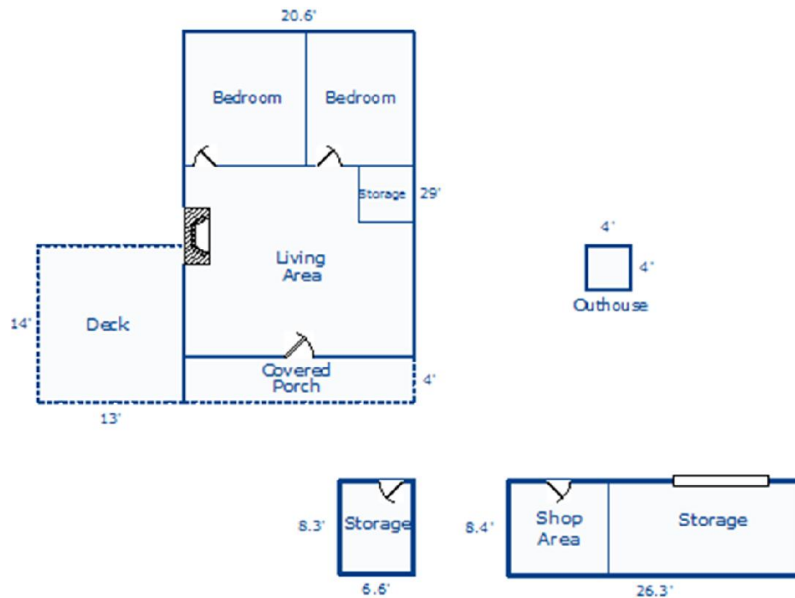
Police, fire protection, and other services are provided by Sanders County and area volunteer emergency services.

SITE SUITABILITY

The subject lots are legally and physically suited for residential/recreational improvements that do not require connection to electricity generated by a power company. As noted, there is no electricity of telephone service in the subject area.

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

SALE 873 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™

Comments:

| AREA CALCULATIONS SUMMARY | | | |
|---------------------------|-------------------|-----------|------------|
| Code | Description | Net Size | Net Totals |
| GLA1 | First Floor | 597.16 | 597.16 |
| GBA1 | Old Storage Bldg. | 54.78 | |
| | New Storage Bldg. | 220.92 | 275.70 |
| P/P | Deck | 182.00 | |
| | Covered Porch | 82.40 | 264.40 |
| OTA | Outhouse | 16.00 | 16.00 |
| | | | |
| Net LIVABLE Area | | (rounded) | 597 |
| Net BUILDING Area | | (rounded) | 276 |

| LIVING/BUILDING AREA BREAKDOWN | | | |
|--------------------------------|--------|-----------|-----------|
| Breakdown | | | Subtotals |
| First Floor | | | |
| 0.5 x | 0.0 x | 29.0 | 0.24 |
| | 20.6 x | 29.0 | 596.92 |
| Old Storage Bldg. | | | |
| | 6.6 x | 8.3 | 54.78 |
| New Storage Bldg. | | | |
| | 8.4 x | 26.3 | 220.92 |
| | | | |
| 4 Items | | (rounded) | 873 |

SALE 873 - SUBJECT PHOTOGRAPHS



South Side of Residence on Sale #873



North and East Sides of Residence on Sale #873



North Side Residence on Sale #873



West Side of Residence on Sale #873



Kitchen Area



Bedroom

ADDITIONAL PHOTOGRAPHS



Bedroom



Wood Stove and Interior



Living Room



Interior



Storage Buildings



Older Storage Building Interior

ADDITIONAL PHOTOGRAPHS



New Storage Building Interior



Property Looking North from Thompson River Rd.



Northwest Property Boundary Marker Looking South



Property Interior



Southwest Property Boundary Marker Looking East



View South across Thompson River Rd. toward Big Prairie

ADDITIONAL PHOTOGRAPHS



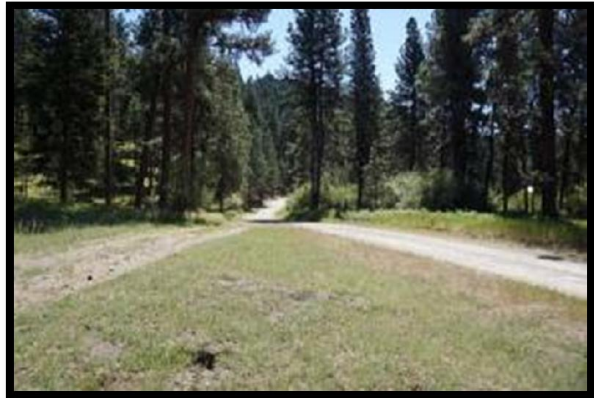
Property Interior Looking Northeast from Southwest Corner



View North along Approximate East Property Boundary



Driveway Looking South

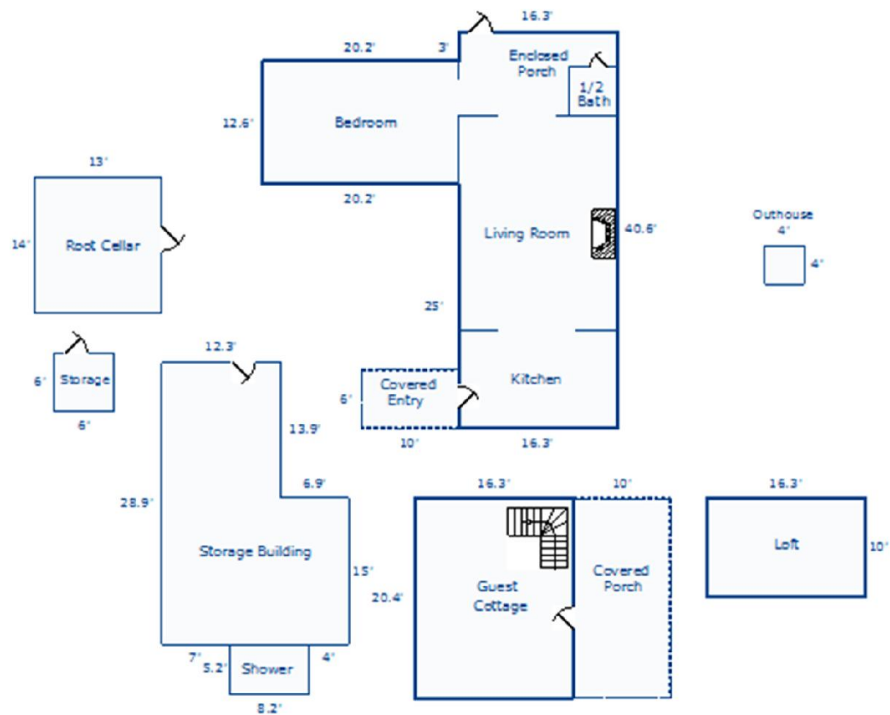


Thompson River Rd. Looking East



Thompson River Road Looking West

SALE 875 – BUILDING SKETCH



Sketch by OpenSketch v2 Standard™
Comments:

| AREA CALCULATIONS SUMMARY | | | |
|---------------------------|---------------------|-----------|------------|
| Code | Description | Net Size | Net Totals |
| GLA1 | Cabin First Floor | 916.98 | |
| | Guest Cottage | 332.52 | |
| | Loft | 163.00 | 1412.50 |
| P/P | Covered Entry | 60.00 | |
| | Covered Porch | 204.00 | 264.00 |
| OTA | Root Cellar | 182.00 | |
| | Storage Building | 301.61 | |
| | Metal Storage Bldg. | 36.00 | |
| | Outhouse | 16.00 | 735.61 |
| Net LIVABLE Area | | (rounded) | 1412 |

| LIVING AREA BREAKDOWN | | |
|-----------------------|--------|----------------|
| Breakdown | | Subtotals |
| Cabin First Floor | | |
| 0.5 x | 3.0 x | 0.00 |
| 0.5 x | 12.6 x | 0.00 |
| | 16.3 x | 48.99 |
| | 23.0 x | 407.50 |
| | 36.5 x | 460.16 |
| 0.5 x | 23.0 x | 0.26 |
| Guest Cottage | | |
| | 16.3 x | 332.52 |
| Loft | | |
| | 16.3 x | 163.00 |
| 8 Items | | (rounded) 1412 |

SALE 875 - SUBJECT PHOTOGRAPHS



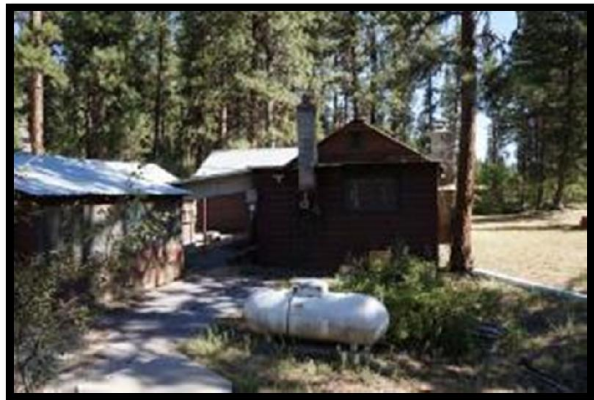
North Side of Residence on Sale #875



North and East Sides of Residence on Sale #875



West Side Residence on Sale #875



South Side of Residence on Sale #875



East Side of Residence on Sale #875



Parcel Interior Looking toward Improvements and Thompson River

ADDITIONAL PHOTOGRAPHS



Kitchen in Original Residence



Living Room



Original Residence Interior



Enclosed Porch



Bedroom



Newer Guest Cabin

ADDITIONAL PHOTOGRAPHS



Covered Deck on Guest Cabin



Guest Cabin Bedroom



Guest Cabin Loft



Guest Cabin Interior and Loft



Root Cellar



Storage Building and Solar Panels

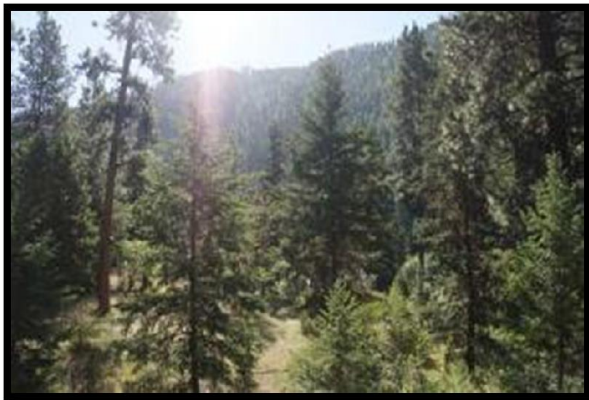
ADDITIONAL PHOTOGRAPHS



Storage Shed



Solar Batteries



View Looking Southwest



Southeast Property Boundary Marker Looking Northwest



Parcel Interior Looking Toward River



Southwest Property Boundary Marker

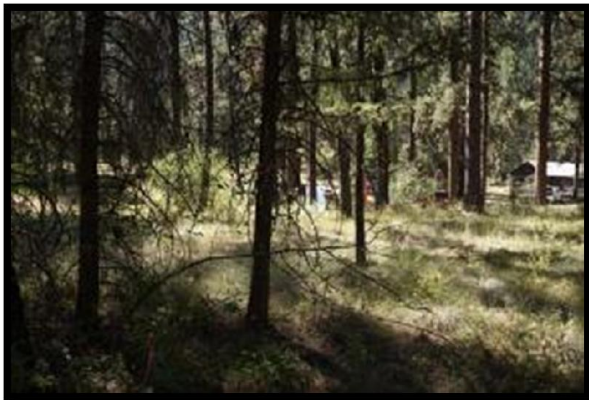
ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker Looking East



Northwest Property Boundary Marker Looking South



Northeast Property Boundary Marker Looking South



Path to Thompson River



Thompson River Looking Southeast



Thompson River Looking Southwest

ADDITIONAL PHOTOGRAPHS



Thompson River Looking South



Improvements and Parcel Interior Looking North



Driveway to Property Looking South



Driveway to Property Looking North

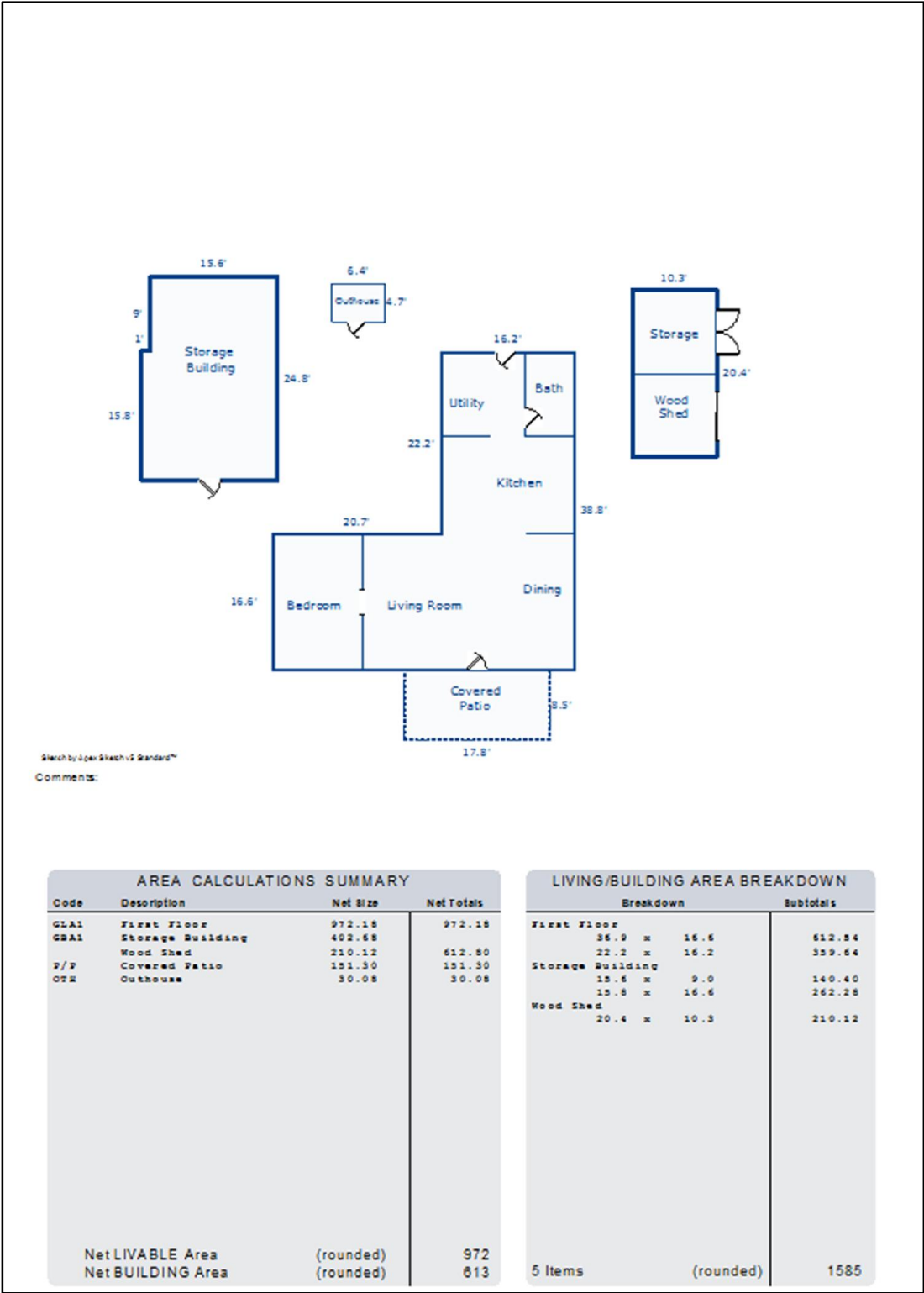


Thompson River Road Looking Southwest



Thompson River Road Looking Northeast

SALE 876 – BUILDING SKETCH



SALE 876 - SUBJECT PHOTOGRAPHS



Residence on Sale #876



Residence on Sale #876



Residence on Sale #873



Kitchen



Kitchen



Bathroom

ADDITIONAL PHOTOGRAPHS



Batteries for Solar Power System



Bedroom



Living Room



Living Room



Storage Building



Storage Building Interior

ADDITIONAL PHOTOGRAPHS



Wood Shed/Storage Building



Storage Building Interior



Outhouse



Fire Pit



Hot Tub



Southeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



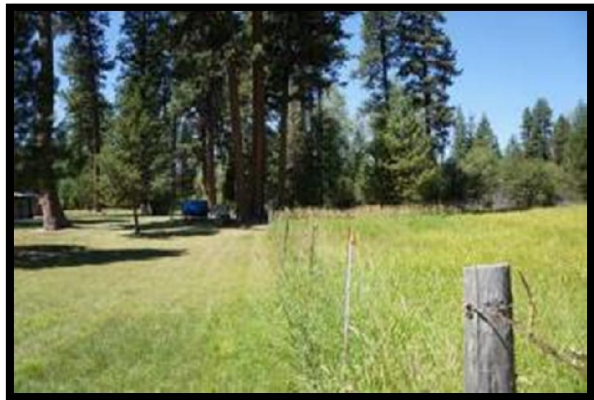
View along South Property Boundary Looking West



View along East Property Boundary Looking North



Northeast Property Boundary Looking North



View West along North Property Boundary



Northwest Property Boundary Marker



View along West Property Boundary Looking South

ADDITIONAL PHOTOGRAPHS



View East along South Property Boundary



Driveway to Property Looking Northeast

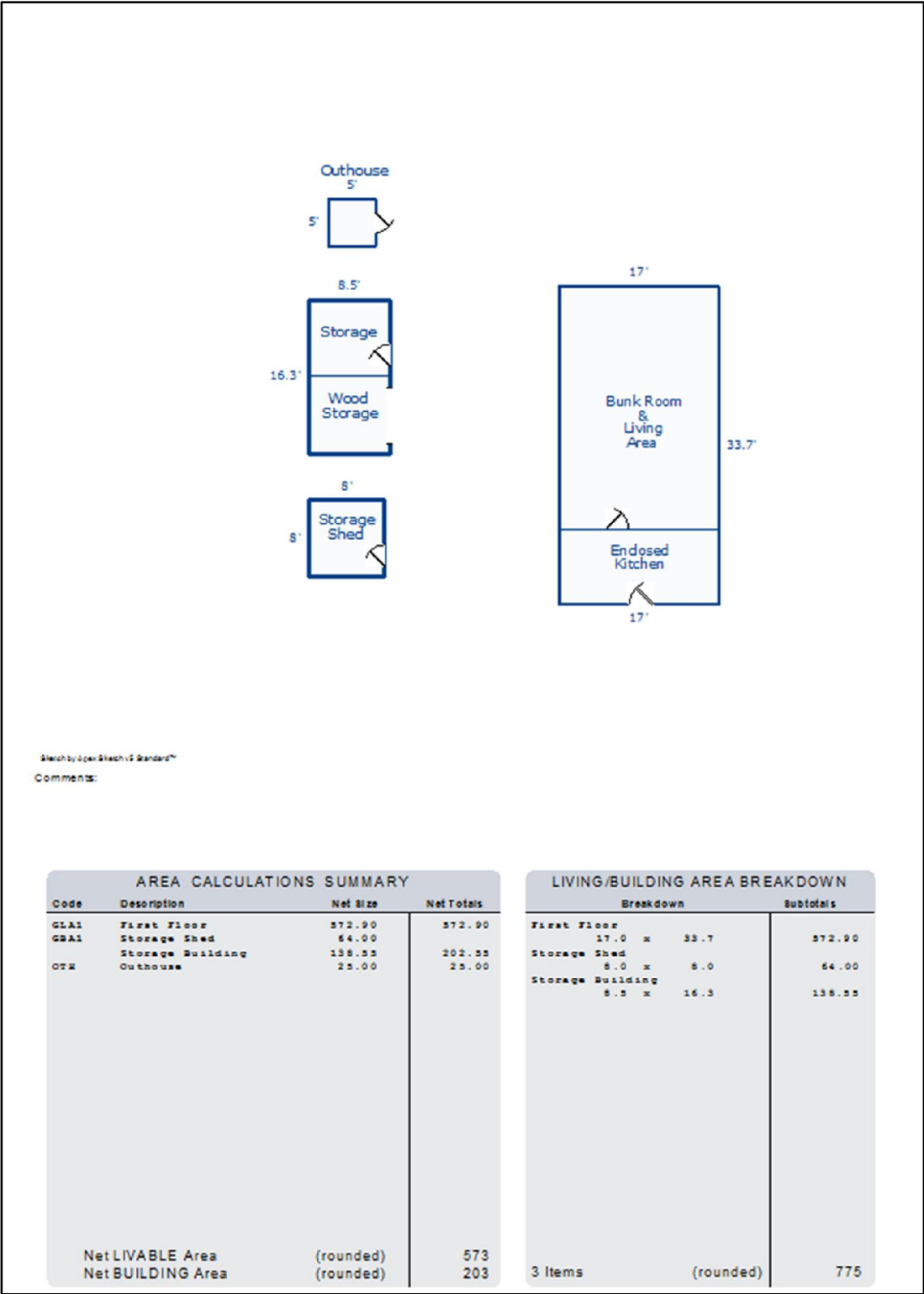


Thompson River Looking West



Thompson River Looking East

SALE 877 – BUILDING SKETCH



SALE 877 - SUBJECT PHOTOGRAPHS



Front of Residence on Sale #877



Front of Residence on Sale #877



North Side of Residence on Sale #877



Rear of Residence on Sale #877



South Side of Residence on Sale #877



Enclosed Kitchen

ADDITIONAL PHOTOGRAPHS



Bunk and Living Area



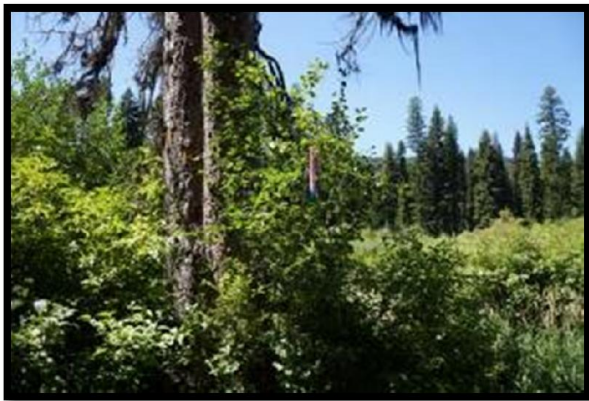
Bunk and Living Area



Storage Buildings



Outhouse



Existing Northwest Property Boundary Marker



View South along West Property Boundary

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking Northeast



Northeast Property Boundary Marker Looking Southeast



Southeast Property Boundary Marker Looking Southwest



Southeast Property Boundary Marker Looking Northwest



Property Interior Looking West

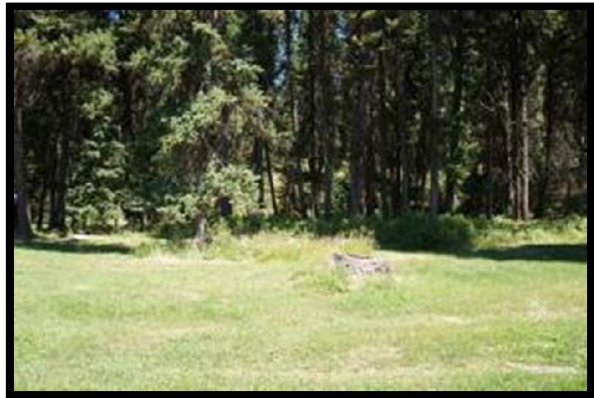


Existing Southwest Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



View North along West Property Boundary



View East along South Property Boundary



Thompson River



Proposed NW Property Boundary Marker Looking North



Thompson River Looking Southwest



View North along Proposed West Property Boundary

ADDITIONAL PHOTOGRAPHS



Thompson River



Driveway to Property Looking Northwest

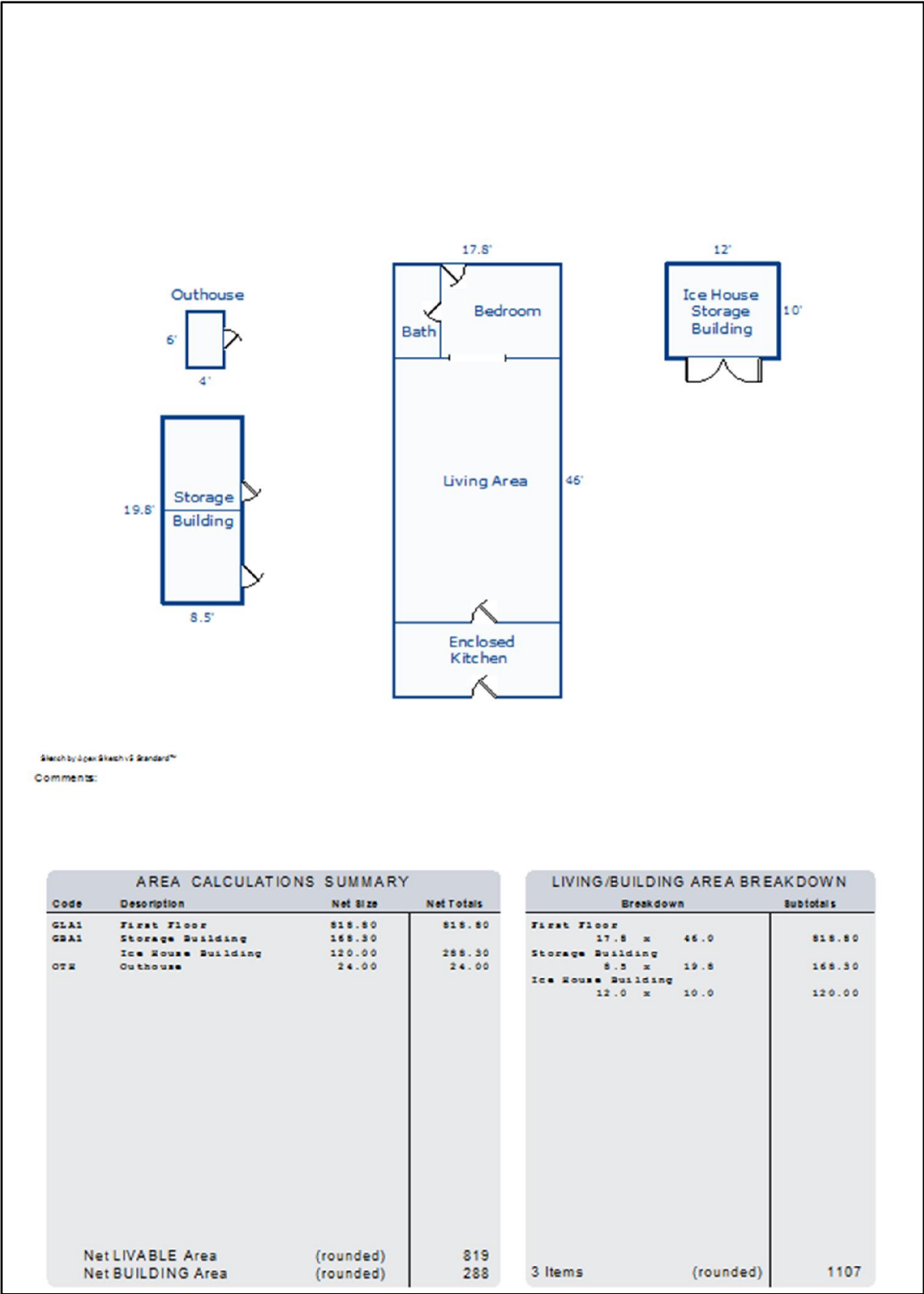


Thompson River Road Looking South



Thompson River Road Looking North

SALE 878 – BUILDING SKETCH



SALE 878 - SUBJECT PHOTOGRAPHS



Front of Residence on Sale #878



North Side of Residence on Sale #878



South Side of Residence on Sale #878



Rear of Residence on Sale #878



Living Area



Enclosed Kitchen

ADDITIONAL PHOTOGRAPHS



Bedroom



Bathroom



Bathroom & Water Heater



Ice House Storage Building



Ice House Storage Building Interior



Water Pump Enclosure

ADDITIONAL PHOTOGRAPHS



Water Pump



Outhouse



Storage Building



Wood Storage Portion of Storage Building



Shop Portion of Storage Building



View toward Residence from Northwest Corner of Property

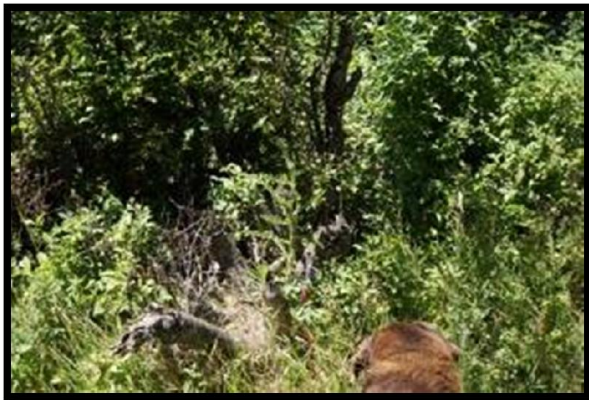
ADDITIONAL PHOTOGRAPHS



View East along North Property Boundary



View South along West Property Boundary



Existing Northwest Property Boundary Marker



Existing Southwest Property Boundary Marker



View North along West Property Boundary



Northeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View North along East Property Boundary



View of Improvements from Southeast Portion of Property



Thompson River Looking North



Thompson River Looking West



Thompson River Looking South

ADDITIONAL PHOTOGRAPHS



Recreation Area along River



Driveway to Property Looking Northwest

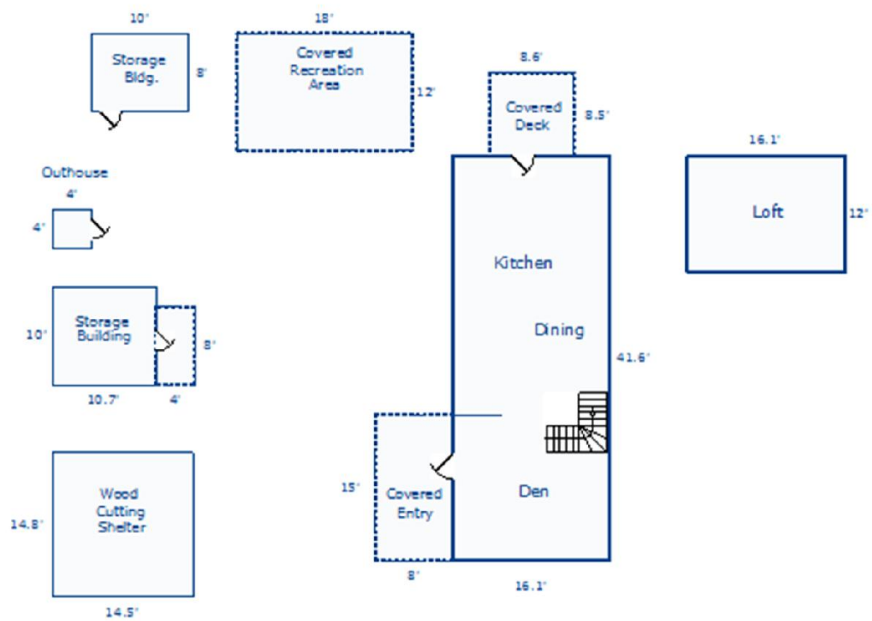


Thompson River Road Looking South



Thompson River Road Looking North

SALE 889 – BUILDING SKETCH

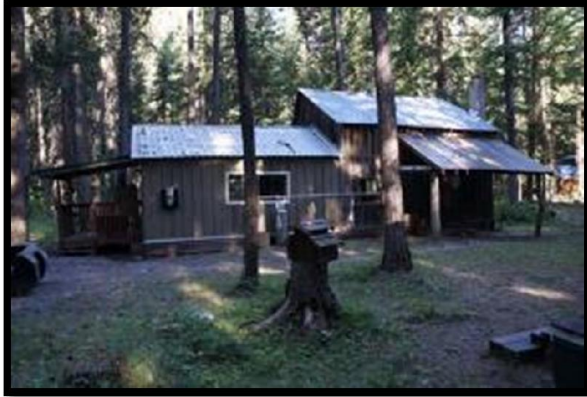


Sketch by OpenSketch v2 Standard™
Comments:

| AREA CALCULATIONS SUMMARY | | | |
|---------------------------|----------------------|-----------|------------|
| Code | Description | Net Size | Net Totals |
| GLA1 | First Floor | 669.49 | 862.69 |
| | Loft | 193.20 | |
| P/P | Covered Entry | 120.00 | 441.10 |
| | Covered Deck | 73.10 | |
| OTA | Stoop | 32.00 | 417.60 |
| | Covered Rec. Area | 216.00 | |
| | Outhouse | 16.00 | |
| | Storage Bldg. | 107.00 | |
| | Storage Bldg. | 80.00 | |
| | Wood Cutting Shelter | 214.60 | |
| Net LIVABLE Area | | (rounded) | 863 |

| LIVING AREA BREAKDOWN | | | |
|-----------------------|------|--------|---------------|
| Breakdown | | | Subtotals |
| First Floor | | | 669.49 |
| | 16.1 | x 41.6 | |
| Loft | | | 193.20 |
| | 16.1 | x 12.0 | |
| 2 Items | | | (rounded) 863 |

SALE 889 - SUBJECT PHOTOGRAPHS



Residence on Sale #889 Mudd Creek



Residence on Sale #889



Residence on Sale #889



Residence on Sale #889



Covered Deck and Creek Side of Residence



Den Area

ADDITIONAL PHOTOGRAPHS



Loft



Kitchen & Dining Area



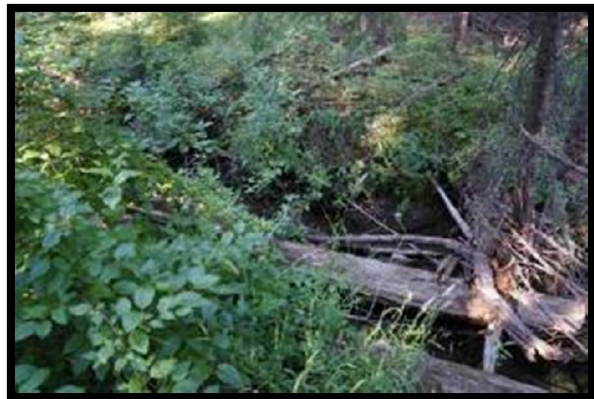
Covered Recreation Area and Storage Building



Storage Building and Outhouse



Mudd Creek



Mudd Creek

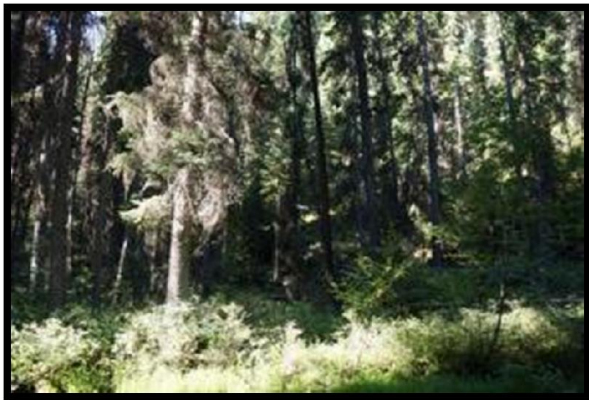
ADDITIONAL PHOTOGRAPHS



Parcel Interior Looking Southeast



Mudd Creek



View Looking Southwest



Property Boundary Marker



View Looking Northwest toward Property Improvements



Northeast Property Boundary Marker Looking Southwest

ADDITIONAL PHOTOGRAPHS



View along Property Boundary and Blanchard's Corner Rd.



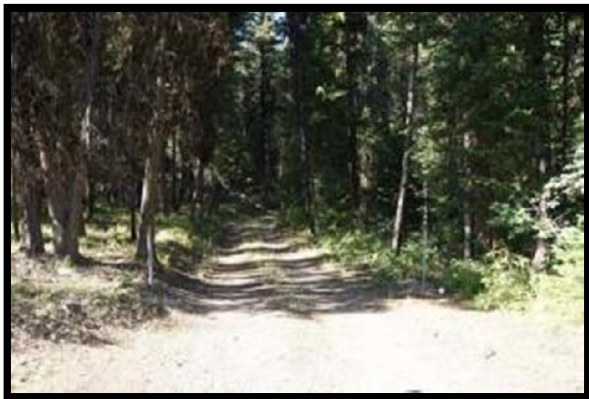
Northwest Property Boundary Marker Looking Southwest



Blanchard's Corner Rd. Looking Southeast



Mudd Creek Lane Sign



Driveway to Mudd Creek Sale #889

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject sites range from 0.70 up to 1.54 acres in size and are located in a remote area of Sanders County. The subject properties include residential improvements; however, there are no utility services available in the subject area.

Area Land Use Trends

The subject neighborhood is described as a rural and remote area between US Highway 2 to the north and Montana Highway 200 to the south. The area includes property owned by the federal and state government and a significant amount of property owned by Weyerhaeuser (a timber company). Much of the land owned by Weyerhaeuser in this area is encumbered with a conservation easement. The conservation easement was intended to preserve this land for public use and to preserve wildlife habitat while allowing timber production. There is very little privately owned land in this area that is not owned by Weyerhaeuser. Most of the area tracts are vacant; however, there are some ranches and recreational cabins. The Thompson River flows through this area.

Potential Users of Subject Property

The potential users of the subject lots as if vacant would be market participants seeking to own recreation property in a remote area surrounded by thousands of acres of land available for public use.

Demand Analysis

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

Since very limited market data or property transfers were located in the immediate subject area, we expanded our search to all portions of Sanders County. We prepared searches for sales of vacant sites ranging from 0.50 up to 2.00 acres in size in Sanders County with no frontage along a significant body of water. No reasonable comparable site sales for the subject sites were located within this size range. For this reason, we also prepared searches for sales of vacant sites ranging in size from 2.01 to 6.00 acres in size in Sanders County with no frontage along a significant body of water. We located four reasonable comparable site sales from this data. We also prepared searches for sales of homes on 0.50 to 2.00 acres in Sanders County. The data located is included on tables on the following page.

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.

| Site Sales Up to 0.50 to 2.00 Acres in Size | | | |
|---|------------|---------------------|----------------|
| Sanders County, Montana | | | |
| Year | # of Sales | Average Sales Price | Days on Market |
| 2014 | 4 | \$46,275 | 177 |
| 2015 | 7 | \$67,071 | 222 |
| 2016 | 12 | \$37,667 | 219 |
| 2017 - YTD | 15 | \$48,667 | 219 |
| | | | |
| Actives | 104 | \$61,500 | 302 |

| Site Sales Up to 2.01 to 6.00 Acres in Size | | | |
|---|------------|---------------------|----------------|
| Sanders County, Montana | | | |
| Year | # of Sales | Average Sales Price | Days on Market |
| 2014 | 11 | \$42,000 | 310 |
| 2015 | 8 | \$43,425 | 411 |
| 2016 | 32 | \$41,069 | 481 |
| 2017 - YTD | 10 | \$45,100 | 219 |
| | | | |
| Actives | 84 | \$69,189 | 211 |

This data indicates that vacant sites ranging in size from 0.50 to 6.00 acres have exhibited similar average annual sales prices but dissimilar marketing times. This data does not support an adjustment for differences in size between the acreage ranges studied.

| Home Sales on Sites 0.50 up to 2.00 Acres in Size | | | |
|---|------------|---------------------|----------------|
| Sanders County, Montana | | | |
| Year | # of Sales | Average Sales Price | Days on Market |
| 2014 | 12 | \$162,792 | 165 |
| 2015 | 13 | \$176,165 | 250 |
| 2016 | 18 | \$194,486 | 257 |
| 2017 - YTD | 12 | \$181,833 | 106 |
| | | | |
| Actives | 22 | \$284,750 | 193 |

This data indicates that the average annual home price has fluctuated since 2014.

Competitive Supply

There were 104 active listings of vacant sites up from 0.50 to 2.00 acres in size in Sanders County as of the report effective date. The average list price at \$61,500 is 26% above the average lot price received in 2017 Year-to-Date.

There were 22 active listings of homes on sites from 0.50 to 2.00 acres in size in Sanders County as of the report effective date. The average list price is 57% higher than the average home price received in 2017 Year-to-Date.

Interaction of Supply and Demand

Based upon the average sales volume from 2014 through 2016, there is an approximately 13 year supply of vacant sites (ranging in size from 0.50 to 2.00 acres) available for sale within the search parameters utilized. Supply far exceeds demand for typical vacant home sites within the search parameters selected.

It is important to note that although supply exceeds demand for residential sites ranging in size from 0.50 to 2.00 acres in size in all of Sanders County, there are no home sites in this size range available for sale in the immediate subject area. As noted there is little unencumbered private land in the immediate subject area. There is a scarcity of lots like the subject available for sale in the immediate subject area.

Based upon the average sales volume from 2014 through 2016, there is an approximately 1.5 year supply of homes on sites ranging in size from 0.50 to 2.00 acres and within the search parameters utilized. The current supply exceeds annual demand for homes within the search parameters in Sanders County.

Subject Marketability Conclusion

The subject properties are considered to have superior marketability compared to most other, similarly sized, residential sites which recently sold or are currently available for sale in Sanders County. In our opinion, this superior marketability is due to the scarcity of similar available sites for sale and/or under private ownership. Due to lack of market data, there is no credible basis for an adjustment to site sales not located in the immediate subject area. The most applicable sales of vacant and improved properties in closest proximity to the subject properties and in Sanders County were selected as comparable sales.

Estimated Marketing and Exposure Times

The 15 sales of home sites ranging in size from 0.50 to 2.00 acres that transferred via the area MLS in 2017 Year-to-Date were marketed for 219 days. **Marketing and exposure times** of 6 to 12 months are considered reasonable for the subject properties as if vacant.

Based upon our analysis of recent home sales and the supply of active listings, **marketing and exposure times** of 6 to 12 months are considered reasonable for the subject properties as improved.

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 sites are in an area with no zoning. There are many legally permissible uses.

Physically Possible

There is no electricity or telephone available in the subject area. There is sufficient space on the subject sites for a single family residence and related outbuildings.

Financially Feasible

There is little unencumbered privately owned land in the subject area. The area is popular for recreation. Use of the subject lots for construction of a single family residences for recreational purposes 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 the subject lots as if vacant, is for construction of a single family residence for recreational use.

AS IMPROVED

The subject properties are improved with single family residences and related outbuildings. There is market acceptance of small, rustic residences with minimal services in the immediate subject area. Alteration of the subject residences for any use other than as a single family home would require large capital expenditures. Continued use as a single family residences for recreational purposes for the subject properties 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 properties, it is necessary to collect and analyze all available data in the market which might tend to indicate the values of the subject properties. The subject properties must be compared to similar properties that can be constructed, purchased, or from which a similar monetary return may be received.

APPROACHES IN THE VALUATION OF REAL PROPERTY

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

Cost Approach

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

Sales Comparison Approach

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

Income Capitalization Approach

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

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

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

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

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.

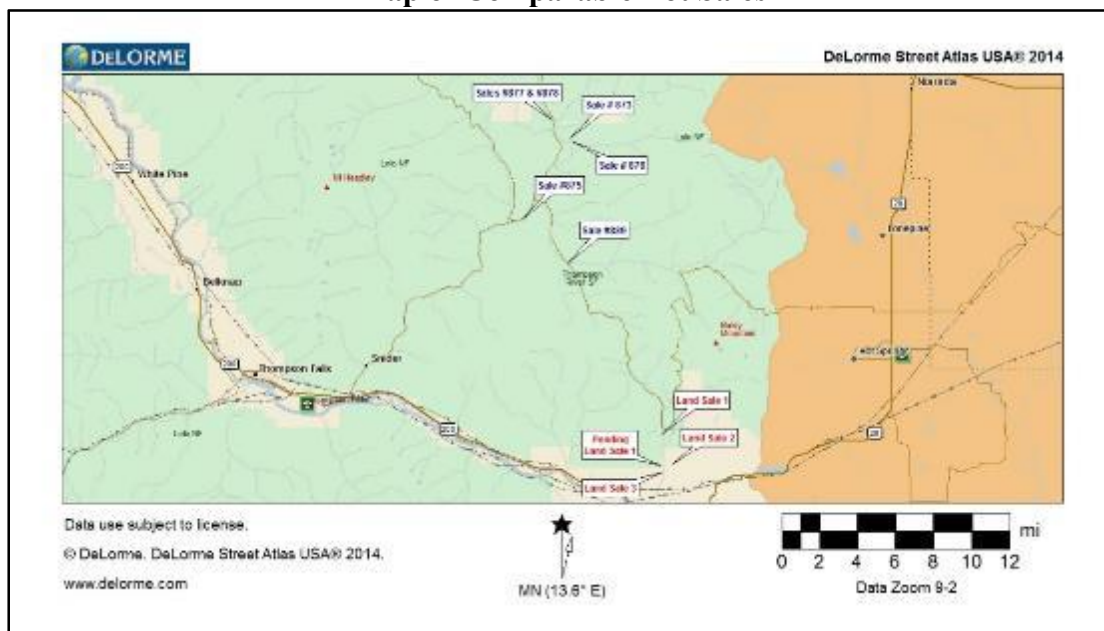
LOT SALES

We searched for sales of lots similar in location and size to the subject. There were no sales located in the immediate subject neighborhood and no sales located in the acreage ranges of the subject sites. For those reasons, it was necessary to use sales out of the immediate subject area but as close as possible and to use sales larger in size than the subject sites. The most appropriate comparables located are described on the table below;


| Sale # | Address | City | Site Size/Acres | Sale Date | Sales Price |
|----------------|----------------------------|--------|-----------------|-----------|-------------|
| 1 | Tract 19B, High Country Rd | Plains | 5.01 | 2017 | \$55,000 |
| 2 | NHN Upper Lynch Creek Rd | Plains | 5.21 | 2016 | \$44,000 |
| 3 | Lot 1, High Country View | Plains | 2.76 | 2016 | \$18,700 |
| Pending Sale 1 | NHN High Country Ct | Plains | 6.20 | Pending | \$65,000 |

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


Map of Comparable Lot Sales




LAND SALE 1

| COMPARABLE SALE INFORMATION | | | | |
|---|---|----------|------------------------------|--|
|  | Location | | Tract 19B High Country Rd. | |
| | City/State | | Plains, MT | |
| | County | | Sanders | |
| | Assessor Number | | 0000031511 | |
| | Zoning | | Unzoned | |
| | Site Size: Acres | | 5.010 | |
| | Square Feet | | 218,236 | |
| | Date of Sale | | June 2, 2017 | |
| | Sales Price | | \$55,000 | |
| | Less Cost of Improvements* | | \$0 | |
| Sales Price Adjusted | | \$55,000 | | |
| MLS # | | 325339 | | |
| | | | | |
| ANALYSIS OF SALE | | | | |
| | | | | |
| Price per Acre | | \$10,978 | Price per Square Foot | \$0.25 |
| | | | Price Per Front Foot | N/A |
| | | | | |
| TRANSFER INFORMATION | | | | |
| | | | | |
| Grantor | WWW Venture Group, LLP | | Grantee | William Raf Viniard & Pamela Gilliam Tarr |
| Type of Instrument | Warranty Deed | | Document # | 306280 |
| Financing/Conditions | Conventional/Market | | Marketing Time | 1165 Days on Market |
| Legal Description | Tract 19-B of Lynch Creek Reserve Tract 19 Minor Subdivision | | Verified By | Deborah Warren, Listing Agent |
| Intended Use/Comments | | | Purchased for | Residential/Recreational Use |
| Section/Township/Range | S26/T21N/R26W | | | |
| | | | | |
| PROPERTY DETAILS | | | | |
| | | | | |
| Access | County Gravel Road | | View | Trees, Mountains, Creek |
| Topography | Rolling | | Lot Dimensions | Various |
| Flood Plain | According to Flood Map # 30089C1450D, the portion of the property along Lynch Creek is in an area of elevated flood risk. | | Improvements | None |
| Feet of Water Frontage | Unknown | | Value of Improvements | \$0 |
| Front Feet Per Acre | N/A | | | |
| Utilities | Electricity & Telephone at Road | | Miscellaneous | A portion of the eastern boundary of the property borders Lynch Creek. |
| | | | | |
| Report File # 17-030ec | | | | |


LAND SALE 2

| COMPARABLE SALE INFORMATION | | | |
|---|--|------------------------------|---------------------------------------|
|  | Location | | Nhn Upper Lynch Creek Rd. |
| | City/State | | Plains, MT |
| | County | | Sanders |
| | Assessor Number | | 0000002791 |
| | Zoning | | Unzoned |
| | Site Size: Acres | | 5.210 |
| | Square Feet | | 226,948 |
| | Date of Sale | | August 1, 2016 |
| | Sales Price | | \$44,000 |
| | Less Cost of Improvements* | | \$0 |
| | Sales Price Adjusted | | \$44,000 |
| | MLS # | | 21608725 |
| ANALYSIS OF SALE | | | |
| Price per Acre | \$8,445 | Price per Square Foot | \$0.19 |
| | | Price Per Front Foot | N/A |
| TRANSFER INFORMATION | | | |
| Grantor | Robert L. Gregg & Kathryn R. Gregg | Grantee | Jane A. Sosa & Mary Goodsell |
| Type of Instrument | Warranty Deed | Document # | 303554 |
| | | Marketing Time | 182 Days on Market |
| Financing/Conditions | Cash/Market | Verified By | Deborah Warren, Listing Agent |
| Legal Description | Parcel B-2-A on Certificate of Survey #1560 | Intended Use/Comments | Purchased for Residential Use |
| Section/Township/Range | S36/T21N/R26W | | |
| PROPERTY DETAILS | | | |
| Access | County Asphalt Road | View | Meadow, Mountains |
| Topography | Level, Gradual Slope | Lot Dimensions | 775.48' x 301.82' x 775.30' x 283.63' |
| Flood Plain | According to Flood Map # 30089C1475D, the property is not in an area of elevated flood risk. | Improvements | None |
| Feet of Water Frontage | N/A | Value of Improvements | \$0 |
| Front Feet Per Acre | N/A | | |
| Utilities | Electricity & Telephone at Road | Miscellaneous | |
| Report File # 17-030ec | | | |

LAND SALE 3

| COMPARABLE SALE INFORMATION | | | | | |
|---|-----------------------------------|--|------------------------------|--------|-------------------------------|
|  | Location | | Lot 1 High Country View | | |
| | City/State | | Plains, MT | | |
| | County | | Sanders | | |
| | Assessor Number | | 0000002770 | | |
| | Zoning | | Unzoned | | |
| | Site Size: Acres | | 2.760 | | |
| | Square Feet | | 120,226 | | |
| | Date of Sale | | June 30, 2016 | | |
| | Sales Price | | \$18,700 | | |
| | Less Cost of Improvements* | | \$0 | | |
| Sales Price Adjusted | | \$18,700 | | | |
| MLS # | | 303027 | | | |
| ANALYSIS OF SALE | | | | | |
| Price per Acre | | \$6,775 | Price per Square Foot | \$0.16 | |
| | | | Price Per Front Foot | N/A | |
| TRANSFER INFORMATION | | | | | |
| Grantor | | WWW Venture Group, LLP | Grantee | | Ethan D. Harvey |
| Type of Instrument | | Warranty Deed | Document # | | 303293 |
| | | | Marketing Time | | 2010 Days on Market |
| Financing/Conditions | | Cash | Verified By | | Deborah Warren, Listing Agent |
| Legal Description | | Lot 1 of Certificate of Survey # 2898 | Intended Use/Comments | | Purchased for Residential Use |
| Section/Township/Range | | S3/T20N/R26W | | | |
| PROPERTY DETAILS | | | | | |
| Access | | Asphalt Road | View | | Meadow, Mountains |
| Topography | | Rolling | Lot Dimensions | | Various |
| Flood Plain | | According to Flood Map # 30089C1450D, the property is not located in an area of Elevated Flood Risk. | Improvements | | None |
| Feet of Water Frontage | | N/A | Value of Improvements | | \$0 |
| Front Feet Per Acre | | N/A | | | |
| Utilities | | Electricity & Telephone at Road | | | |
| | | | Miscellaneous | | |
| Report File # 16-036ec | | | | | |

PENDING LAND SALE 1

| COMPARABLE PENDING SALE INFORMATION | | | | |
|---|-----------------------------------|--|------------------------------|---|
|  | Location | | NHN High Country Court | |
| | City/State | | Plains, MT | |
| | County | | Sanders | |
| | Assessor Number | | 0000002858 | |
| | Zoning | | Unzoned | |
| | Site Size: Acres | | 6.200 | |
| | Square Feet | | 270,072 | |
| | Date of Sale | | N/A - Pending Sale | |
| | Sales Price | | \$65,000 | |
| | Less Cost of Improvements* | | \$0 | |
| | Sales Price Adjusted | | \$65,000 | |
| | MLS # | | 21700371 | |
| | | | | |
| ANALYSIS OF SALE | | | | |
| Price per Acre | | \$10,484 | | |
| | | Price per Square Foot | \$0.24 | |
| | | Price Per Front Foot | N/A | |
| | | | | |
| TRANSFER INFORMATION | | | | |
| Owner | | John C. Gill & Polly A. Gill | Grantee | N/A - Pending Sale |
| Type of Instrument | | N/A - Pending Sale | Document # | N/A - Pending Sale |
| | | | Marketing Time | 213 Days on Market |
| Financing/Conditions | | Conventional/Market | Verified By | Dacy Holland, Selling Agent |
| Legal Description | | Tract 47B of Certificate of Survey #2560MS | Intended Use/Comments | Purchased for Residential Use |
| Section/Township/Range | | S35/T21N/R26W | | |
| | | | | |
| PROPERTY DETAILS | | | | |
| Access | | County Gravel Road | View | Mountains, Trees, Creek |
| Topography | | Rolling | Lot Dimensions | Various |
| Flood Plain | | According to Flood Map # 30089C1450D, the property is not in an area of elevated flood risk. | Improvements | None |
| Water Frontage | | Pond | | |
| Feet of Water Frontage | | N/A | Value of Improvements | \$0 |
| Front Feet Per Acre | | N/A | | |
| Utilities | | Electricity & Telephone at Road | Miscellaneous | Sale closed on 8/11/17, Warranty Deed #307157. Grantee is Douglas T. Peele. |
| | | | | |
| Report File # 17-030ec | | | | |

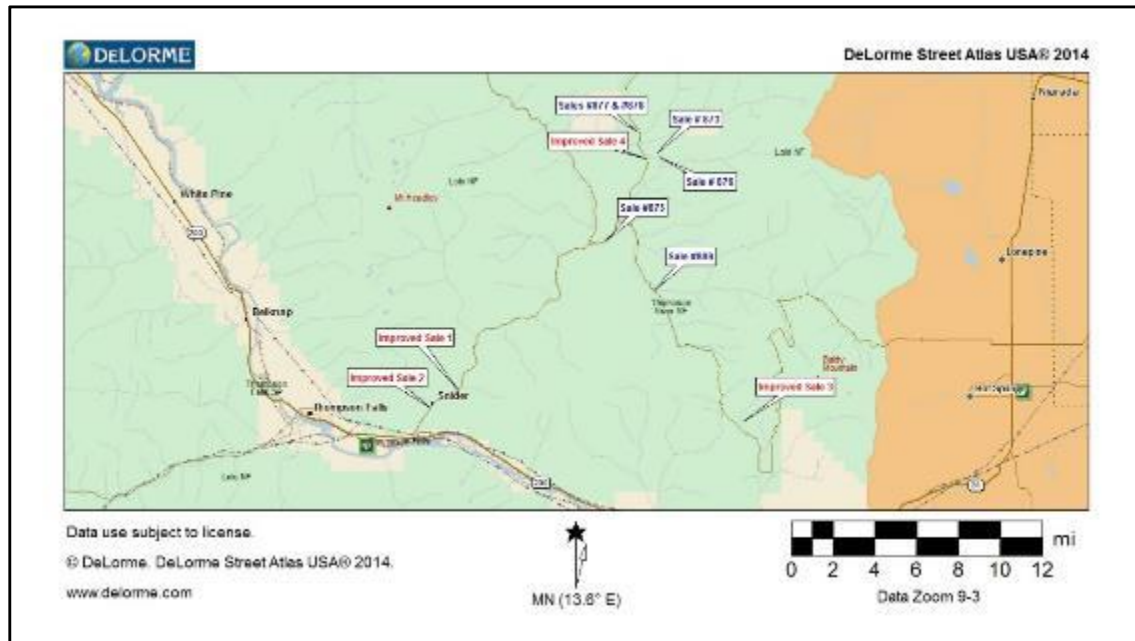
HOME SALES

We conducted a search for sales of homes in the market area similar with improvements similar to the subject improvements. Due to the limited sales of similar properties, it was necessary to utilize sales that closed more than 1 year prior to the report effective date. The most applicable and recent 4 sales located are described on the table below;



| Comparable Home Sales | | | | | | |
|-----------------------|-----------------------|----------------|-----------|-------------|-----------------|----------------------------|
| Sale # | Address | City | Sale Date | Sales Price | Less Site Value | Sale Price of Improvements |
| 1 | 386 Thompson River Rd | Thompson Falls | 2017 | \$179,000 | \$85,000 | \$94,000 |
| 2 | 182 Thompson River Rd | Thompson Falls | 2016 | \$274,000 | \$100,000 | \$174,000 |
| 3 | 30 Big Mountain Ln | Plains | 2016 | \$85,000 | \$75,000 | \$10,000 |
| 4 | 23 Forty Niner Ln | Thompson Falls | 2014 | \$86,000 | \$50,000 | \$36,000 |

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



Map of Comparable Home Sales





HOME SALE 1

| COMPARABLE SALE INFORMATION | | | |
|---|---|--|-----------------------------|
|  | Location | | |
| | 386 Thompson River Road | | |
| | City/State | | |
| | Thompson Falls, MT | | |
| | County | | |
| | Sanders | | |
| | Assessor Number | | |
| | 0005513, 0005221 | | |
| | Zoning | | |
| | Unzoned | | |
| | Site Size: Acres | | |
| | 0.800 | | |
| Square Feet | | | 34,848 |
| Date of Sale | | | June 12, 2017 |
| Sales Price | | | \$181,500 |
| Adjustment to Sales Price | | | (\$2,500) |
| Adjusted Sales Price | | | \$179,000 |
| MLS # | | | 21701534 |
| TRANSFER INFORMATION | | | |
| Grantor | Ernest Cabral & Irene Cabral | Grantee | Kevin L. Chasson |
| Recording Data | Warranty Deed #306456 | Marketing Time | 109 Days on Market |
| Financing/Conditions | VA, MT Board of Housing / Market | Verified By | Mary Hailing, Listing Agent |
| Legal Description | Lots 1, 2, 6, 7, & 8 in Block 1 of Copper King Townsite | Intended Use | Residential, Recreational |
| Section/Township/Range | S33/T22N/R28W | | |
| DESCRIPTION OF IMPROVEMENTS | | ANALYSIS OF SALE | |
| Body of Water | Thompson River | Sales Price | \$179,000 |
| Front Footage | 115' *Access Only | Estimated Site Value | \$85,000 |
| Access | Thompson River Road *Gravel | Sales Price of Improvements | \$94,000 |
| House Square Feet | 651 | Improvement Price/SF | \$144 |
| Bedroom/Bathrooms | 1BR/1BA |  | |
| Year Built or Renovated | 1935 | | |
| Construction | Wood Frame | | |
| Quality | Average | | |
| Condition | Average | | |
| Water/Sewer | Community Water/Septic | | |
| Utilities | Electricity, Telephone | | |
| Topography | Rolling | | |
| Outbuildings | Sheds, 1 Car Detached Garage | | |
| Miscellaneous | Cabin with access to Thompson River. Adjacent to USFS Copper King campground. Marketed for recreational/residential property. Approximately 2 miles from Highway 200. Seller paid \$2,500 in closing costs. | | |
| | | Report File # 17-030ec | |



HOME SALE 2

| COMPARABLE SALE INFORMATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-------------------------------------|-----------------|------------------------|-------------------|--------------------|---------------|---------|------------------------|---------|---------------|---------|-------------------------|-------|--------------------|--------|---------------------|------------------|--------------------|-----------|----------------------------------|-----|-----------------------------|-----------|--------------|----------|
|  | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Location</td><td>182 Thompson River Rd.</td></tr> <tr><td>City/State</td><td>Thompson Falls, MT</td></tr> <tr><td>County</td><td>Sanders</td></tr> <tr><td>Assessor Number</td><td>0004950</td></tr> <tr><td>Zoning</td><td>Unzoned</td></tr> <tr><td>Site Size: Acres</td><td>2.149</td></tr> <tr><td>Square Feet</td><td>93,610</td></tr> <tr><td>Date of Sale</td><td>October 31, 2016</td></tr> <tr><td>Sales Price</td><td>\$274,000</td></tr> <tr><td>Adjustment to Sales Price</td><td>\$0</td></tr> <tr><td>Adjusted Sales Price</td><td>\$274,000</td></tr> <tr><td>MLS #</td><td>21603041</td></tr> </table> | | Location | 182 Thompson River Rd. | City/State | Thompson Falls, MT | County | Sanders | Assessor Number | 0004950 | Zoning | Unzoned | Site Size: Acres | 2.149 | Square Feet | 93,610 | Date of Sale | October 31, 2016 | Sales Price | \$274,000 | Adjustment to Sales Price | \$0 | Adjusted Sales Price | \$274,000 | MLS # | 21603041 |
| Location | 182 Thompson River Rd. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City/State | Thompson Falls, MT | | | | | | | | | | | | | | | | | | | | | | | | | | |
| County | Sanders | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assessor Number | 0004950 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Zoning | Unzoned | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Site Size: Acres | 2.149 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Square Feet | 93,610 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Sale | October 31, 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Price | \$274,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjustment to Sales Price | \$0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted Sales Price | \$274,000 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MLS # | 21603041 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRANSFER INFORMATION | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grantor | Dennis N. Doney & Kimberly Doney | Grantee | James E. Vaughn & Diane L. Canfield | | | | | | | | | | | | | | | | | | | | | | | | |
| Recording Data | Warranty Deed #304519 | Marketing Time | 205 Days on Market | | | | | | | | | | | | | | | | | | | | | | | | |
| Financing/Conditions | Conventional/Market | Verified By | Duane Meuchel, Listing Agent | | | | | | | | | | | | | | | | | | | | | | | | |
| Legal Description | Parcel B of COS #921 | Intended Use | Residential | | | | | | | | | | | | | | | | | | | | | | | | |
| Section/Township/Range | S8/T21N/R28W | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION OF IMPROVEMENTS | | ANALYSIS OF SALE | | | | | | | | | | | | | | | | | | | | | | | | | |
| Body of Water | Thompson River | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Front Footage | Approximately 1000' | Sales Price | \$274,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Access | Thompson River Rd., Paved | Estimated Site Value | \$100,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| House Square Feet | 1,546 | Sales Price of Improvements | \$174,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Bedroom/Bathrooms | 2BR/2BA | Improvement Price/SF | \$113 | | | | | | | | | | | | | | | | | | | | | | | | |
| Year Built or Renovated | 2011 |  | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction | Wood Frame | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quality | Good | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Condition | Good | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water/Sewer | Community Water, Septic | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Utilities | Electricity, Telephone | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Topography | Level, Sloping to River | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outbuildings | Garage/Shop | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous | Large Garage/Shop with approximately 3,000 SF. Energy efficient home with woodstove, pellet stove, and propane heat. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Report File # 17-030ec | | | | | | | | | | | | | | | | | | | | | | | | | |

HOME SALE 3

| COMPARABLE SALE INFORMATION | | | |
|---|--|--|-----------------------------|
|  | Location | 30 Big Mountain Lane | |
| | City/State | Plains, MT | |
| | County | Sanders | |
| | Assessor Number | 0002135 | |
| | Zoning | Unzoned | |
| | Site Size: Acres | 19.960 | |
| | Square Feet | 869,458 | |
| | Date of Sale | May 20, 2016 | |
| | Sales Price | \$85,000 | |
| | Adjustment to Sales Price | \$0 | |
| | Adjusted Sales Price | \$85,000 | |
| | MLS # | 20152983 | |
| TRANSFER INFORMATION | | | |
| Grantor | Michael C. Eitelman & Shelly L. Morgan | Grantee | Jon McGraw & Leah McGraw |
| Recording Data | Warranty Deed #302952 | Marketing Time | 378 Days on Market |
| Financing/Conditions | Conventional/Market | Verified By | Randy Pirker, Listing Agent |
| Legal Description | Certificate of Survey #3381 | Intended Use | Recreational |
| Section/Township/Range | S11/T21N/R26W | | |
| DESCRIPTION OF IMPROVEMENTS | | ANALYSIS OF SALE | |
| Body of Water | Lynch Creek | Sales Price | \$85,000 |
| Front Footage | Approximately 300' | Estimated Site Value | \$75,000 |
| Access | Blanchard Corner Rd., Gravel | Sales Price of Improvements | \$10,000 |
| House Square Feet | 192 | Improvement Price/SF | \$52 |
| Bedroom/Bathrooms | N/A - Cabin |  | |
| Year Built or Renovated | Unknown | | |
| Construction | Wood Frame | | |
| Quality | Average | | |
| Condition | Average | | |
| Water/Sewer | None | | |
| Utilities | None | | |
| Topography | Sloped | | |
| Outbuildings | None | | |
| Miscellaneous | Property is bordered by 480 acres to the east. Cabin is described as rustic, good for hunting, recreation. According to listing, property is 15 minutes to Plains. | | |
| | | Report File # 17-030ec | |

HOME SALE 4

| COMPARABLE SALE INFORMATION | | | |
|---|--|--|-----------------------------|
|  | Location | | 23 Forty Niner Lane |
| | City/State | | Thompson Falls, MT |
| | County | | Sanders |
| | Assessor Number | | 0005108 |
| | Zoning | | Unzoned |
| | Site Size: Acres | | 1.000 |
| | Square Feet | | 43,560 |
| | Date of Sale | | October 27, 2014 |
| | Sales Price | | \$86,000 |
| | Adjustment to Sales Price | | \$0 |
| | Adjusted Sales Price | | \$86,000 |
| | MLS # | | 326997 |
| TRANSFER INFORMATION | | | |
| Grantor | Dennis Murphy Wagar & Michelle T. | Grantee | Fred W. Boon |
| Recording Data | Warranty Deed #81383 | Marketing Time | 165 Days on Market |
| Financing/Conditions | Cash / Market | Verified By | Charles Todd, Listing Agent |
| Legal Description | A Tract of Land in SW4/SE4. (Shown on COS #3323RB) | Intended Use | Residential |
| Section/Township/Range | S1/T23N/R27W | | |
| DESCRIPTION OF IMPROVEMENTS | | ANALYSIS OF SALE | |
| Body of Water | Walk in Access to Thompson River | Sales Price | \$86,000 |
| Front Footage | Unknown | Estimated Site Value | \$50,000 |
| Access | Private Gravel Road | Sales Price of Improvements | \$36,000 |
| House Square Feet | 651 | Improvement Price/SF | \$55 |
| Bedroom/Bathrooms | 1BR/0BA |  | |
| Year Built or Renovated | 1965 | | |
| Construction | Log | | |
| Quality | Average | | |
| Condition | Average | | |
| Water/Sewer | Outhouse | | |
| Utilities | None | | |
| Topography | Level with gradual slope toward river | | |
| Outbuildings | Outhouse | | |
| Miscellaneous | Cabin off-grid, wood stove for heat and cooking. Parcel boundaries depicted in blue on photo at right are approximate. Property has views of the Thompson River. | | |
| | | Report File # 16-036ec | |

PROPERTY VALUATIONS

SALE 873

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|--|---------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 873, SECTION 6, T23N, R26W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, MT | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 1.540 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Level | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | None | Creek Frontage | None | None | Pond & Spring |
| | | -20% | 0% | 0% | -30% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 1.540 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -40% | -20% | -10% | -50% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$22,000 | -\$8,800 | -\$1,870 | -\$32,500 |
| ADJUSTED PRICE PER LOT | | \$33,000 | \$35,200 | \$16,830 | \$32,500 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this comparable in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has no water frontage and does not have walk in proximity to water. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in downward adjustment indications of 20% and 30% respectively for Land Sale 1 and Pending Sale 1. No adjustments were necessary in this category for Land Sales 2 and 3.

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

Easements Affecting Value: According to our research, there are no easements on this subject site or comparables that affect value. No adjustment was necessary in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$33,000, \$35,200, \$16,830, and \$32,500. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$29,383 and the median of the indications is \$32,750. It is our opinion that a market value for the subject site of \$30,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$30,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 873, SECTION 6, T23N, R26W, SANDERS COUNTY, MONTANA | | | | | |
|---|-----------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Good | Average | Good | Average | Average |
| | | \$9,400 | \$0 | \$1,000 | \$4,460 |
| BATHROOMS | 0 | 1 | 2 | 0 | 0 |
| | | -\$5,000 | -\$10,000 | \$0 | \$0 |
| HOUSE SIZE/SF | 597 | 651 | 1,546 | 192 | 651 |
| | | -\$2,700 | -\$47,450 | \$20,250 | -\$2,700 |
| OUTBUILDINGS/AMENITIES | 2 Storage Buildings & Outhouse | Superior | Superior | Inferior | Inferior |
| | | -\$3,500 | -\$3,500 | \$1,500 | \$1,500 |
| TOTAL ADJUSTMENT | | -\$1,800 | -\$78,350 | \$22,750 | \$3,260 |
| NET ADJUSTMENT PERCENTAGE | | -2% | -45% | 228% | 7% |
| ADJUSTED PRICE INDICATION | | \$92,200 | \$95,650 | \$32,750 | \$47,860 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices in the acreage range studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

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

Bathrooms: The subject residence and Improved Sales 3 and 4 do not include indoor bathrooms. No adjustments was necessary for Improved Sales 3 and 4 in this category. Adjustments of \$5,000 per full bath were made to Improved Sales 1 and 2. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$92,200, \$95,650, 32,750, and \$47,860. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1, 2, and 4 as these sales required the least overall net adjustment. A market value of \$79,000 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 | \$ 30,000 |
| Subject Improvements Value | <u>\$ 79,000</u> |
| Total Value Indication | \$109,000 |

SALE 875

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|---|---------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 875, SECTION 34, T23N, R27W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, Mt | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 1.270 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Mostly Level | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | Walk to River | Creek Frontage | None | None | Pond & Spring |
| | | 0% | 25% | 25% | -15% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 1.270 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -20% | 5% | 15% | -35% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$11,000 | \$2,200 | \$2,805 | -\$22,750 |
| ADJUSTED PRICE PER LOT | | \$44,000 | \$46,200 | \$21,505 | \$42,250 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this comparable in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has walk in access to the Thompson River. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in upward adjustment indications of 25% for Land Sales 2 and 3 and a downward adjustment indication of 15% for Land Sale 4. No adjustment were necessary in this category for Land Sale 1 as the frontage along Lynch Creek is considered similar to the subject walk in access to the Thompson River.

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

Easements Affecting Value: According to our research, there are no easements on this subject site or comparables that affect value. No adjustment was necessary in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$44,000, \$46,200, \$21,505, and \$42,250. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$38,489 and the median of the indications is \$43,125. It is our opinion that a market value for the subject site of \$40,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$40,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 875, SECTION 34, T23N, R27W, SANDERS COUNTY, MONTANA | | | | | |
|--|--|-----------------------|-----------------------|--------------------|--------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| BATHROOMS | 0.50 | 1 | 2 | 0 | 0 |
| | | -\$2,500 | -\$7,500 | \$2,500 | \$2,500 |
| HOUSE SIZE/SF | 917 | 651 | 1,546 | 192 | 651 |
| | | \$13,300 | -\$31,450 | \$36,250 | \$13,300 |
| OUTBUILDINGS/AMENITIES | Guest House, Root Cellar, 2 Storage Buildings, & Outhouse | Inferior | Inferior | Inferior | Inferior |
| | | \$27,500 | \$27,500 | \$32,500 | \$32,500 |
| TOTAL ADJUSTMENT | | \$38,300 | -\$46,250 | \$71,250 | \$48,300 |
| NET ADJUSTMENT PERCENTAGE | | 41% | -27% | 713% | 108% |
| ADJUSTED PRICE INDICATION | | \$132,300 | \$127,750 | \$81,250 | \$92,900 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices for the acreage range studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Condition: The subject and Improved Sales 1, 3, and 4 were rated as average in this category. No adjustments were necessary for Improved Sales 1, 3, and 4 in this category. Improved Sale 2 were rated as good in overall condition and required some downward adjustment. We made a downward adjustment of 10% to Improved Sale 2 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes a half bath. Adjustments of \$2,500 per half bath and \$5,000 per full bath were made to the improved sales. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$132,300, \$127,750, \$81,250, and \$92,900. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1 and 2 as these sales required the least overall net adjustment. A market value of \$130,000 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 | \$ 40,000 |
| Subject Improvements Value | <u>\$130,000</u> |
| Total Value Indication | \$170,000 |

SALE 876

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|--|---------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 876, SECTION 6, T23N, R26W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, MT | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 0.990 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Level | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | Walk to River | Creek Frontage | None | None | Pond & Spring |
| | | 0% | 25% | 25% | -15% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 0.990 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -20% | 5% | 15% | -35% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$11,000 | \$2,200 | \$2,805 | -\$22,750 |
| ADJUSTED PRICE PER LOT | | \$44,000 | \$46,200 | \$21,505 | \$42,250 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this comparable in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has walk in access to the Thompson River. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in upward adjustment indications of 25% for Land Sales 2 and 3 and a downward adjustment indication of 15% for Land Sale 4. No adjustment were necessary in this category for Land Sale 1 as the frontage along Lynch Creek is considered similar to the subject walk in access to the Thompson River.

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

Easements Affecting Value: According to our research, there are no easements on this subject site or comparables that affect value. No adjustment was necessary in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$44,000, \$46,200, \$21,505, and \$42,250. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$38,489 and the median of the indications is \$43,125. It is our opinion that a market value for the subject site of \$40,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$40,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 876, SECTION 6, T23N, R26W, SANDERS COUNTY, MONTANA | | | | | |
|---|-----------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| BATHROOMS | 1 | 1 | 2 | 0 | 0 |
| | | \$0 | -\$5,000 | \$5,000 | \$5,000 |
| HOUSE SIZE/SF | 917 | 651 | 1,546 | 192 | 651 |
| | | \$13,300 | -\$31,450 | \$36,250 | \$13,300 |
| OUTBUILDINGS/AMENITIES | 2 Storage Buildings & Outhouse | Superior | Superior | Inferior | Inferior |
| | | -\$2,000 | -\$2,000 | \$3,000 | \$3,000 |
| TOTAL ADJUSTMENT | | \$11,300 | -\$73,250 | \$44,250 | \$21,300 |
| NET ADJUSTMENT PERCENTAGE | | 12% | -42% | 443% | 48% |
| ADJUSTED PRICE INDICATION | | \$105,300 | \$100,750 | \$54,250 | \$65,900 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices for the acreage range studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Condition: The subject and Improved Sales 1, 3, and 4 were rated as average in this category. No adjustments were necessary for Improved Sales 1, 3, and 4 in this category. Improved Sale 2 were rated as good in overall condition and required some downward adjustment. We made a downward adjustment of 10% to Improved Sale 2 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes a bathroom. Adjustments of \$5,000 per full bath were made to the improved sales. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$105,300, \$100,750, \$54,250, and \$65,900. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1, 2, and 4 as these sales required the least overall net adjustment. A market value of \$91,000 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 | \$ 40,000 |
| Subject Improvements Value | <u>\$ 91,000</u> |
| Total Value Indication | \$131,000 |

SALE 877

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|---|------------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 877, SECTION 36, T24N, R27W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, MT | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 0.700 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Level/Some Slope | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | River Frontage | Creek Frontage | None | None | Pond & Spring |
| | | 20% | 50% | 50% | 0% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | Yes | None | None | None | None |
| | | -5% | -5% | -5% | -5% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 0.700 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -5% | 25% | 35% | -25% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$2,750 | \$11,000 | \$6,545 | -\$16,250 |
| ADJUSTED PRICE PER LOT | | \$52,250 | \$55,000 | \$25,245 | \$48,750 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this comparable in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has frontage along the Thompson River. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in the upward adjustment indications of 20% for Land Sale 1 and 50% each for Land Sales 2 and 3. No adjustment was necessary for Land Sale 4 as the pond and spring on this property are considered to have approximately equal marketability as the subject river frontage.

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

Easements Affecting Value: There is an access road crossing this property. The value concluded in this report is based upon the Hypothetical Condition that an easement is recorded for this road. None of the comparables were encumbered with easements that similarly impact market value. Some downward adjustment is considered necessary in this category due to this easement. We have made a downward adjustment to the comparables of 5% in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$52,250, \$55,000, \$25,245, and \$48,750. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$45,311 and the median of the indications is \$50,500. It is our opinion that a market value for the subject site of \$48,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$48,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 877, SECTION 36, T24N, R27W, SANDERS COUNTY, MONTANA | | | | | |
|--|-----------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| BATHROOMS | 0 | 1 | 2 | 0 | 0 |
| | | \$5,000 | \$10,000 | \$0 | \$0 |
| HOUSE SIZE/SF | 573 | 651 | 1,546 | 192 | 651 |
| | | -\$3,900 | -\$48,650 | \$19,050 | -\$3,900 |
| OUTBUILDINGS/AMENITIES | 2 Storage Buildings & Outhouse | Superior | Superior | Inferior | Inferior |
| | | -\$2,500 | -\$2,500 | \$2,500 | \$2,500 |
| TOTAL ADJUSTMENT | | -\$1,400 | -\$75,950 | \$21,550 | -\$1,400 |
| NET ADJUSTMENT PERCENTAGE | | -1% | -44% | 216% | -3% |
| ADJUSTED PRICE INDICATION | | \$92,600 | \$98,050 | \$31,550 | \$43,200 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices in the acreage range studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Condition: The subject and Improved Sales 1, 3, and 4 were rated as average in this category. No adjustments were necessary for Improved Sales 1, 3, and 4 in this category. Improved Sale 2 were rated as good in overall condition and required some downward adjustment. We made a downward adjustment of 10% to Improved Sale 2 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence does not include a bathroom. Adjustments of \$5,000 per full bath were made to the improved sales. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$92,600, \$98,050, \$31,550, and \$43,200. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1, 2, and 4 as these sales required the least overall net adjustment. A market value of \$78,000 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 | \$ 48,000 |
| Subject Improvements Value | <u>\$ 78,000</u> |
| Total Value Indication | \$126,000 |

SALE 878

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|---|------------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 878, SECTION 36, T24N, R27W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, MT | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 1.090 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Level/Some Slope | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | River Frontage | Creek Frontage | None | None | Pond & Spring |
| | | 20% | 50% | 50% | 0% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | Yes | None | None | None | None |
| | | -5% | -5% | -5% | -5% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 1.090 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -5% | 25% | 35% | -25% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$2,750 | \$11,000 | \$6,545 | -\$16,250 |
| ADJUSTED PRICE PER LOT | | \$52,250 | \$55,000 | \$25,245 | \$48,750 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this comparable in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has frontage along the Thompson River. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in the upward adjustment indications of 20% for Land Sale 1 and 50% each for Land Sales 2 and 3. No adjustment was necessary for Land Sale 4 as the pond and spring on this property are considered to have approximately equal marketability as the subject river frontage.

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

Easements Affecting Value: There is an access road crossing this property. The value concluded in this report is based upon the Hypothetical Condition that an easement is recorded for this road. None of the comparables were encumbered with easements that similarly impact market value. Some downward adjustment is considered necessary in this category due to this easement. We have made a downward adjustment to the comparables of 5% in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$52,250, \$55,000, \$25,245, and \$48,750. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$45,311 and the median of the indications is \$50,500. It is our opinion that a market value for the subject site of \$48,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$48,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 878, SECTION 36, T24N, R27W, SANDERS COUNTY, MONTANA | | | | | |
|--|-----------------------------------|-----------------------|-----------------------|--------------------|--------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Good | Average | Good | Average | Average |
| | | \$9,400 | \$0 | \$1,000 | \$4,460 |
| BATHROOMS | 0.50 | 1 | 2 | 0 | 0 |
| | | -\$2,500 | -\$7,500 | \$0 | \$0 |
| HOUSE SIZE/SF | 819 | 651 | 1,546 | 192 | 651 |
| | | \$8,400 | -\$36,350 | \$31,350 | \$8,400 |
| OUTBUILDINGS/AMENITIES | 2 Storage Buildings & Outhouse | Superior | Superior | Inferior | Inferior |
| | | -\$2,000 | -\$2,000 | \$3,000 | \$3,000 |
| TOTAL ADJUSTMENT | | \$13,300 | -\$63,250 | \$35,350 | \$15,860 |
| NET ADJUSTMENT PERCENTAGE | | 14% | -36% | 354% | 36% |
| ADJUSTED PRICE INDICATION | | \$107,300 | \$110,750 | \$45,350 | \$60,460 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices in the acreage ranges studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Condition: The subject and Improved Sale2 were rated as good in this category. No adjustments were necessary for Improved Sale 2 in this category. Improved Sales 1, 3, and 4 were rated as average in overall condition and required some upward adjustment. We made upward adjustments of 10% to Improved Sales 1, 3, and 4 in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes a half bath. Adjustments of \$2,500 per half bath and \$5,000 per full bath were made to the improved sales. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$107,300, \$110,750, \$45,350, and \$60,460. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1, 2, and 4 as these sales required the least overall net adjustment. A market value of \$78,000 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 | \$ 48,000 |
| Subject Improvements Value | <u>\$ 93,000</u> |
| Total Value Indication | \$141,000 |

SALE 889

Site Value Estimate

The 3 comparable site sales and 1 pending sale presented were utilized to derive the value of this subject site as if vacant. Adjustments have been considered for differences between the sales and this subject site. Any adjustments made are noted on the spreadsheet below;

| COMPARABLE SALES ANALYSIS FOR SUBJECT SITE | | | | | |
|---|-------------------------|----------------------------|--------------------------|--------------------------|---------------------|
| SALE # 889, SECTION 12, T22N, R27W, SANDERS COUNTY, MONTANA | | | | | |
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | PENDING SALE 1 |
| IDENTIFICATION | | Tract 19B, High Country Rd | NHN Upper Lynch Creek Rd | Lot 1, High Country View | NHN High Country Rd |
| CITY | | Plains, Mt | Plains, MT | Plains, MT | Plains, MT |
| SALES PRICE | | \$55,000 | \$44,000 | \$18,700 | \$70,000 |
| ADJUSTMENT FOR IMPROVEMENTS | | \$0 | \$0 | \$0 | -\$5,000 |
| ADJUSTMENT FOR LIST PRICE | | \$0 | \$0 | \$0 | \$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 | | 06/02/17 | 08/01/16 | 06/30/16 | PENDING |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.00 |
| ADJUSTED PRICE | | \$55,000 | \$44,000 | \$18,700 | \$65,000 |
| SITE SIZE/ACRES | 1.410 | 5.010 | 5.210 | 2.760 | 6.200 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | 0% | 0% | 0% | 0% |
| SHAPE | Rectangular | Irregular | Rectangular | Irregular | Irregular |
| | | 0% | 0% | 0% | 0% |
| TOPOGRAPHY | Level/Some Slope | Rolling | Level/Some Slope | Rolling | Rolling |
| | | 0% | 0% | 0% | 0% |
| FRONTAGE/ACCESS | Public Road | Public Road | Public Road | Public Road | Public Road |
| | | 0% | 0% | 0% | 0% |
| WATER FRONTAGE/PROXIMITY | Frontage on Small Creek | Creek Frontage | None | None | Pond & Spring |
| | | -5% | 20% | 20% | -20% |
| ZONING | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| EASEMENTS/COVENANTS AFFECTING USE | None | None | None | None | None |
| | | 0% | 0% | 0% | 0% |
| ELECTRICITY/TELEPHONE | Not Available | Available | Available | Available | Available |
| | | -10% | -10% | -10% | -10% |
| SITE SIZE/ACRES | 1.410 | 5.010 | 5.210 | 2.760 | 6.200 |
| | | -10% | -10% | 0% | -10% |
| TOTAL PERCENTAGE ADJUSTMENT | | -25% | 0% | 10% | -40% |
| TOTAL ADJUSTMENT ADJUSTMENT | | -\$13,750 | \$0 | \$1,870 | -\$26,000 |
| ADJUSTED PRICE PER LOT | | \$41,250 | \$44,000 | \$20,570 | \$39,000 |

Discussion of Adjustments

Adjustment for List Price: Pending Sale 1 was under contract prior to the report effective date and closed prior to the report completion date. The sales price was \$5,000 less than the list price. For this reason, a downward adjustment of \$5,000 was made to this sale in this category.

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

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

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

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

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

Market Conditions: The closed comparables sold in 2016 and 2017. There is no market data suggesting that market conditions for sites in the subject market area changed appreciably since 2016. For that reason, no adjustment was made in this category.

Location: There is no market data supporting an adjustment in this category. For this reason no adjustment was made for location.

Shape: The subject lot and comparables have shapes that are suitable for residential development. No adjustments was necessary for these sales in this category.

Topography: The subject lot and the comparables all have sufficient level areas suitable for residential improvements. No adjustments were necessary in this category.

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

Water Frontage/Proximity: This subject site has frontage along a small creek (known as Mudd Creek) and does not have walk in proximity to the Thompson River. Land Sale 1 has frontage along Lynch Creek. Land Sales 2 and 3 do not include water frontage. Pending Land Sale 1 includes a pond and a spring. Land Sales 1 and 2 and Pending Sale 3 were similar enough to each other in most respects with the exception of water frontage. We paired these comparables to arrive at appropriate adjustments for the sales in this category. The pairings resulted in a downward adjustment indication of 5% to Land Sale 1, upward adjustment indications of 20% to Land Sales 2 and 3, and a downward adjustment indication of 20% for Pending Sale 1.

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

Easements Affecting Value: According to our research, there are no easements on this subject site or comparables that affect value. No adjustment was necessary in this category.

Electricity/Telephone: There is no electricity or telephone service available to the subject property. There is electricity and telephone service available along the roads bordering the comparables. There is little market data available on which to base an adjustment in this category. Based upon anecdotal data, easy access to utilities enhances marketability for rural home sites. It is our opinion that some downward adjustment is necessary in this category for the comparables. Downward adjustments of 10% were made to the all of the comparables. This adjustment percentage is reasonable and considered indicative of the actions of market participants in this category.

Size/Acres: The comparables are all larger than the subject site but offer similar residential utility. Based upon our analysis of site sales in various acreage ranges (included in the Subject Market Analysis), no adjustment is supported. Land Sales 1 and 2 and Pending Sale 1 differ most in size compared to the subject site. Based upon anecdotal data, it is our opinion that due to the relatively large size difference between Land Sales 1 and 2 and Pending Sale 1 some adjustment is warranted in this category. We have utilized downward adjustments of 10% in this category for Land Sales 1 and 2 and Pending Sale 1. This adjustment is subjective but considered reasonable and appropriate.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site are \$41,250, \$44,000, \$20,570, and \$39,000. Approximately equal weight is accorded the adjusted indications from all 4 sales. The average of the indications is \$36,205 and the median of the indications is \$40,125. It is our opinion that a market value for the subject site of \$38,000 is reasonable and supported by available market data. Consequently;

Subject Site Value as if Vacant

\$38,000

Improvement Value Estimate

A sales comparison analysis for the subject improvements utilizing the Improved Comparables selected is below;

| SALES COMPARISON ANALYSIS FOR SALE 889, SECTION 12, T22N, R27W, SANDERS COUNTY, MONTANA | | | | | |
|--|--|-----------------------|-----------------------|---------------------|---------------------|
| DESCRIPTION | SUBJECT | SALE 1 | SALE 2 | SALE 3 | SALE 4 |
| IDENTIFICATION | | 386 Thompson River Rd | 182 Thompson River Rd | 30 Big Mountain Ln | 23 Forty Niner Ln |
| LOCATION | | Thompson Falls, MT | Thompson Falls, MT | Plains, MT | Thompson Falls, MT |
| SALES PRICE | | \$181,500 | \$274,000 | \$85,000 | \$86,000 |
| 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 | | -\$2,500 | \$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 | | 06/12/17 | 10/31/16 | 05/20/16 | 10/27/14 |
| MARKET CONDITIONS FACTOR | | 1.00 | 1.00 | 1.00 | 1.10 |
| ADJUSTED PRICE | | \$179,000 | \$274,000 | \$85,000 | \$94,600 |
| LESS SITE VALUE | | (\$85,000) | (\$100,000) | (\$75,000) | (\$50,000) |
| ADJUSTED IMPROVEMENT PRICE | | \$94,000 | \$174,000 | \$10,000 | \$44,600 |
| ADJUSTMENT FOR: | | | | | |
| LOCATION/SITE | Rural County | Rural County | Rural County | Rural County | Rural County |
| | | \$0 | \$0 | \$0 | \$0 |
| QUALITY | Average | Average | Good | Average | Average |
| | | \$0 | -\$17,400 | \$0 | \$0 |
| CONDITION | Good | Average | Good | Average | Average |
| | | \$9,400 | \$0 | \$1,000 | \$4,460 |
| BATHROOMS | 0 | 1 | 2 | 0 | 0 |
| | | -\$5,000 | -\$10,000 | \$0 | \$0 |
| HOUSE SIZE/SF | 863 | 651 | 1,546 | 192 | 651 |
| | | \$10,600 | -\$34,150 | \$33,550 | \$10,600 |
| OUTBUILDINGS/AMENITIES | 2 Storage Buildings, 1 Wood Cutting Shelter, & Outhouse | Superior | Superior | Inferior | Inferior |
| | | -\$2,000 | -\$2,000 | \$3,000 | \$3,000 |
| TOTAL ADJUSTMENT | | \$13,000 | -\$63,550 | \$37,550 | \$18,060 |
| NET ADJUSTMENT PERCENTAGE | | 14% | -37% | 376% | 40% |
| ADJUSTED PRICE INDICATION | | \$107,000 | \$110,450 | \$47,550 | \$62,660 |

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2014, 2016, and 2017. The improved sales analysis included in the Subject Market Analysis indicates that average home sales prices in the acreage ranges studied in 2017 Year-to-Date are higher than those in 2014. Based upon this data, it is our opinion that a 10% overall upward adjustment is supported in this category for Improved Sale 4 since it closed in 2014. No adjustments were considered necessary for the sales that closed in 2016 and 2017.

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

Quality: The subject was rated as average in overall quality. Improved Sales 1, 3 and 4 were also rated as average in overall quality. These comparables required no adjustment in this category. Improved Sale 2 was rated as good in overall quality. We made a downward adjustment of 10% in this category to Improved Sale 2. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

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

Bathrooms: The subject residence and Improved Sales 3 and 4 do not include indoor bathrooms. No adjustments was necessary for Improved Sales 3 and 4 in this category. Adjustments of \$5,000 per full bath were made to Improved Sales 1 and 2. There is not sufficient market data available on which to extract an exact adjustment in this category; however, the adjustments made are reasonable and considered indicative of the actions of market participants.

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 opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$107,000, \$110,450, \$47,550, and \$53,200. The wide range in adjusted indications of value is typical in markets with limited market data. All weight is accorded the indications from Improved Sales 1, 2, and 4 as these sales required the least overall net adjustment. A market value of \$93,000 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 | \$ 38,000 |
| Subject Improvements Value | <u>\$ 93,000</u> |
| Total Value Indication | \$131,000 |

RECAPITULATION OF VALUE INDICATIONS

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

| Sale # | Site Value | Value of Improvements | Total Value | Effective Date of Market Values |
|--------|------------|-----------------------|-------------|---------------------------------|
| 873 | \$30,000 | \$79,000 | \$109,000 | 7/25/2017 |
| 875 | \$40,000 | \$130,000 | \$170,000 | 7/25/2017 |
| 876 | \$40,000 | \$91,000 | \$131,000 | 7/25/2017 |
| 877 | \$48,000 | \$78,000 | \$126,000 | 7/25/2017 |
| 878 | \$48,000 | \$93,000 | \$141,000 | 7/25/2017 |
| 889 | \$38,000 | \$93,000 | \$131,000 | 7/25/2017 |

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

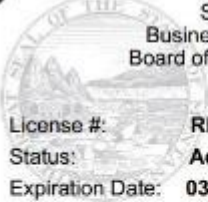

WORK EXPERIENCE

| | |
|----------------|--|
| 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

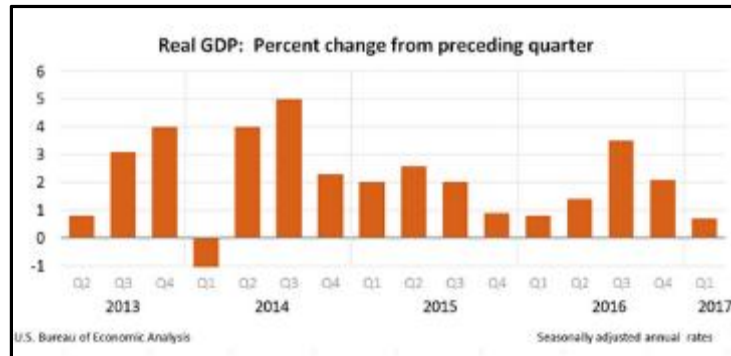
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|  | State of Montana Business Standards Division Board of Real Estate Appraisers | This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: <i>REAL ESTATE APPRAISER MENTOR</i> |
| License #: | REA-RAG-LIC-683 | |
|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

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

ADDENDUM

NATIONAL ECONOMIC DATA

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



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

STATE ECONOMIC DATA

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

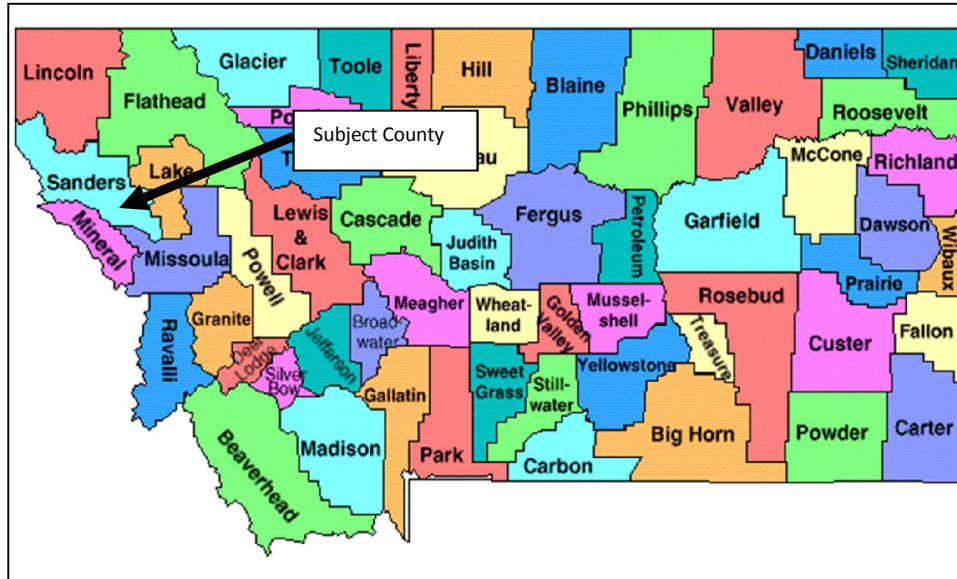
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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

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

SANDERS COUNTY DATA

The subject properties are located in the southern portion of Sanders County. Sanders County is in the northwest portion of Montana. The county is bordered by Lincoln, Flathead, Lake, Missoula and Mineral Counties in Montana. It is bordered to west by Bonner and Shoshone Counties of Idaho. A map of Montana with counties identified is below.



Thompson Falls is the county seat. Incorporated cities are Thompson Falls and Plains. Other communities are; Belknap, Camas, Dixon, Heron, Hot Springs, Lonepine, Noxon, Paradise, Perma, and Trout Creek.

Geographical Information

Sanders County is 2,790 square miles in size. Approximately 1% of the county is water and the remainder is high land. The Clark Fork River (a tributary of the Columbia River) runs the length of the county. The county includes the Cabinet Mountain Wilderness and portions of three national forests.

Population

According to 2017 US Census data estimates, the population of Sanders County is 11,289. A portion of Sanders County is located in the Flathead Indian Reservation. The reservation is home to the Confederated Salish and Kootenai Tribes. According to the 2010 Census, approximately 4.2% of the population of Sanders County was American Indian or Alaskan Native.

Income

According to 2017 US Census data, the median household income is \$33,700. This is less than the median household income for Montana for the same period of \$47,161. Reportedly 18.6% of the population in Sanders County was below the poverty line between 2010 and 2014. This is greater than the estimated 14.3% poverty rate for the State of Montana for that period.

Employment

The economy of Sanders County predominantly consists of farming, ranching and logging. The non-seasonally adjusted unemployment rate was 9.5% for January 2017. This is substantially higher than the non-seasonally adjustment unemployment rate Montana for January of 2017 of 4.8%.

Education & Healthcare

There are elementary, middle and high schools servicing various areas of Sanders County. There is no four year college in Sanders County. Clark Fork Valley Hospital is in Plains.

Real Estate

According to 2017 US Census data, there were 6,773 housing units in Sanders County. Of the total housing units, 74.7% were occupied. The median home value for 2017 was reportedly \$232,109.

Linkages & Transportation

Montana Highways 200, 29, 135, and 382 run through portions of Sanders County. Interstate 90 is near the southern border of the county. There are two small county owned airports. One is in Plains and the other is in Hot Springs. There are international airports located in Kalispell and Missoula (both cities are outside of Sanders County) serviced by a variety of national airline carriers.

Flathead Reservation

The Flathead Reservation is the fourth largest reservation in Montana and includes acreage in Sanders County as well as three additional counties in northwest Montana. There are approximately 4,500 Confederated Salish and Kootenai tribal members residing on the reservation. CSKT provides employment opportunities to over 1,000 tribal members through tribal owned and privately owned non-member industries.

Sanders County Economic Data Conclusion

There are an abundance of recreational opportunities in northwest Montana. Attractions in Sanders County include the Clark Fork River, the Cabinet Mountains Wilderness, portions of National Forests, and a portion of the National Bison Range. These recreational opportunities are attractive to non-resident travelers and occupants of the area. The short term outlook for the area is positive as the state and national economies continue to improve. The long term outlook for the area is also positive due to the abundance of natural resources and the potential to diversify the employment.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 16)

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:

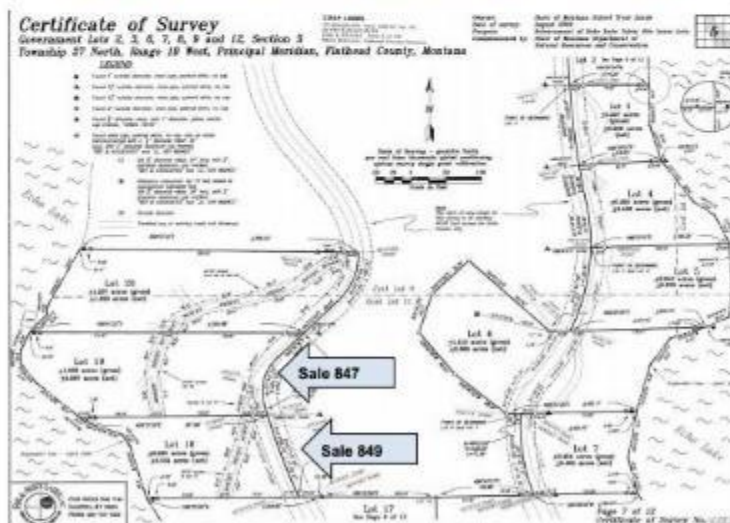
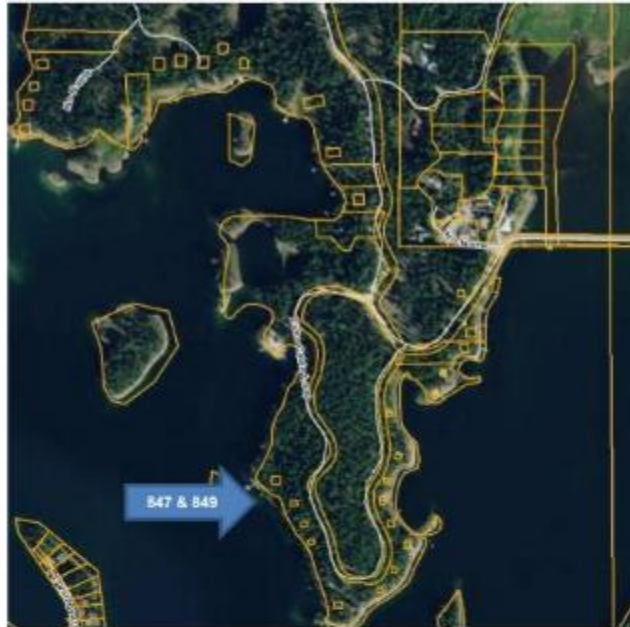
Sale 847

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 |

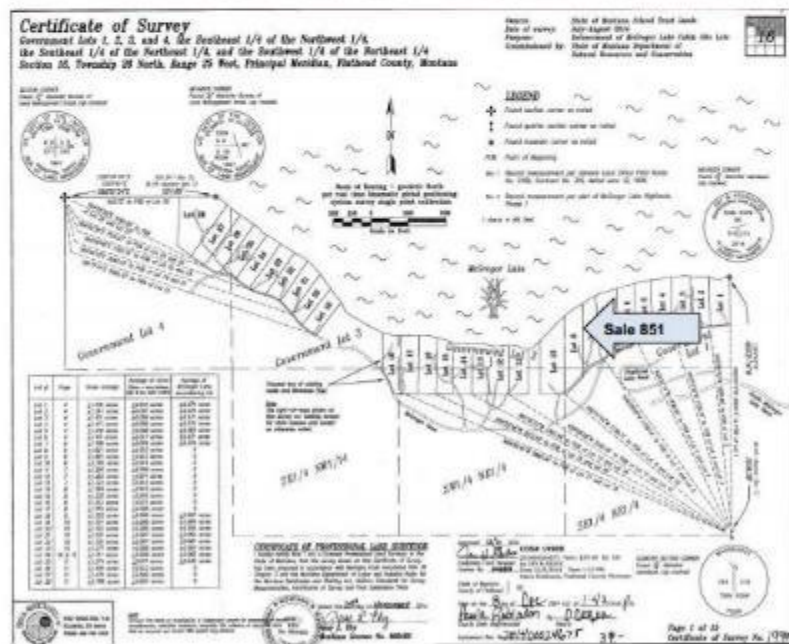
Lessees:

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

McGregor Lake (Flathead County) Sale Location Map



McGregor Lake Lot



MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Property (Located in Lincoln County):

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

Lessees:

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

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

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

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

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

LINCOLN COUNTY SALE LOCATION MAP



Sale No. 879

Unsurveyed Lot in W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, T34N-R25W Sec. 36



MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Property (Located in Missoula County):

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

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.

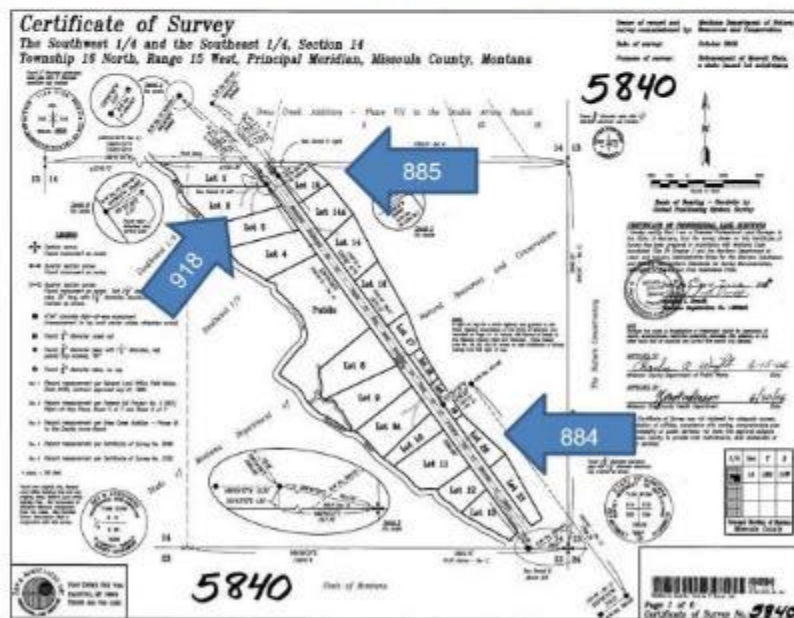
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The DNRC will provide access to the state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, property issues, surveys (if any), and production history. The local land office will provide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

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:

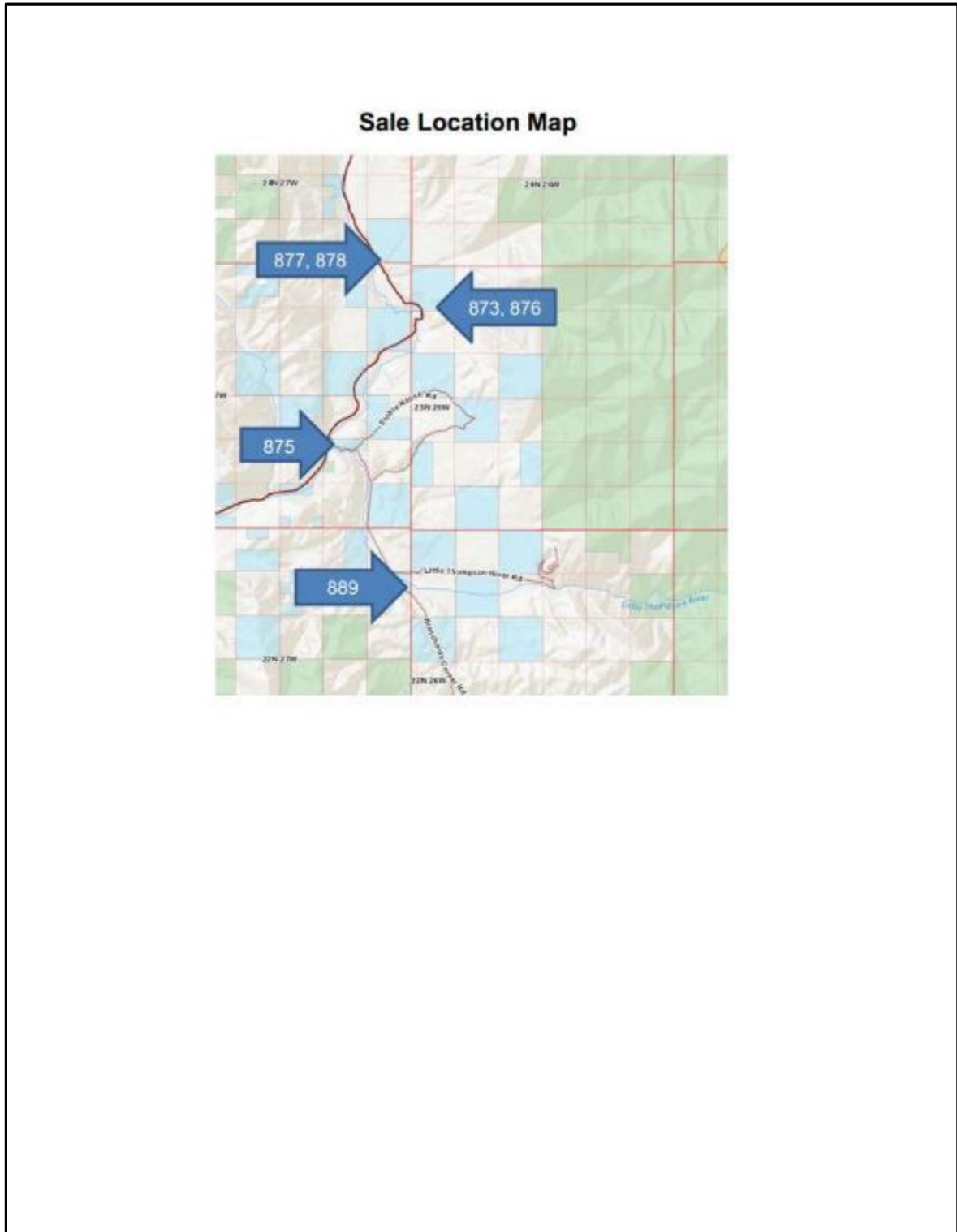
| | | |
|--|--|---|
| Sales 873 Shannon Holmes 3788 Rodeo Road Missoula, MT 59803 (406) 721-1350 | Sale 875 Donna Davis & Denise White 6893 Farm to Market Road Whitefish, MT 59937 (406) 862-6505 | Sale 876 Darvin & Bonnie Struck 521 E. Cottonwood Dr. Kalispell, MT 59901 (406) 250-4879 |
| Sale 877 Thompson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

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

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

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



Sale Number 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

