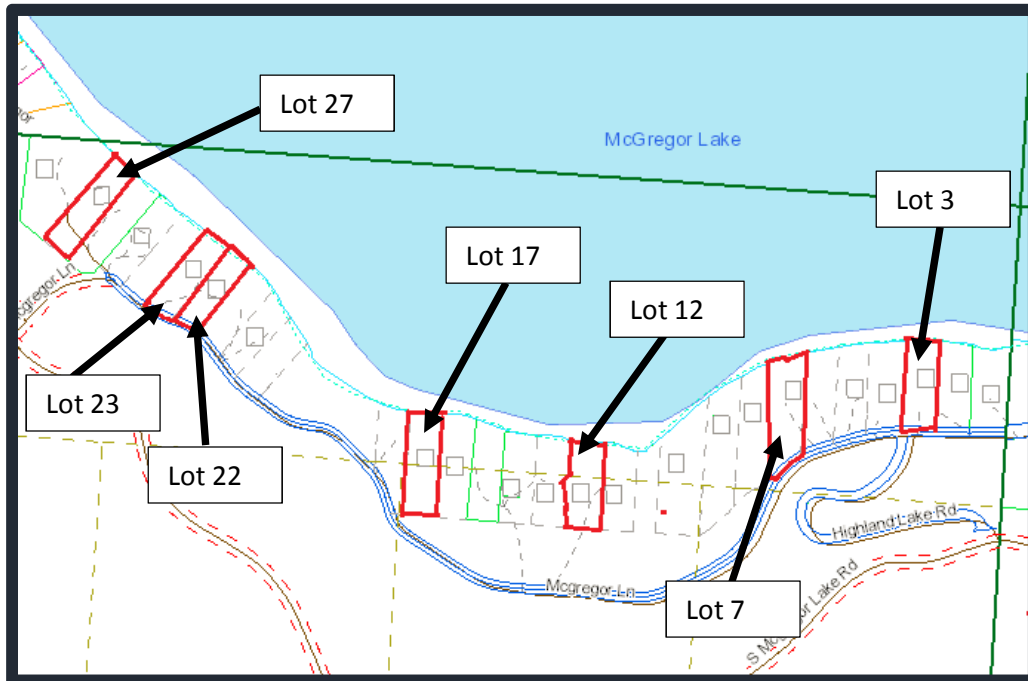


*APPRAISAL REPORT OF:*

**LOTS 3, 7, 12, 17, 22, 23, & 27**  
**COS # 19909, MCGREGOR LAKE,**  
**MARION, MONTANA**



*PREPARED FOR:*

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

*MARKET VALUES AS OF:*

**June 18, 2018**

*PREPARED BY:*

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



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

---

## LETTER OF TRANSMITTAL

August 8, 2018

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

Re: Lots 3, 7, 12, 17, 22, 23, and 27, COS #19909, of Section 16, Township 26 North, Range 25 West, Kalispell, Flathead County, Montana

Dear Ms. Motichka:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on June 18, 2018. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. This visual inspection, review and analyses were made in order to prepare the attached summary appraisal report.

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

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

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

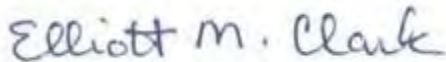
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We were not provided with soil studies for the subject sites. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any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

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

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

Respectfully submitted,



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



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

18-019ec

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lots 3, 7, 12, 17, 22, 23, & 27 of COS #19909, Section 16, Township 26 North, Range 25 West, Flathead County, Montana
<b>Site Sizes</b>	See Property Description
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	See Property Description
<b>Census Tract</b>	30-063-0017.00
<b>Flood Zone</b>	Zone X, Map Panel 30029C2175G – Dated September 28, 2007
<b>Zoning</b>	Not Zoned

### HIGHEST AND BEST USE(S)

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

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

<b>Report Date</b>	August 8, 2018
<b>Inspection Date(s)</b>	June 18, 2018
<b>Effective Date of Value(s)</b>	June 18, 20178
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Values</b>	Property Valuation Section of Report & Page 100 of Report
<b>Individual Improvement Values</b>	Property Valuation Section of Report & Page 100 of Report
<b>Individual Total Market Values</b>	Property Valuation Section of Report & Page 100 of Report

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

### MARKETING & EXPOSURE TIME

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

### APPRAISER INFORMATION

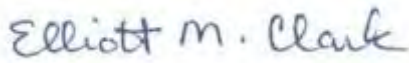
<b>Appraiser(s)</b>	Elliott M. Clark, MAI & Christopher D. Clark
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## **CERTIFICATION OF APPRAISAL**

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

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

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



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Dated Signed: August 8, 2018  
Elliott M. Clark, MAI  
MT REA-RAG-LIC-683



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Date Signed: August 8, 2018  
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 violations, or restrictions associated with the subject properties.
6. Information, estimates and opinions contained in this report are obtained from sources considered reliable and believed to be true and correct; however, no liability for them can be assumed by the appraisers.
7. The appraisers are not required to give testimony or attendance in court by reason of this appraisal, with reference to the properties in question, unless arrangements have been made previously therefore.
8. The division of the land and improvements (if applicable) as valued herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
9. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion(s) are contingent upon completion of the improvements in a workmanlike manner.
10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public

relations media, sales media or other media for public communication without the prior written consent of the signatory of this appraisal report.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject properties to determine whether or not they are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties together with a detailed analysis of the requirements of the ADA could reveal that the properties are not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the values of the properties. Since the appraisers have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the values of the properties.
12. The appraisers are not experts at the identification of environmental hazards. This assignment does not cover the presence or absence of such substances. Any visually detected or obviously known environmental problems affecting the properties will be reported and their impact on the value will be discussed.
13. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation or specific valuation.
14. The appraisers are not building inspectors and this report does not constitute building inspections for the subject properties. Any obvious defects are noted (if applicable); however, this report is not to be relied upon for detection of unseen defects for the subject properties.
15. This appraisal was prepared for the clients and the intended users named in this report. The analysis and conclusions included in the report are based upon a specific Scope of Work determined by the clients and the appraisers, and are not valid for any other purpose or for any additional users other than noted in this report.

## SCOPE OF THE APPRAISAL

The subject properties are Lots 3, 7, 12, 17, 22, 23, and 27 of COS #19909, Marion, Flathead County, Montana.

The appraisers were asked to provide opinions of the market values of the fee simple interests in the sites and improvements for the subject properties 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 June 18, 2018. We measured the improvements on the properties and walked the subject sites.

### **Scope of Research**

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

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

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

### **Extraordinary Assumption(s)**

An **Extraordinary Assumption** is defined in 2018-2019 version of the Uniform 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 2018-2019 version of the Uniform 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 (as described in this report) to the properties.

### **Highest & Best Use**

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

### **Appraisal Process**

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

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

### **Environmental**

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

### **General Data Sources**

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

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

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

## IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County
3	921	19909	S16/T26N/R15W	Flathead
7	922	19909	S16/T26N/R15W	Flathead
12	923	19909	S16/T26N/R15W	Flathead
17	926	19909	S16/T26N/R15W	Flathead
22	927	19909	S16/T26N/R15W	Flathead
23	928	19909	S16/T26N/R15W	Flathead
27	925	19909	S16/T26N/R15W	Flathead

## INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Lot #	Sale #	Lessee
3	921	Karol K. Stack
7	922	Donald & Sara Ericksen
12	923	Donald & Claudia Dennison
17	926	MT DNRC
22	927	MT DNRC
23	928	MT DNRC
27	925	James F. Slaton

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**

June 18, 2018

## **EFFECTIVE DATE OF MARKET VALUES**

June 18, 2018

## **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 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

## STATEMENT OF OWNERSHIP & USE HISTORY

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

Lot #	Sale #	Lessee	Last Transfer Document
3	921	Karol K. Stack	Quit Claim Deed - 2002
7	922	Donald & Sara Ericksen	Unknown
12	923	Donald & Claudia Dennison	Unknown
17	926	MT DNRC	Unknown
22	927	MT DNRC	Quit Claim Deed - 1999
23	928	MT DNRC	Unknown
27	925	James F. Slaton	Warranty Deed - 2016

### USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lots are in this program. According to the available information, the subject lots have been used for recreational/residential purposes for the three years prior to the report effective date. Houses were constructed on Lots 7, 12, 17, and 27. There was a mobile home on Lot 3. The house construction dates and any recent listing information for the improvements via the area MLS for each applicable property are below;

Lot #	Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
3	921	Karol K. Stack	N/A - Mobile Home	N/A
7	922	Donald & Sara Ericksen	2012	Sold for \$245,000 in 2008 (with Manufactured Home)
12	923	Donald & Claudia Dennison	1998	Expired Listing for \$359,900 in 2013
17	926	MT DNRC	1968	Sold for \$17,500 in 2010, Sold for \$44,000 in 2005, & Sold for \$33,000 in 2003
22	927	MT DNRC	N/A	Sold for \$44,000 in 1999
23	928	MT DNRC	N/A	N/A
27	925	James F. Slaton	1998	N/A

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



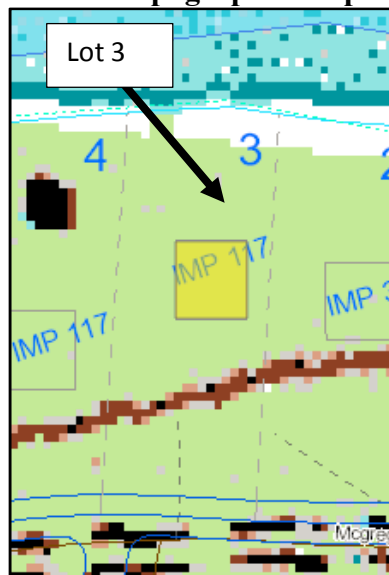


## LOT 3

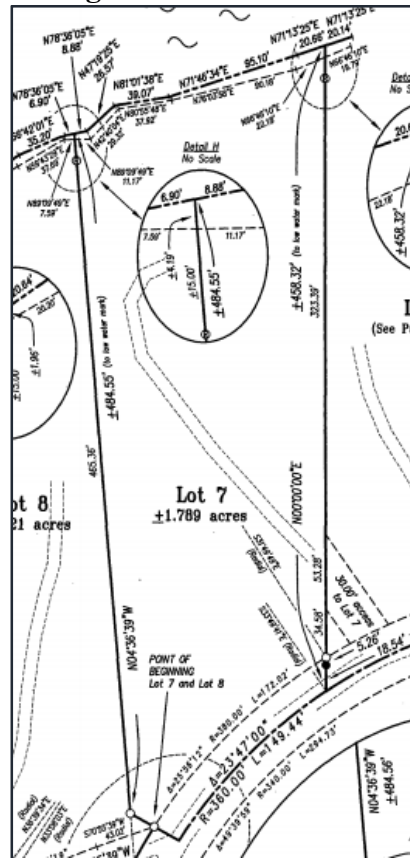
### Enlarged View of COS #19909



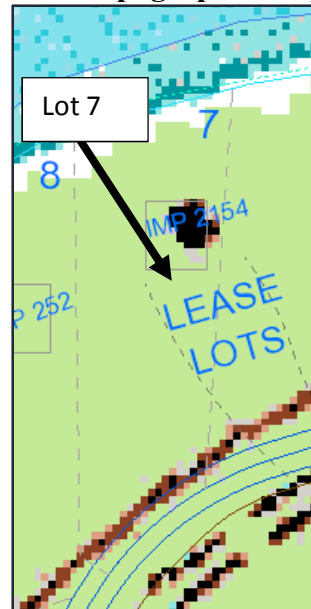
### Area Topographic Map



### Enlarged View of COS #19909

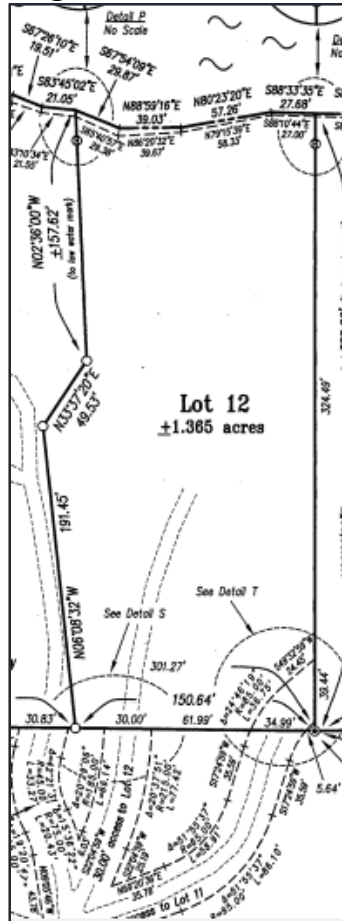


## Area Topographic Map

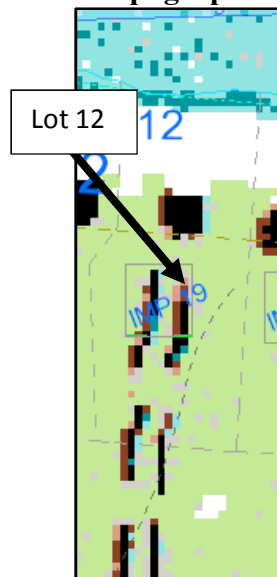


## LOT 12

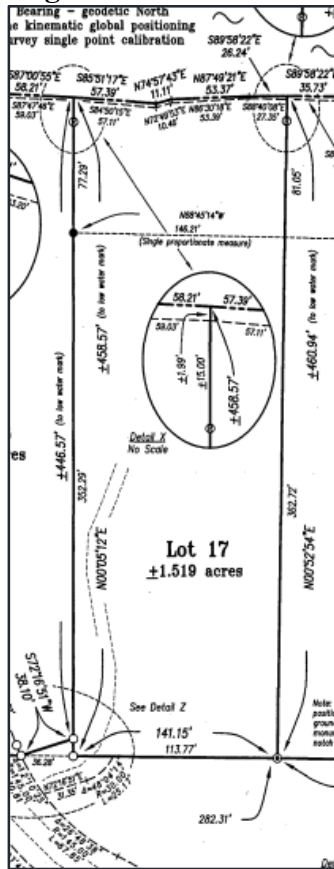
### Enlarged View of COS #19909



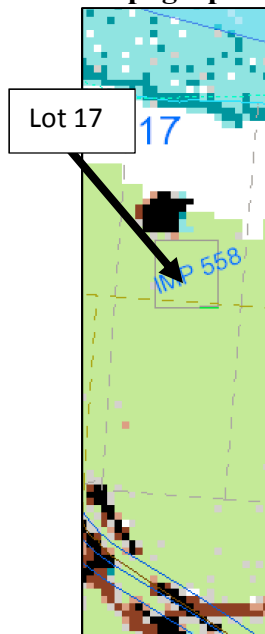
### Area Topographic Map



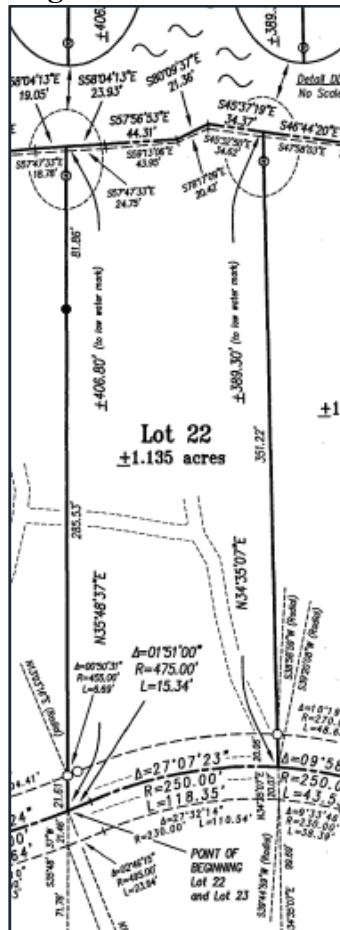
### Enlarged View of COS #19909



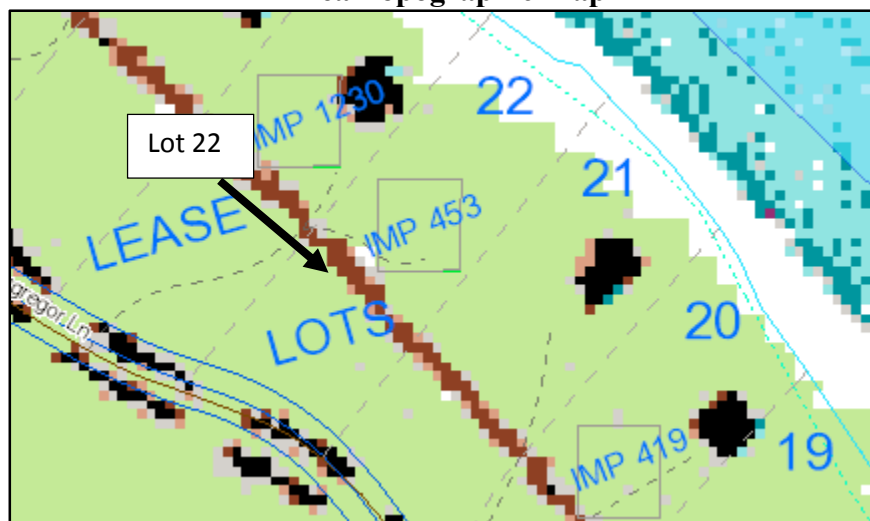
## Area Topographic Map



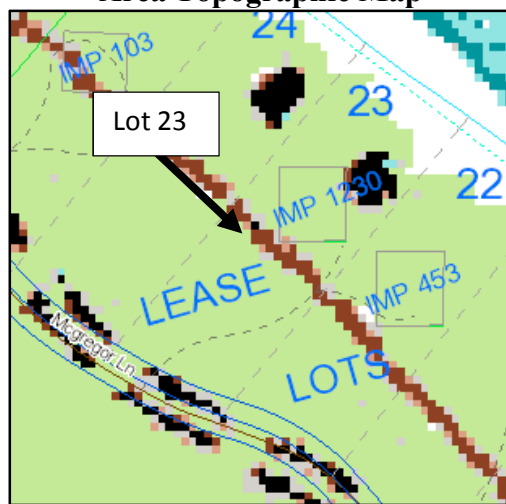
### Enlarged View of COS #19909



## Area Topographic Map

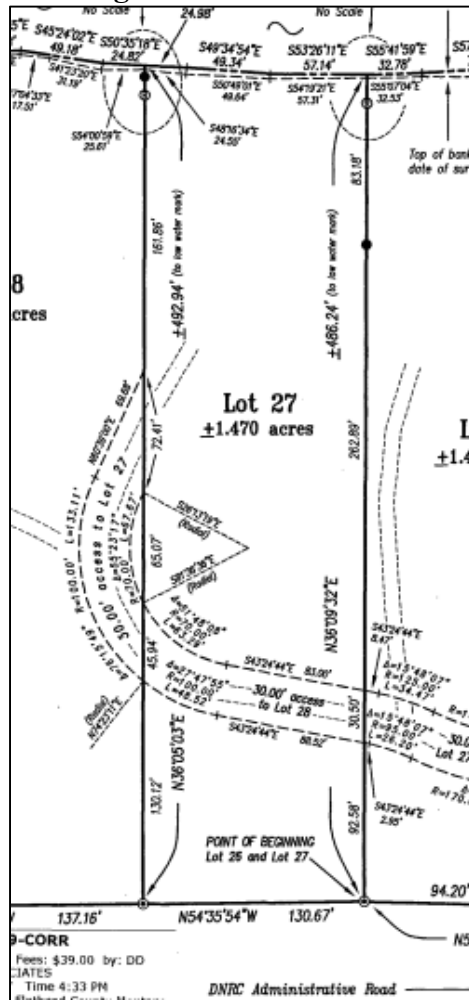


### Enlarged View of COS #19909

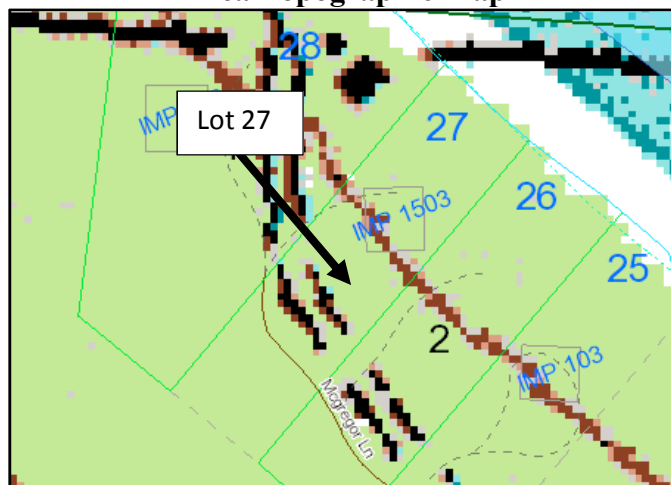


## LOT 27

### Enlarged View of COS #19909



### Area Topographic Map



## ACCESS AND VIEWS

The subject properties all have views of and frontage along McGregor Lake. The subject properties will have vehicular access via McGregor Lane or spurs from McGregor Lane. McGregor Lane is accessed via Highland Lake Road. The road access will be subject to shared road maintenance agreements. Specific access to each subject parcel is identified on the table below;

Lot #	Sale #	Lessee	Address	Access
3	921	Karol K. Stack	420 McGregor Ln	Driveway from McGregor Ln
7	922	Donald & Sara Ericksen	460 McGregor Ln	Driveway (across Lot 6) from McGregor Ln
12	923	Donald & Claudia Dennison	520 McGregor Ln	Driveway from Spur from McGregor Ln
17	926	MT DNRC	570 McGregor Ln	Driveway from McGregor Ln
22	927	MT DNRC	630 McGregor Ln	Driveway from McGregor Ln (access Lot 23 as well)
23	928	MT DNRC	640 McGregor Ln	Driveway from McGregor Ln (access Lot 22 as well)
27	925	James F. Slaton	680 McGregor Ln	Access via 30' wide spur from McGregor Ln (this spur provides access to Lot 28 and cross Lot 26)

## IMPROVEMENTS

There improvements on the subject lots are described on the tables below and on the following page.

Lot #	3	7	12	17
<b>Residence SF</b>	1,572	2,482	1,265	N/A
<b>Construction Type</b>	Double Wide Mobile Home	Wood Frame	Double Wide Mobile Home	N/A
<b>Foundation</b>	Concrete	Crawl Space	Crawl Space	N/A
<b>Quality</b>	Average	Very Good	Average	N/A
<b>Condition</b>	Average	Good	Average	N/A
<b>Year Built</b>	1978 (Moved to Property in 2002)	2012	1998 (Moved to Property)	N/A
<b># of Bedrooms</b>	2	3	3	N/A
<b># of Bathrooms</b>	2	2.5	2	N/A
<b>Porches</b>	400 SF Deck	511 SF Deck, 36 SF C. Porch, & 234 SF Stone Patio	1,759 SF Deck, 324 SF Deck, & 240 SF Deck	N/A
<b>Outbuildings</b>	1,200 SF Shop, 624 SF Garage, 192 SF Carport, 120 SF Boat House, 16 SF Outhouse	202 SF Boat House & 136 SF Open Shed	478 SF Guest House, 3,054 SF Shop Building (with 1,310 SF Mezzanine & 1,091 SF Covered Storage Area), 80 SF Pump House, 160 SF Shed, 96 SF Open Storage, 141 SF Open Storage, & 30 SF Building with Vault Toilet	432 SF "Dry" Cabin with 216 SF Deck, 128 SF Buknhouse, 28 SF Storage Building, & 16 SF Outhouse
<b>Water/Sewer</b>	Lake Water (Purification System), & Septic	Lake Water (Purification System), & Septic (Engineered System)	Lake Water (Purification System), & Septic	None
<b>Landscaping</b>	Lawn	Lawn	Lawn	N/A



Lot #	22	23	27
Residence SF	N/A	N/A	685
Construction Type	N/A	N/A	Wood Frame
Foundation	N/A	N/A	685 SF Finished Basement
Quality	N/A	N/A	Average
Condition	N/A	N/A	Good
Year Built	N/A	N/A	1998
# of Bedrooms	N/A	N/A	2
# of Bathrooms	N/A	N/A	1
Porches	N/A	N/A	242 SF Enclosed Porch, 242 SF Covered Patio, & 194 SF Patio
Outbuildings	N/A	320 SF Storage Building, 32 SF Pump House, & 35 SF Outhouse	64 SF Storage Building & 16 SF Outhouse
Water/Sewer	None	Unknown Septic & No Water System	Lake Water (Purification System), & Septic (Engineered System)
Landscaping	N/A	N/A	Law n

**Floating docks are considered personal property and not real estate and are not valued in this report.**

### **EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS**

We were provided with Land Status Reports by the Montana Department of Natural Resources. These reports detail recorded easements relative to each subject property. The easements are summarized on the table below;

Lot #	Sale #	Lessee	Easement Affecting Property
3	921	Karol K. Stack	Easement for buried telephone line, driveway to Lot 2 Crosses Lot, & 20' of McGregor Ln within Property
7	922	Donald & Sara Ericksen	20' of McGregor Ln within property, easement for buried telephone lines, powerline cross along the southern border, & power pole and overhead powerline along the existing driveway of Lot 7
12	923	Donald & Claudia Dennison	30'+ spur from McGregor Ln crosses property to provide access to Lot 11, easement for buried telephone line, & overhead power line crosses the center of the property travelling from east to west
17	926	MT DNRC	Easement for buried telephone lines crosses the southwestern corner of property, easements for overhead powerlines cross the middle of the property (east to west), and an easement for a power pole is within the western boundary of the property.
22	927	MT DNRC	20' of McGregor Ln within property, easement for buried telephone lines goes along the southern border of property, easement for overhead power line crosses center of site from east to west, two power poles are on the eastern and western edges of the property, & driveway across this property provides dual access to Lot 23.
23	928	MT DNRC	20' of McGregor Ln within property, easement for buried telephone lines goes along the southern border of property, easement for overhead power line crosses center of site from east to west, one power pole is on the eastern edge of the property, & driveway across this property provides dual access to Lot 22.
27	925	James F. Slaton	A 30' foot wide strip through the southern half of Lot 27 will also be reserved for the benefit of Lot 28, driveway for Lot 27 curves into and back from the eastern border of Lot 28, easement for buried telephonelines, and overhead power from south side of property.

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

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

## ZONING

The subject property is in an area of Flathead County 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 2017 tax bills and taxable market values for the **subject improvements** (as per the Montana Department of Revenue) are included on the table below;

Tax Bills for Improvements				
Lot #	Lessees	Assessor # for Improvements	2017 Taxable Market Value	2017 Tax Bill Amount
3	Karol K. Stack	0000839	\$15,750	\$202.65
7	Donald & Sara Ericksen	0014387	\$248,630	\$2,002.12
12	Donald & Claudia Dennison	0920680	\$70,890	\$628.48
17	MT DNRC	0E00137	N/A	N/A
22	MT DNRC	0000518	\$4,420	\$80.73
23	MT DNRC	Unknown	N/A	N/A
27	James F. Slaton	0005147	\$130,980	\$1,092.64

Even though there was a 2017 tax bill found online with Flathead County for Lot 22, this lot is owned by MT DNRC and is tax exempt.

## TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #30029C2175G), the subject properties are located in Zone X which is considered to be an area designated as low to moderate flood risk. An exhibit derived from the FEMA flood map panel is included on the following page.

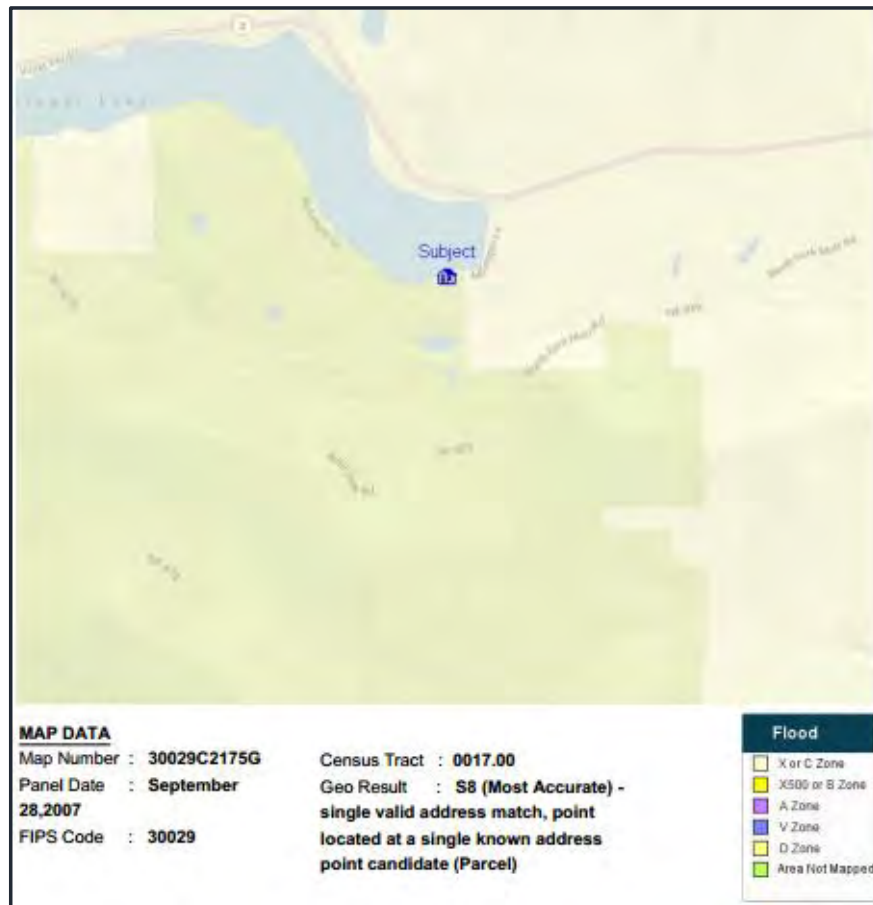
The subject lots include native vegetation and some landscaping. The subject lots all slope downward from McGregor Lake Lane and include level areas.

Subject Lots 12 and 27 include French drains. We assume that drainage and storm water runoff is adequate and was properly designed and engineered for the subject sites. We have not been provided with a soil study for the subject sites. We assume the 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.

### Exhibit from Area FEMA Map



### UTILITIES

The subject lots have access to and/or are connected to electricity and phone lines. The water source for all of the subject lots is McGregor Lake. It is necessary to filter the water prior to drinking. Information provided by the lessees and/or MT DNRC regarding septic systems, water rights, and filtration system is below;

Lot #	Lessees	Septic	Water Source	Water Right	Filtration System
3	Karol K. Stack	Yes	Lake	Yes	Yes
7	Donald & Sara Ericksen	Yes - Engineered	Lake	Yes	Yes
12	Donald & Claudia Dennison	Yes	Lake	Yes	Yes
17	MT DNRC	No	Lake	Yes	No
22	MT DNRC	No	Lake	Yes	No
23	MT DNRC	Unknown	Lake	Yes	No
27	James F. Slaton	Yes - Engineered	Lake	No	Yes

**PUBLIC SAFETY AND SERVICES**

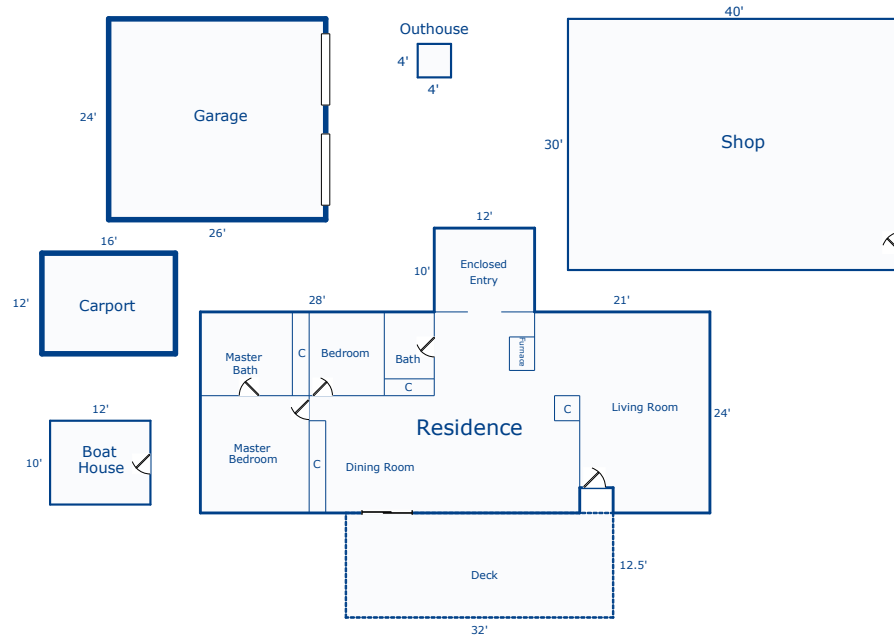
Police, fire protection, and other services are provided by Flathead County and area volunteer emergency services.

**SITE SUITABILITY**

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

# SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

## LOT 3 – BUILDING SKETCH



Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GLA1	Residence	1572.00	1572.00	Residence		
GAR	Garage	624.00		3.0 x	45.4	136.20
	Carport	192.00	816.00	10.0 x	12.0	120.00
P/P	Deck	400.00	400.00	3.0 x	11.6	34.80
OTH	Boat House	120.00		21.0 x	61.0	1281.00
	Shop	1200.00				
	Outhouse	16.00	1336.00			
Net LIVABLE Area		(rounded)	1572	4 Items	(rounded)	1572

### LOT 3 SUBJECT PHOTOGRAPHS



Residence on Lot 3 Looking North



West Side of Residence



East Side of Residence



North Side of Residence



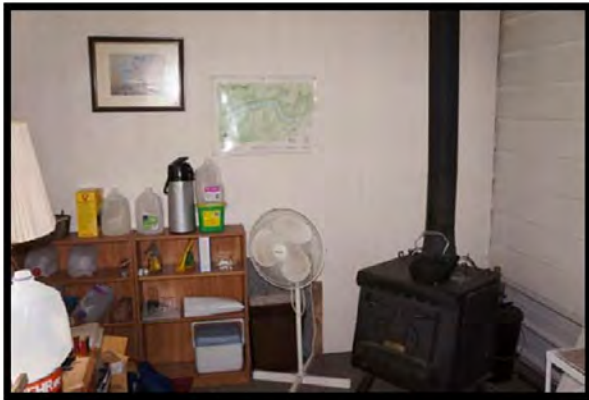
Deck



South Side of Residence



## ADDITIONAL PHOTOGRAPHS



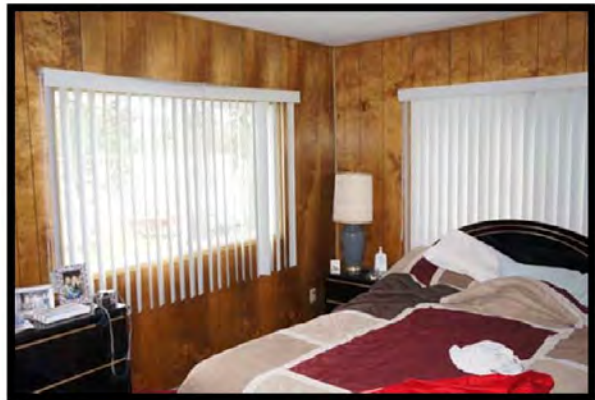
Enclosed Entrance



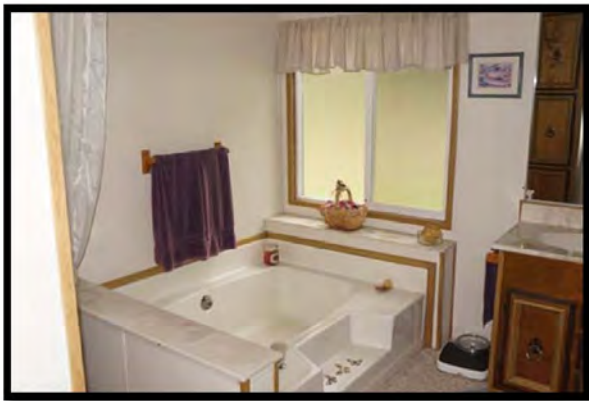
Kitchen



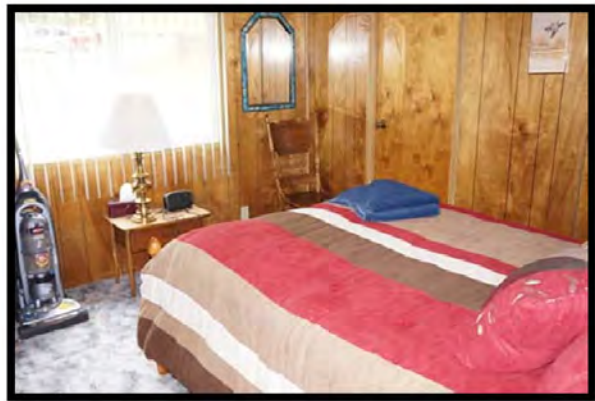
Living Room



Bedroom



Master Bathroom



2<sup>nd</sup> Bedroom

## ADDITIONAL PHOTOGRAPHS



2<sup>nd</sup> Bathroom



Furnace



Water Filtration System



Garage



Garage Interior



Carport



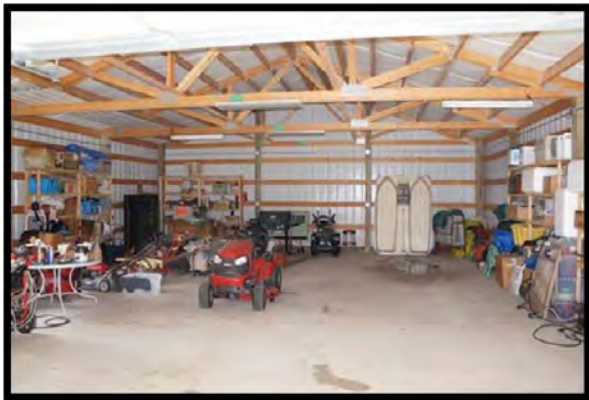
## ADDITIONAL PHOTOGRAPHS



Carport Interior



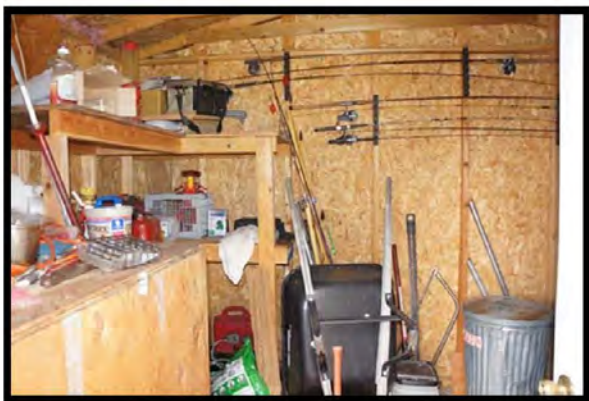
Shop Building



Shop Building Interior



Boat House



Boat House Interior



Fire Pit at Lakefront



## ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking North



View West from NE Property Boundary Marker



McGregor Lake from Lot 3 Looking North



Northwest Property Boundary Marker Looking North



View East along Lake Frontage



Northwest Property Boundary Marker Looking South



## ADDITIONAL PHOTOGRAPHS



Residence on Lot 3 from Lake Front



Lot 3 Interior Looking North



Southwest Property Boundary Marker



View North along West Property Boundary



SE Property Boundary Marker Looking North along East Boundary



Driveway to Lot 3 Looking North

## ADDITIONAL PHOTOGRAPHS

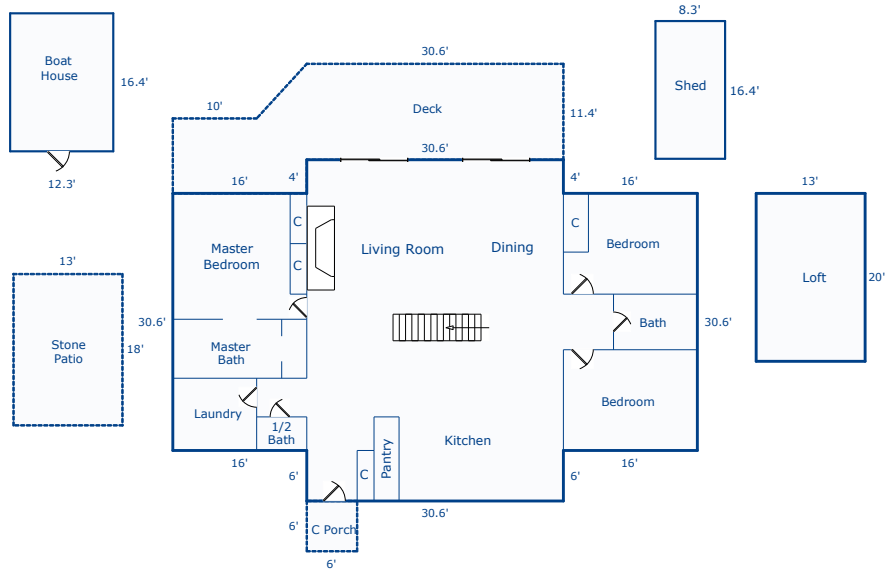


McGregor Lane Looking East



McGregor Lane Looking West

## LOT 7 – BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2221.56	
	Loft	260.00	2481.56
P/P	Deck	510.74	
	C Porch	36.00	
	Stone Patio	234.00	780.74
OTH	Boat House	201.72	
	Open Shed	136.12	337.84
Net LIVABLE Area		(rounded)	2482

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor	4.0	x 30.6	122.40
	62.6	x 30.6	1915.56
	6.0	x 30.6	183.60
Loft	13.0	x 20.0	260.00
4 Items	(rounded)		2482



## LOT 7 SUBJECT PHOTOGRAPHS



Residence on Lot 7 Looking North



West Side of Residence



East Side of Residence



South Side of Residence



North Side of Residence from Lakeshore

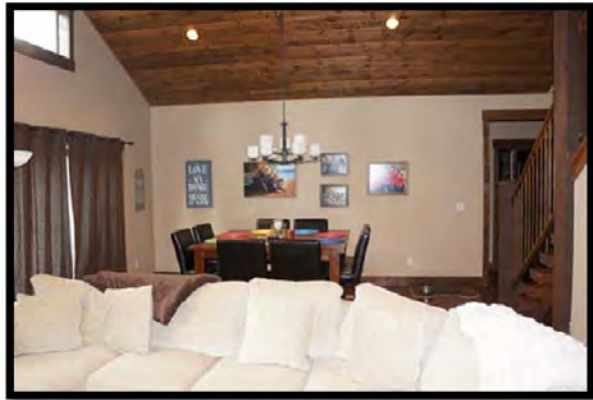


Deck

## ADDITIONAL PHOTOGRAPHS



Kitchen



Living and Dining Room



Fireplace



Master Bedroom



Master Bathroom



Shower in Master Bathroom



## ADDITIONAL PHOTOGRAPHS



1/2 Bathroom



Pantry



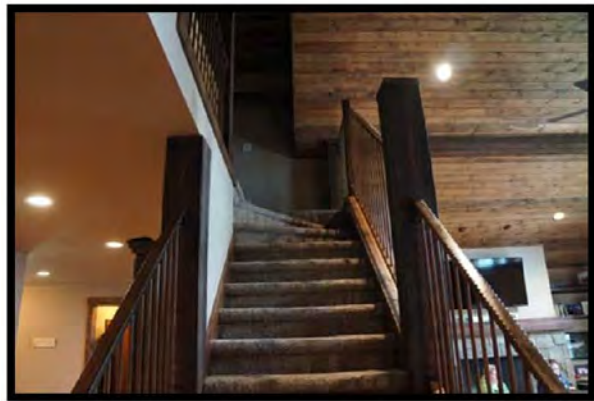
Bedroom



Bathroom



Bedroom



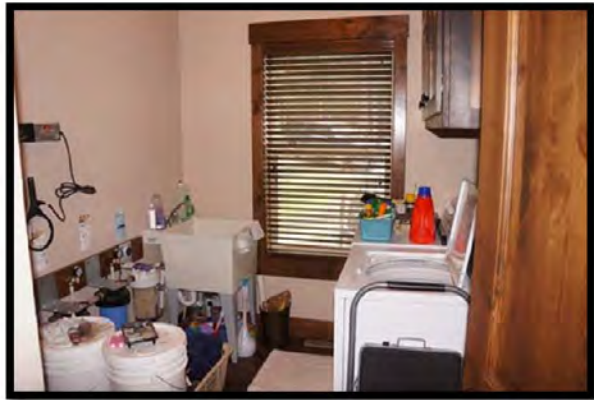
Stairway to Loft



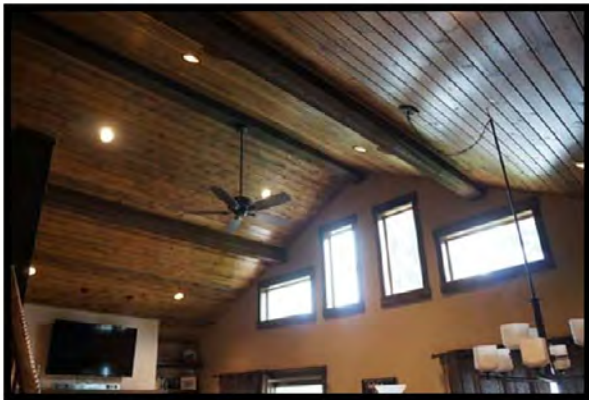
## ADDITIONAL PHOTOGRAPHS



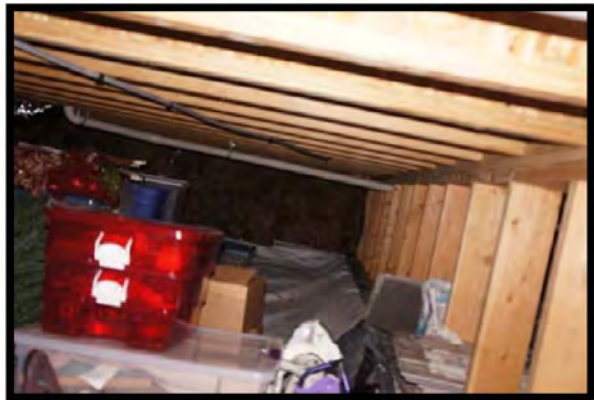
Loft Bedroom



Laundry Room



Vaulted Ceiling



Crawl Space



Crawl Space



Stone Patio

## ADDITIONAL PHOTOGRAPHS



View of McGregor Lake



Boat House



Property Interior and View of McGregor Lake



Northeast Property Boundary Marker Looking West



Lake Frontage Looking West



View South along East Property Boundary



## ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker



Northwest Property Boundary Marker and Lake View



View East along Lake Frontage



Driveway Looking South toward McGregor Lane



Residence on Property from Driveway



Southeast Property Boundary Marker



## ADDITIONAL PHOTOGRAPHS



View West along South Property Boundary



View North along East Property Boundary



McGregor Lane Looking East



Southwest Property Boundary Marker Looking East



Southwest Property Boundary Marker



View North along West Property Boundary

## ADDITIONAL PHOTOGRAPHS

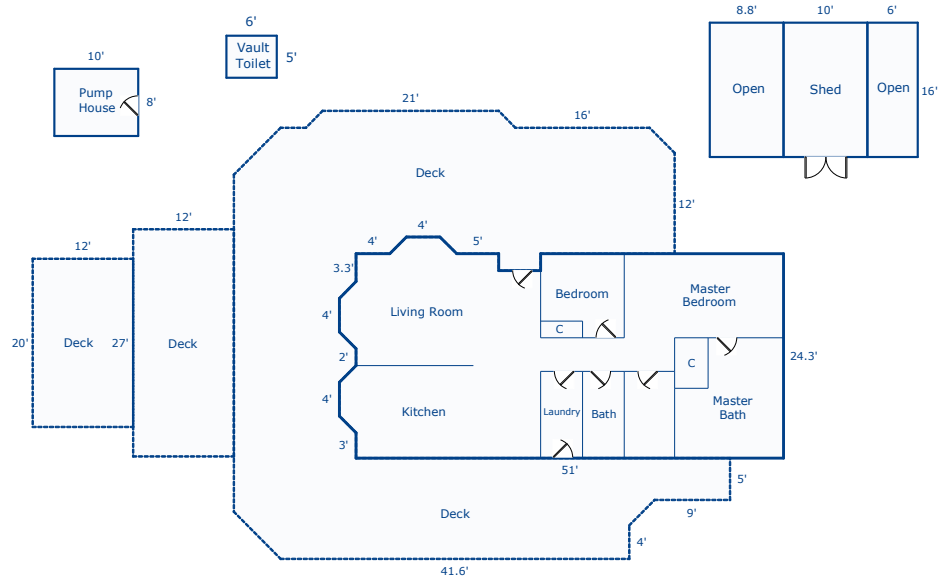


McGregor Lane Looking East



McGregor Lane Looking West

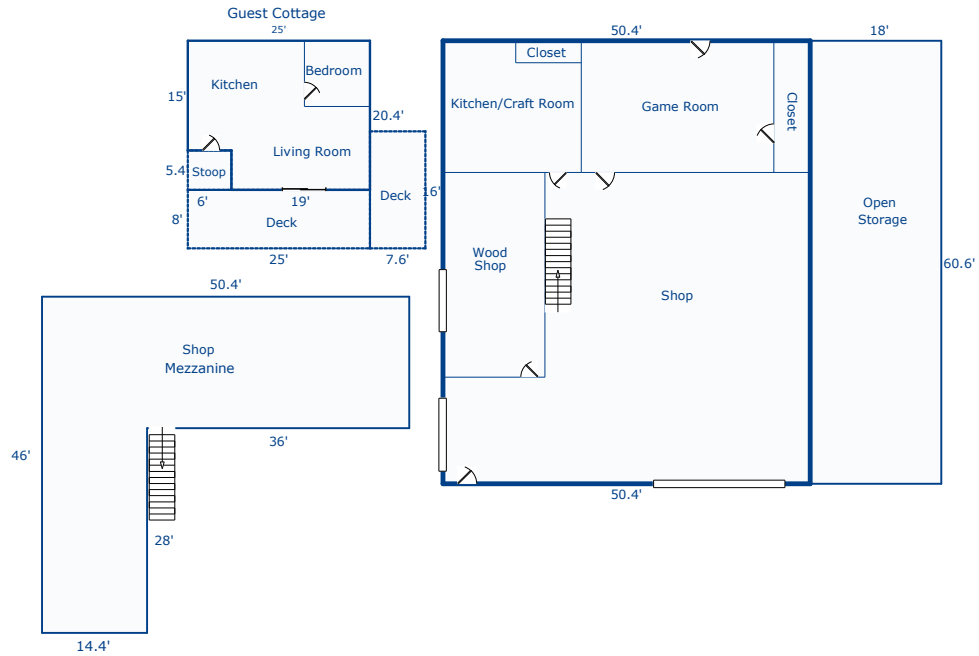
LOT 12 – BUILDING SKETCHES



Sketch by Apex Sketch v5 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1265.30	1265.30
	P/P		
	Deck	1758.82	
	Deck	324.00	
	Deck	240.00	2322.82
OTH	Storage/Pump House	80.00	
	Shed	160.00	
	Open Storage	96.00	
	Open Storage	140.80	
	Vault Toilet	30.00	506.80
Net LIVABLE Area		(rounded)	1265

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	2.0 x	29.0	58.00
	5.0 x	51.0	255.00
	4.0 x	53.0	212.00
	6.0 x	51.0	306.00
	4.0 x	53.0	212.00
0.5 x	2.0 x	2.0	2.00
	2.0 x	17.0	34.00
	3.3 x	51.0	168.30
0.5 x	2.0 x	2.0	2.00
0.5 x	2.0 x	2.0	2.00
0.5 x	2.0 x	2.0	2.00
0.5 x	2.0 x	2.0	2.00
0.5 x	4.0 x	2.0	8.00
0.5 x	2.0 x	2.0	2.00
14 Items		(rounded)	1265



Sketch by Apex Sketch v5 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	Guest Cottage	477.60	477.60
GAR	Shop Building	3054.24	3054.24
P/P	Covered Stoop	32.40	
	Cottage Deck	200.00	
	Cottage Deck 2	121.60	354.00
OTH	Open Storage	1090.80	
	Mezzanine	1310.40	2401.20
Net LIVABLE Area		(rounded)	478

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
Guest Cottage			
15.0	x	25.0	375.00
5.4	x	19.0	102.60
2 Items			(rounded)
			478



## LOT 12 SUBJECT PHOTOGRAPHS



Residence on Lot 12 Looking Northwest



South Side of Residence



West Side of Residence



North Side of Residence and Deck



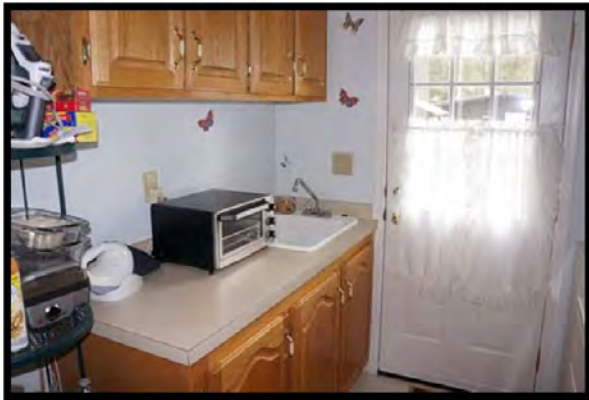
Residence Interior



Kitchen



## ADDITIONAL PHOTOGRAPHS



Laundry Room



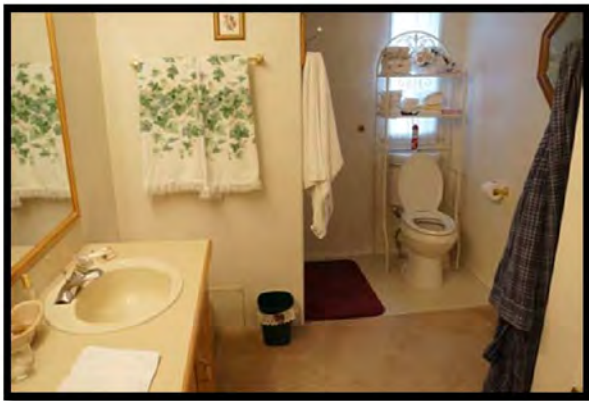
Bathroom



Bedroom



Master Bedroom



Master Bathroom

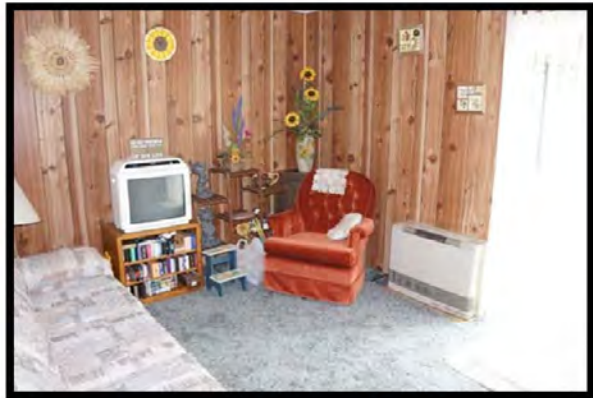


Guest Cottage

## ADDITIONAL PHOTOGRAPHS



Cottage Kitchen



Cottage Living Room



Cottage Bedroom



Storage Building



Storage Building Interior



Storage/Pump House



## ADDITIONAL PHOTOGRAPHS



Pump House Interior



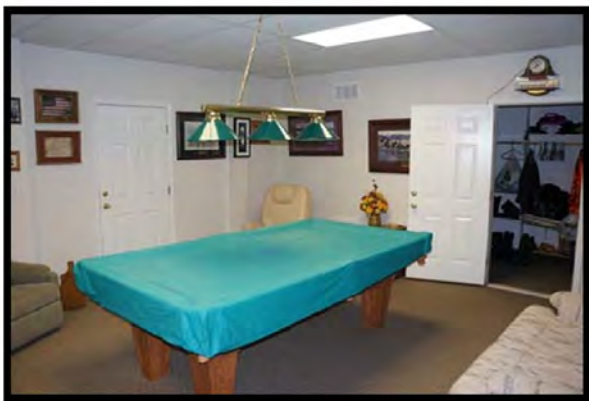
Shop Building



Shop Building Interior



Kitchen in Shop Building



Game Room in Shop Building



Vault Toilet

## ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker



View South along East Property Boundary



View West along McGregor Lake Frontage



Lot 12 from Dock



Northwest Property Boundary Marker



View East along McGregor Lake Frontage



## ADDITIONAL PHOTOGRAPHS



View South along West Property Boundary



Property Boundary Marker on West Side of Property



Southwest Property Boundary Marker



View East along South Property Boundary



View North along East Property Boundary



View West along South Property Boundary

## ADDITIONAL PHOTOGRAPHS

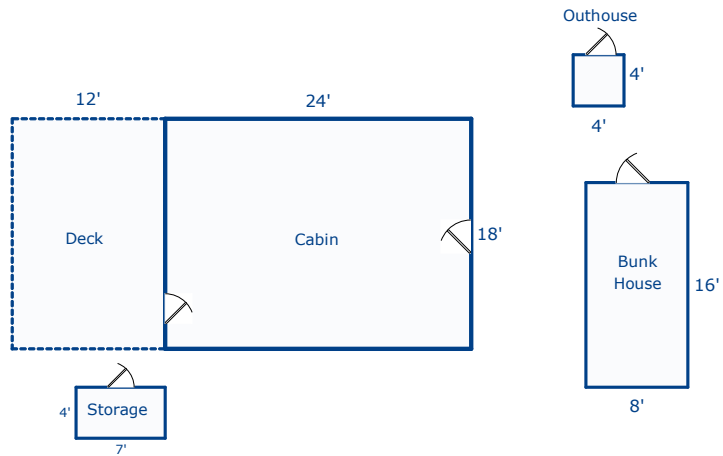


Driveway Looking South toward McGregor Lane



Driveway Looking North toward Residence

LOT 17 – BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	432.00	432.00
P/P	Deck	216.00	216.00
OTH	Outhouse	16.00	
	Bunk House	128.00	
	Storage Bldg 2.	28.00	172.00
Net LIVABLE Area		(rounded)	432

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
24.0 x 18.0		432.00
1 Item	(rounded)	432



## LOT 17 SUBJECT PHOTOGRAPHS



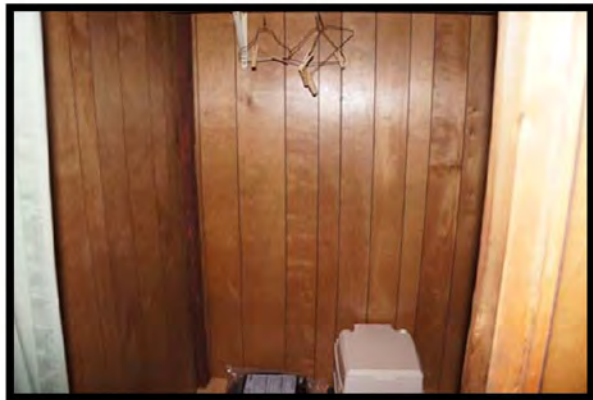
Cabin on Lot 17



South and West Sides of Cabin



Cabin Interior



Cabin Interior



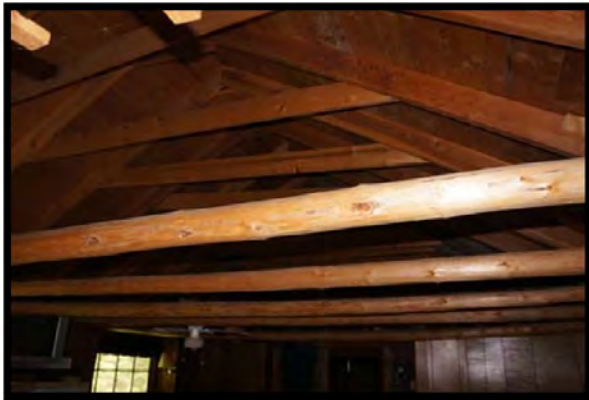
Cabin Interior



Breaker Box in Cabin



## ADDITIONAL PHOTOGRAPHS



Open Ceiling in Cabin



Bunk House



Bunk House Interior



Outhouse



Storage Building near Lake



McGregor Lake from Lot 17 Looking North

## ADDITIONAL PHOTOGRAPHS



McGregor Lake View



Lot 17 Interior Looking North



Improvements on Lot 17 from Driveway



Improvements on Lot 17 Looking South



Cabin Looking South from Lakefront



View toward Lake from Deck



## ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker



View West along Lot 17 Lake Frontage



View South along East Property Boundary



Northeast Property Boundary Marker Looking West



Northwest Property Boundary Marker Looking East



View South along West Property Boundary



## ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker



Southeast Property Boundary Marker



Gate and Driveway to Lot 17



Unimproved Driveway on Lot 17 Looking North



McGregor Lane Looking Southeast



McGregor Lane Looking Northwest



## LOT 22 SUBJECT PHOTOGRAPHS



Depreciated Improvements on Lot 22



Depreciated Mobile Home on Lot 22



Lot 22 Interior Looking South



Depreciated Bunk House



Boat House in Lake



View of McGregor Lake from Lot 22



## ADDITIONAL PHOTOGRAPHS



Power Line Easement on Lot 22



Unimproved Driveway Looking South toward McGregor Lane



Northeast Property Boundary Marker



View Southwest along East Property Boundary



Northwest Property Boundary Marker



View East along Lot 22 Lake Frontage



## ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View North along East Property Boundary



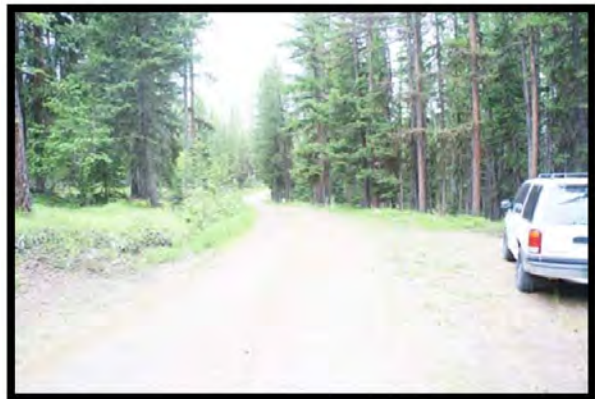
Southwest Property Boundary Marker



View East along South Property Boundary

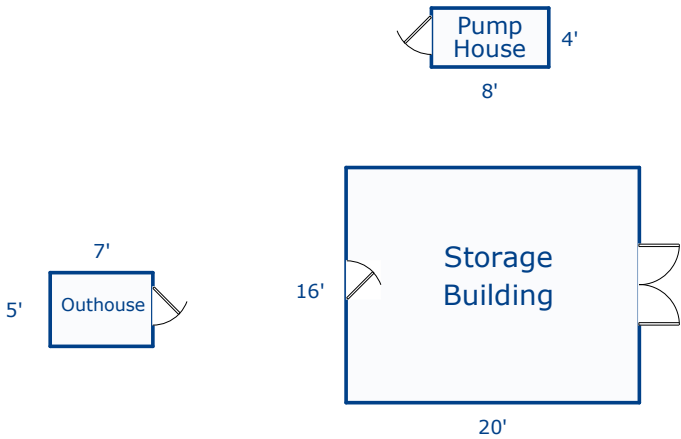


McGregor Lane Looking East



McGregor Lane Looking West

LOT 23 – BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
OTH	Storage Building	320.00	387.00
	Outhouse	35.00	
	Pump House	32.00	

AREA BREAKDOWN	
Breakdown	Subtotals



## LOT 23 SUBJECT PHOTOGRAPHS



Entrance to Lot 23



Storage Building on Lot 23



Storage Building Foundation



Outhouse



Pump House



Lot 23 and Storage Building from Lakefront



## ADDITIONAL PHOTOGRAPHS



Lot Interior Looking toward McGregor Lake



View North of McGregor Lake



Northeast Property Boundary Marker Looking East



View Northwest along Lake Frontage



Northwest Property Boundary Marker



View Southeast along Lot 23 Lake Frontage



## ADDITIONAL PHOTOGRAPHS



McGregor Lake Frontage Looking Southeast



Southeast Property Boundary Marker



Southwest Property Boundary Marker



View North along West Property Boundary



View East along South Property Boundary



Driveway on Lot 23 Looking South

## ADDITIONAL PHOTOGRAPHS

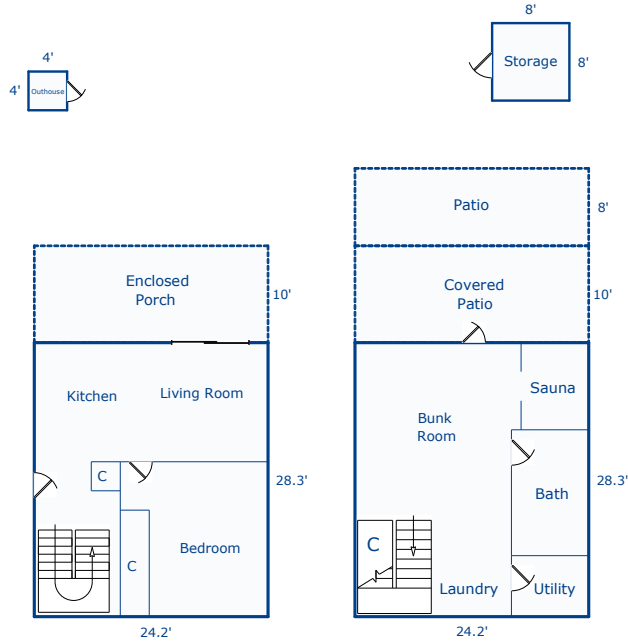


McGregor Lane Looking Southeast



McGregor Lane Looking Northwest

# LOT 27 – BUILDING SKETCH



Sketch by Apex Sketch v5 Standard™  
 Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	684.86	
	Basement Level	684.86	1369.72
P/P	Enclosed Porch	242.00	
	Covered Patio	242.00	
	Patio	193.60	677.60
OTH	Outhouse	16.00	
	Storage Building	64.00	80.00
Net LIVABLE Area		(rounded)	1370

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
24.2	x 28.3	684.86
Basement Level		
28.3	x 24.2	684.86
2 Items		(rounded)
		1370



## LOT 27 SUBJECT PHOTOGRAPHS



Residence on Lot 27



West and South Sides of Residence



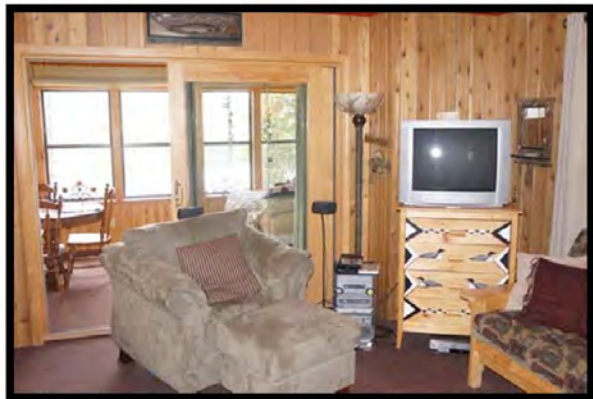
East Side of Residence



West Side of Residence



Enclosed Porch



Living Room

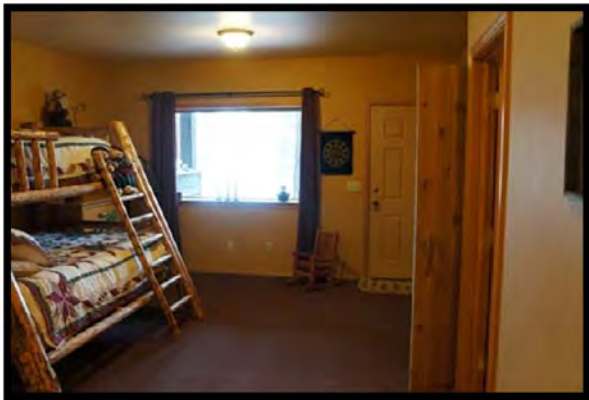
## ADDITIONAL PHOTOGRAPHS



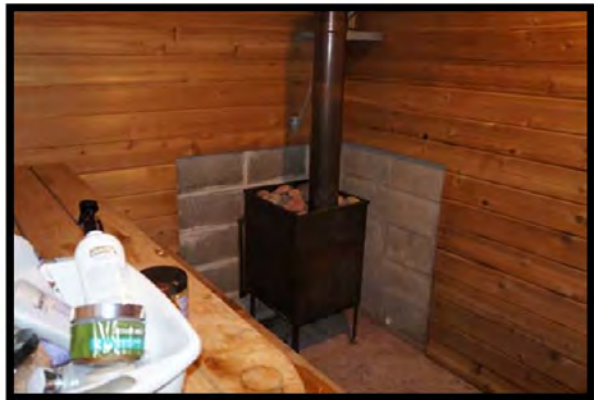
Master Bedroom



Kitchen



Bunk Room



Sauna



Bathroom



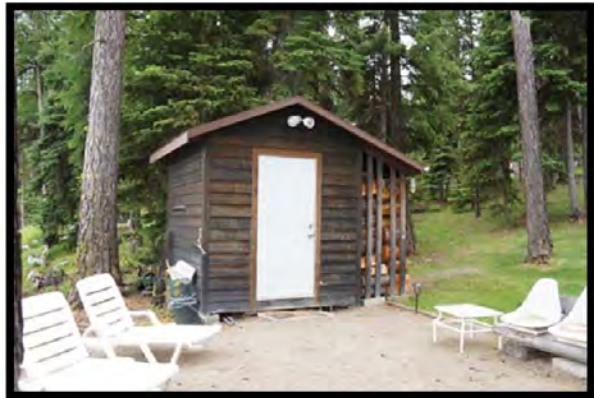
Utility Room



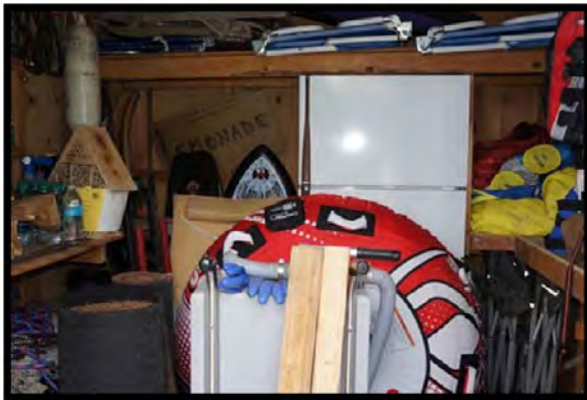
## ADDITIONAL PHOTOGRAPHS



Covered Patio



Storage Building



Storage Building Interior



Outhouse



View of McGregor Lake from Patio



Lot 27 Interior and View toward McGregor Lake



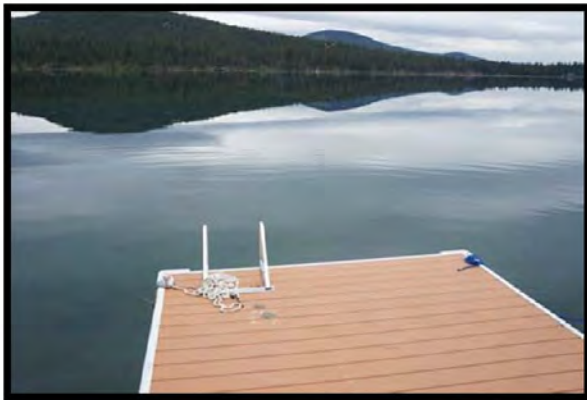
## ADDITIONAL PHOTOGRAPHS



View toward McGregor Lake from West Side of Residence



Lot Interior Looking toward McGregor Lane



Floating Dock and McGregor Lake



Driveway Looking toward McGregor Lane



Northeast Property Boundary Marker



View Southwest along East Property Boundary



## ADDITIONAL PHOTOGRAPHS



View Northwest along North Property Boundary



Northwest Property Boundary Marker



View Southwest along West Property Boundary



View Southeast along North Property Boundary



Lot 27 Lake Frontage



View South along West Property Boundary



## ADDITIONAL PHOTOGRAPHS



Lawn and Power Pole on Property



Driveway Looking toward Improvements on Lot 27



South Portion of Lot 27 Looking Northeast



View North along West Property Boundary



View East along South Property Boundary



View West across South Portion of Property



## ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker



View Southeast along South Property Boundary



Southeast Property Boundary Marker



View Northeast along East Property Boundary



Portion of Access Road on Lot 28



Access Road Looking North toward McGregor Lake

## 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 properties were described in detail in prior sections of this report. The subject sites range in size from 1.277 up to 1.789 acres in size. All have frontage along McGregor Lake. The subject lot front footages range from 123.97 up to 190.28. Lots 3, 7, 12, and 27 include single family residences.

#### Area Land Use Trends

Many surrounding properties with frontage along McGregor Lake include residential improvements. Surrounding improved properties are utilized for recreational/residential purposes.

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

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

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



## Potential Users of Subject Property

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

## Demand Analysis

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

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

## Lakefront Lot Sales

Below are sales of sites with frontage along similar lakes in Flathead County that closed since 2016;

Lakefront Lot Sales Analysis										
Address	City	Lake	Front Feet	Site Acres	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvement Value	Price/FF	Days on Market
4050 N Ashley Lake Rd	Kalispell	Ashley Lake	225.20	6.10	2016	\$375,000	\$0	\$375,000	\$1,665	356
5622 N Ashley Lake Rd	Kila	Ashley Lake	100.00	1.14	2016	\$216,000	\$0	\$216,000	\$2,160	153
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	132.00	1.65	2016	\$340,000	\$0	\$340,000	\$2,576	419
4018 N Ashley Lake Rd	Kalispell	Ashley Lake	135.00	1.35	2017	\$295,000	\$0	\$295,000	\$2,185	505
4022 N Ashley Lake Rd	Kalispell	Ashley Lake	140.00	1.30	2017	\$485,000	\$150,000	\$335,000	\$2,393	356
3918 N Ashley Lake Rd	Kalispell	Ashley Lake	160.00	0.61	2017	\$315,000	\$0	\$315,000	\$1,969	472
4569 Ashley Lake Rd	Kalispell	Ashley Lake	118.00	3.49	2017	\$399,000	\$0	\$399,000	\$3,381	445
4885 Ashley Lake Rd	Kalispell	Ashley Lake	101.00	0.60	2018	\$192,000	\$0	\$192,000	\$1,901	289
5400 N Ashley Lake Rd	Kalispell	Ashley Lake	145.00	1.89	2018	\$440,000	\$0	\$440,000	\$3,034	280
122 Kelly Ct	Marion	Bitterroot Lake	150.00	1.24	2016	\$330,000	\$0	\$330,000	\$2,200	349
68 Bitterroot Cover Ct	Marion	Bitterroot Lake	131.61	1.08	2016	\$330,000	\$5,000	\$325,000	\$2,469	100
1524 Pleasant Valley Rd	Marion	Bitterroot Lake	129.00	1.01	2017	\$285,000	\$0	\$285,000	\$2,209	144
1030 N Bitterroot Rd	Marion	Bitterroot Lake	155.15	1.45	2018	\$340,000	\$0	\$340,000	\$2,191	692
636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	1.00	2016	\$371,000	\$0	\$371,000	\$2,968	409
1170 Echo Lake Rd	Bigfork	Echo Lake	100.00	0.47	2018	\$295,000	\$0	\$295,000	\$2,950	361
185 Weaver Ln	Kalispell	Lake Blaine	150.00	2.04	2018	\$362,500	\$0	\$362,500	\$2,417	292
NHN Paradise Loop	Marion	McGregor Lake	192.44	2.05	2016	\$350,000	\$5,000	\$345,000	\$1,793	30
12710 US Hwy 2	Marion	McGregor Lake	217.27	1.22	2016	\$229,000	\$0	\$229,000	\$1,054	168

There were 8 lakefront lot sales in 2016, 5 in 2017, and 5 in 2018 Year-to-Date. Only two of the sales located had frontage on McGregor Lake. Both were across the lake from the subject properties and both included portions of access roads and/or US Highway 2 within the site boundaries.

There were not sufficient sales on McGregor Lake on which to base an analysis of price per front foot compared to the amount of front footage. Based upon analysis of available data, once the front footage exceeds the normal or typical range for an area, the price per front generally decreases to some degree.

### **Lakefront Home Sales**

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

Lakefront Home Sales Analysis		
Smaller Recreational Lakes - Flathead County		
Year	# Home Sales	Days on Market
2016	13	168
2017	24	246
2018 Year-to-Date	9	363
Actives	27	198

### **Competitive Supply**

There were 13 active listings of lots with less than 10 acres and frontage along smaller lakes in Flathead County as of the report effective date. The average list price was \$2,024 per front foot. The marketing time for the active listings was approximately 416 days.

There were 27 active listings of homes on smaller area lakes in Flathead County and with 10 acres or less for sale as of the report effective date. The marketing time for the active home listings was approximately 198 days.

### **Interaction of Supply and Demand**

Based upon the sales volume in 2017, there is an approximately 2.6 year supply of vacant lots on smaller area lakes for sale. Downward price pressure is likely for the active listings to sell within typical historical marketing times.

Based upon sales volumes per year in 2016 and 2017, there is an approximate 1.5 year supply of homes for sale on smaller area lakes in the search parameters identified.

### **Subject Marketability Conclusion**

The subject sites have frontage along McGregor Lake. We located two site sales with frontage along McGregor Lake since 2016. The subject sites (as if vacant) are considered to have similar marketability compared to other vacant sites with frontage along small area lakes.

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

### **Estimated Marketing and Exposure Times**

The 5 sales of vacant sites on similar area lakes that sold during 2017 were marketed for an average of 384 days. The 5 sales of vacant sites sold during 2018 Year-to-Date were marketed for an average of 383 days. **Marketing times** of approximately 12 months are appropriate for the subject sites, as if vacant. If the subject sites, as if vacant, had sold on the effective date of this report, at the appraised values concluded in this report, 12 month **exposure times** would have been reasonable.

The 24 homes sales along smaller area lakes that closed in 2017 were marketed for an average of 246 days. The 9 lakefront homes sale in 2018 Year-to-Date were marketed for an average of 363 days. **Marketing times** between 6 to 12 months are appropriate for subject lots improved with single family residences. If these subject properties had sold as improved on the effective date of this report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.



## HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

## **AS IF VACANT**

### *Legally Permissible*

The subject lots are in an area of Flathead County with no zoning. There are numerous legally permissible uses.

### *Physically Possible*

There is sufficient space on the subject sites for a single family residences and related outbuildings. There is not sufficient space on the site for most other types of uses.

### *Financially Feasible*

Many area lots with frontage along McGregor Lake are improved with single family residences. Use of the subject lots, as if vacant, for construction of one single family residence per lot is financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED (LOTS 3, 7, 12, & 27)**

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

## THE APPRAISAL PROCESS

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

### APPROACHES IN THE VALUATION OF REAL PROPERTY

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

#### Cost Approach

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

#### Sales Comparison Approach

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

#### Income Capitalization Approach

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

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

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

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

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



## LAKEFRONT LOT SALES

We conducted a search for sales of sites along smaller lakes in Flathead County. As noted in the Subject Market Analysis, there were a total of 18 sales of vacant lakefront sites on somewhat similar lakes in Flathead County from 2016 to 2018 Year-to-Date. We selected the most recent and/or most similar of these sales as comparables for the subject lots. The 2018 sale at 4855 Ashley Lake Road was not utilized as a comparable because it requires an atypical length dock to reach deep water. The recognized unit of comparison is price per frontage along the lake. These comparables are described on the table below;


Sale #	Address	City	Lake	Front Feet	Sale Date	Sales Price	List Price	Value of Improvements	Sales Price Less Improvements	Price/FF
1	1030 N Bitterroot Rd	Marion	Bitterroot Lake	155.15	2018	\$340,000		\$0	\$340,000	\$2,191
1	5400 N Ashley Lake Rd	Kila	Ashley Lake	145.30	2018	\$440,000		\$0	\$440,000	\$3,028
3	12710 US Hwy 2	Marion	McGregor Lake	217.27	2016	\$229,000		\$0	\$229,000	\$1,054
4	NHN Paradise Loop	Marion	McGregor Lake	192.44	2016	\$350,000		\$5,000	\$345,000	\$1,793
Active 1	140 McGregor Ln	Marion	McGregor Lake	237.32	ACTIVE		\$499,000	\$5,000	\$494,000	\$2,082

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

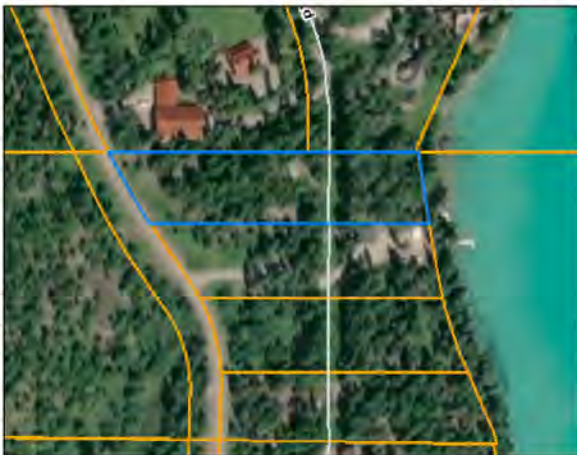
**Map of Comparable Lot Sales**



## LAND SALE 1


COMPARABLE SALE INFORMATION			
	<b>Location</b>	1030 N Bitterroot Road	
	<b>City/State</b>	Marion, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0002188	
	<b>Zoning</b>	Little Bitterroot Lake	
	<b>Site Size: Acres</b>	1.454	
	<b>Square Feet</b>	63,336	
	<b>Date of Sale</b>	June 12, 2018	
	<b>Sales Price</b>	\$340,000	
	<b>Less Cost of Improvements*</b>	\$0	
<b>Sales Price Adjusted</b>	\$340,000		
<b>MLS #</b>	21608209		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$233,838	<b>Price per Square Foot</b>	\$5.37
		<b>Price Per Front Foot</b>	\$2,191
TRANSFER INFORMATION			
<b>Grantor</b>	1577951 AB, LTD	<b>Grantee</b>	HC167, LLC
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201800011741
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	692 Days on Market
<b>Legal Description</b>	Lot 2 of North Bitterroot Lake Subdivision, Phase II, Flathead County, Montana	<b>Verified By</b>	Cherie Hansen, Listing Agent
<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use		
<b>Section/Township/Range</b>	S9/T27N/R24W		
PROPERTY DETAILS			
<b>Access</b>	Private Subdivision Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Slopes Toward Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map #30029C2200G, this property is in an area of low flood risk.	<b>Improvements</b>	None
<b>Water</b>	Little Bitterroot Lake	<b>Value of Improvements</b>	\$0
<b>Water Frontage/Front Feet</b>	155.15	<b>Miscellaneous</b>	Site includes shared ownership of private road and 16.527 acres of common area. The site gross area is 1.676 acres and the net area is 1.454 acres. Site includes 5' of a 10' wide shared pedestrian and driveway easement.
<b>Utilities</b>	Electricity & Telephone at road.		
<b>Report File # 18-019ec</b>			

## LAND SALE 2


COMPARABLE SALE INFORMATION			
	<b>Location</b>	5400 N Ashley Lake Road	
	<b>City/State</b>	Kila, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0011025	
	<b>Zoning</b>	Ashley Lake	
	<b>Site Size: Acres</b>	1.890	
	<b>Square Feet</b>	82,328	
	<b>Date of Sale</b>	April 2, 2018	
	<b>Sales Price</b>	\$440,000	
	<b>Less Cost of Improvements*</b>	\$0	
<b>Sales Price Adjusted</b>	\$440,000		
<b>MLS #</b>	21708034		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$232,804	<b>Price per Square Foot</b>	\$5.34
		<b>Price Per Front Foot</b>	\$3,028
TRANSFER INFORMATION			
<b>Grantor</b>	Lisa Soucy	<b>Grantee</b>	Brodie Maxwell Allen & Jolene Anne Allen
<b>Type of Instrument</b>	Purchase Option	<b>Document #</b>	201800006280
<b>Financing/Conditions</b>	Lease/Option	<b>Marketing Time</b>	280 Days on Market
<b>Legal Description</b>	Tract 2 of COS #16837, Flathead County, Montana	<b>Verified By</b>	Dusty Dziza, Listing/Selling Agent
<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use		
<b>Section/Township/Range</b>	S15/T28N/R24W		
PROPERTY DETAILS			
<b>Access</b>	Gravel County Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Level with Slope at Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map #30029C1750G, this property is in an area of low flood risk.	<b>Improvements</b>	None
<b>Water</b>	Ashley Lake	<b>Value of Improvements</b>	\$0
<b>Water Frontage/Front Feet</b>	145.30	<b>Miscellaneous</b>	There is an easement on this site for a shared drain field with the neighboring lot. A driveway has been roughed in on this site.
<b>Utilities</b>	Electricity & Telephone at road.		
<b>Report File # 18-019ec</b>			



### LAND SALE 3


COMPARABLE SALE INFORMATION			
	<b>Location</b>	12710 US Highway 2	
	<b>City/State</b>	Marion, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0001728	
	<b>Zoning</b>	Scenic Corridor	
	<b>Site Size: Acres</b>	1.220	
	<b>Square Feet</b>	53,143	
	<b>Date of Sale</b>	November 28, 2016	
	<b>Sales Price</b>	\$229,000	
	<b>Less Cost of Improvements*</b>	\$0	
<b>Sales Price Adjusted</b>	\$229,000		
<b>MLS #</b>	21606326		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$187,705	<b>Price per Square Foot</b>	\$4.31
		<b>Price Per Front Foot</b>	\$1,054
TRANSFER INFORMATION			
<b>Grantor</b>	Jesse Remington & Michelle Remington	<b>Grantee</b>	Janice K. Nemers & Brian P. Morris
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201600026452
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	168 Days on Market
<b>Legal Description</b>	Tract E of COS 14083, Flathead County, Montana	<b>Verified By</b>	Randy Moore, Selling Agent
		<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use
<b>Section/Township/Range</b>	S6/T26N/R25W		
PROPERTY DETAILS			
<b>Access</b>	US Hwy 2 & Private Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Slopes Toward Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map #30029C2175G, this property is in an area of low flood risk.	<b>Improvements</b>	None
<b>Water</b>	McGregor Lake	<b>Value of Improvements</b>	\$0
<b>Water Frontage/Front Feet</b>	217.27	<b>Miscellaneous</b>	Two access roads run through this property.
<b>Utilities</b>	Electricity & Telephone at road.		
<b>Report File # 17-013ec</b>			

## LAND SALE 4

COMPARABLE SALE INFORMATION			
		<b>Location</b>	NHN Paradise Loop
		<b>City/State</b>	Marion, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0013235
		<b>Zoning</b>	Scenic Corridor
		<b>Site Size: Acres</b>	2.054
		<b>Square Feet</b>	89,472
		<b>Date of Sale</b>	October 3, 2016
		<b>Sales Price</b>	\$350,000
		<b>Less Cost of Improvements*</b>	\$5,000
<b>Sales Price Adjusted</b>	\$345,000		
<b>MLS #</b>	21610004		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$167,965	<b>Price per Square Foot</b>	\$3.86
		<b>Price Per Front Foot</b>	\$1,793
TRANSFER INFORMATION			
<b>Grantor</b>	K S Marcellus Separate Property Trust	<b>Grantee</b>	Same H. Juede & Joletha Marie Juede
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	2016000021657
<b>Financing/Conditions</b>	Conventional/Market	<b>Marketing Time</b>	30 Days on Market
<b>Legal Description</b>	Tract 2 of Certificate of Survey No. 18436, in Government Lots 7 and 8, Flathead County, Montana	<b>Verified By</b>	Jeremy Feldman, Listing Agent
<b>Section/Township/Range</b>	S5/T26N/R25W	<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use
PROPERTY DETAILS			
<b>Access</b>	Paradise Loop (Private Gravel Road)	<b>View</b>	Lake, Mountains
<b>Topography</b>	Level area with some slope	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map #30029C2175G, this property is in an area of low flood risk.	<b>Improvements</b>	Well
<b>Water</b>	McGregor Lake	<b>Value of Improvements</b>	\$5,000
<b>Water Frontage/Front Feet</b>	192.44	<b>Miscellaneous</b>	0.50 acres or 24% of this property is within US Highway 2 or encumbered by access/utility easement.
<b>Utilities</b>	Electricity & Telephone at road. Well in place		
<b>Report File # 17-013ec</b>			



## ACTIVE LAND LISTING 1

COMPARABLE LISTING INFORMATION			
	<b>Location</b>	140 McGregor Lane	
	<b>City/State</b>	Marion, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0002689	
	<b>Zoning</b>	Not Zoning	
	<b>Site Size: Acres</b>	3.810	
	<b>Square Feet</b>	165,964	
	<b>Date of Sale</b>	N/A - ACTIVE LISTING	
	<b>List Price</b>	\$499,000	
	<b>Less Cost of Improvements*</b>	\$5,000	
<b>List Price Adjusted</b>	\$494,000		
<b>MLS #</b>	21802753		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$129,659	<b>Price per Square Foot</b>	\$2.98
		<b>Price Per Front Foot</b>	\$2,103
TRANSFER INFORMATION			
<b>Grantor</b>	N/A - ACTIVE LISTING	<b>Grantee</b>	N/A - ACTIVE LISTING
<b>Type of Instrument</b>	N/A - ACTIVE LISTING	<b>Document #</b>	N/A - ACTIVE LISTING
<b>Financing/Conditions</b>	N/A - ACTIVE LISTING	<b>Marketing Time</b>	List Date March 22, 2018
<b>Legal Description</b>	Parcel B of COS #13863, Flathead County, Montana	<b>Verified By</b>	Mark Kuhl, Listing Agent
<b>Intended Use/Comments</b>	Property being marketed for Residential / Recreational Use		
<b>Section/Township/Range</b>	S10/T26N/R24W		
PROPERTY DETAILS			
<b>Access</b>	Private Road, Gravel	<b>View</b>	Lake, Mountains
<b>Topography</b>	Level Areas with Slopes Down Toward Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map #30029C2175G, this property is in an area of low flood risk.	<b>Improvements</b>	Dock, Shed, & Gazebo
<b>Water</b>	McGregor Lake	<b>Value of Improvements</b>	\$5,000
<b>Water Frontage/Front Feet</b>	237.32	<b>Miscellaneous</b>	This property is subject to the Bylaws of McGregor Lake Road Users Association recorded in 2002 as Document #200235013510 with the Flathead County Clerk and Recorder's Office. Site includes 34' of North Fork of Muir Creek Road within the property boundaries.
<b>Utilities</b>	Electricity at property & Telephone at road.		
<b>Report File # 18-019ec</b>			



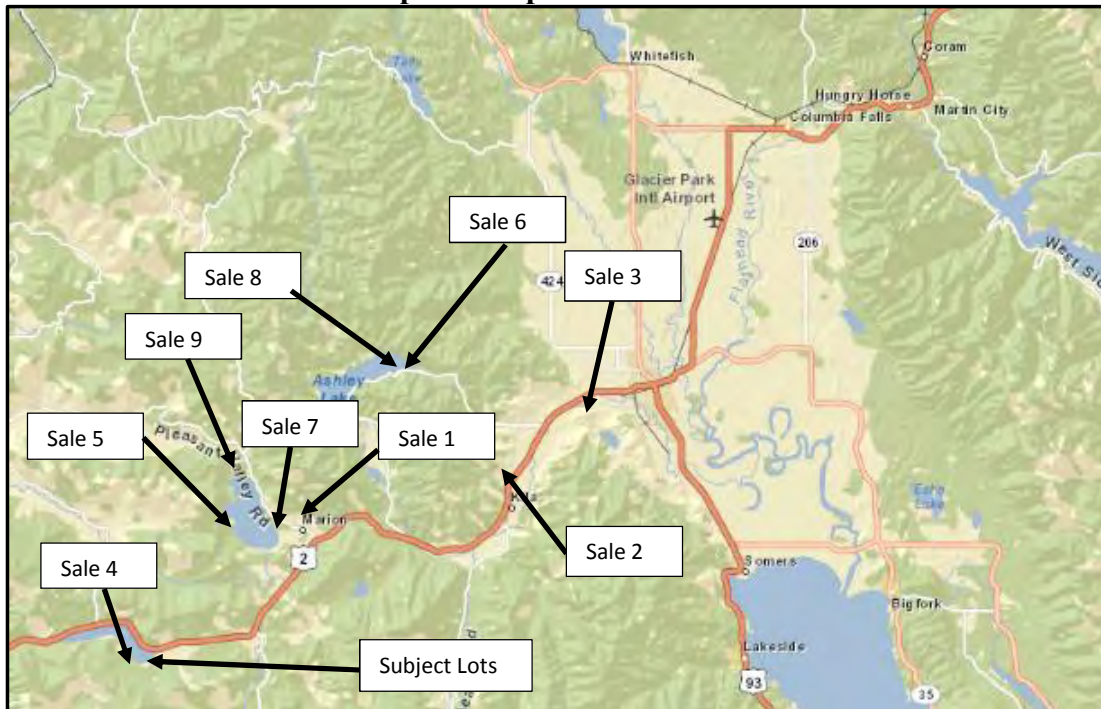
## HOME SALES

We conducted a search for sales of homes on lakefront sites similar the subject residences and/or mobile homes for use as comparables to determine the values of the subject improvements. No sales of double wide mobile homes with lake frontage were located. For this reason, it was necessary to use sales of mobile homes not located on lakes. We located 6 sales of homes with lake frontage that were appropriate comparables for the properties improved with wood frame construction residences. The most applicable and recent 9 sales located are described on the table below;



Home Sales							
Sale #	Address	City	Lake	Sale Date	Sales Price*	Less Site Value	Sale Price of Improvements
1	143 Idaho Hill Rd	Marion	N/A	2017	\$165,000	\$25,000	\$140,000
2	192 Caps Rd	Kalispell	N/A	2017	\$185,000	\$50,000	\$135,000
3	135 Shephard Ln	Kalispell	N/A	2018	\$189,000	\$50,000	\$139,000
4	970 McGregor Ln	Marion	McGregor Lake	2018	\$711,500	\$350,000	\$361,500
5	1790 Bitterroot Ln	Marion	Bitterroot Lake	2017	\$765,000	\$300,000	\$465,000
6	3155 Ashley Lake Rd	Kalispell	Ashley Lake	2018	\$640,000	\$297,000	\$343,000
7	1048 Kelsey Rd	Marion	Bitterroot Lake	2018	\$390,000	\$288,000	\$102,000
8	3185 Ashley Lake Rd	Kalispell	Ashley Lake	2018	\$469,000	\$270,000	\$199,000
9	685 Lodgepole Dr	Marion	Bitterroot Lake	2017	\$400,000	\$280,000	\$120,000

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



**Map of Comparable Lot Sales**



# HOME SALE 1



COMPARABLE SALE INFORMATION			
		<b>Location</b>	143 Idaho Hill Road
		<b>City/State</b>	Marion, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0504062
		<b>Zoning</b>	No Zoning
		<b>Site Size: Acres</b>	1.270
		<b>Square Feet</b>	55,321
		<b>Date of Sale</b>	November 22, 2017
		<b>Sales Price</b>	\$165,000
		<b>Adjustment to Sales Price</b>	\$0
		<b>Adjusted Sales Price</b>	\$165,000
		<b>MLS #</b>	21700466
TRANSFER INFORMATION			
<b>Grantor</b>	Robert A. Sistok	<b>Grantee</b>	Cyrus Austin Hogard & Tarissa May Hogard
<b>Recording Data</b>	WD #201700029014	<b>Marketing Time</b>	309 Days on Market
<b>Financing/Conditions</b>	FHA/Market	<b>Verified By</b>	Donna Johnson, Listing Agent
<b>Legal Description</b>	Lot 2 of Great Northern Acres SD	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S14/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	None	<b>Sales Price</b>	\$165,000
<b>Front Footage</b>	N/A	<b>Estimated Site Value</b>	\$25,000
<b>Access</b>	County Road - Gravel	<b>Sales Price of Improvements</b>	\$140,000
<b>House Square Feet</b>	1,152	<b>Improvement Price/SF</b>	\$122
<b>Bedroom/Bathrooms</b>	3 BR/2 BA		
<b>Year Built or Renovated</b>	2008		
<b>Construction</b>	Double Wide Mobile Home		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Well, Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Level		
<b>Outbuildings</b>	None		
<b>Miscellaneous</b>	Portion of Idaho Hill Road is within the boundaries of this property. The residence is a Fleetwood Mobile Home on a crawl space foundation.		
		<b>Report File # 18-019ec</b>	

## HOME SALE 2

COMPARABLE SALE INFORMATION			
		<b>Location</b>	192 Caps Road
		<b>City/State</b>	Kalispell, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0013065
		<b>Zoning</b>	No Zoning
		<b>Site Size: Acres</b>	1.000
		<b>Square Feet</b>	43,560
		<b>Date of Sale</b>	August 4, 2017
		<b>Sales Price</b>	\$185,000
		<b>Adjustment to Sales Price</b>	\$0
		<b>Adjusted Sales Price</b>	\$185,000
		<b>MLS #</b>	21705972
TRANSFER INFORMATION			
<b>Grantor</b>	Thomas L. Stott & Heidi B. Stott	<b>Grantee</b>	Timothy Esquivel & Amy R. Esquivel
<b>Recording Data</b>	WD #201700018836	<b>Marketing Time</b>	72 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Brittany Buckallew, Listing Agent
<b>Legal Description</b>	Parcel D of COS #18284	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S31/T28N/R22W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	None	<b>Sales Price</b>	\$185,000
<b>Front Footage</b>	N/A	<b>Estimated Site Value</b>	\$50,000
<b>Access</b>	Private Road - Gravel	<b>Sales Price of Improvements</b>	\$135,000
<b>House Square Feet</b>	1,624	<b>Improvement Price/SF</b>	\$83
<b>Bedroom/Bathrooms</b>	3 BR/2 BA		
<b>Year Built or Renovated</b>	1993 (Remodeled)		
<b>Construction</b>	Double Wide Mobile Home		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Community Well, Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Level		
<b>Outbuildings</b>	None		
<b>Miscellaneous</b>	The residence is a Champion (Sequoia Model) Mobile Home on a crawl space foundation. This home includes a 909 SF deck and a 96 SF Shed.		
		Report File # 18-019ec	





## HOME SALE 3

COMPARABLE SALE INFORMATION																																																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;"><b>Location</b></td><td colspan="3">135 Shephard Lane</td></tr> <tr><td><b>City/State</b></td><td colspan="3">Kalispell, Montana</td></tr> <tr><td><b>County</b></td><td colspan="3">Flathead</td></tr> <tr><td><b>Assessor Number</b></td><td colspan="3">0009409</td></tr> <tr><td><b>Zoning</b></td><td colspan="3">No Zoning</td></tr> <tr><td><b>Site Size: Acres</b></td><td colspan="3">1.150</td></tr> <tr><td><b>Square Feet</b></td><td colspan="3">50,094</td></tr> <tr><td><b>Date of Sale</b></td><td colspan="3">January 16, 2018</td></tr> <tr><td><b>Sales Price</b></td><td colspan="3">\$189,000</td></tr> <tr><td><b>Adjustment to Sales Price</b></td><td colspan="3">\$0</td></tr> <tr><td><b>Adjusted Sales Price</b></td><td colspan="3">\$189,000</td></tr> <tr><td><b>MLS #</b></td><td colspan="3">21712244</td></tr> </table>			<b>Location</b>	135 Shephard Lane			<b>City/State</b>	Kalispell, Montana			<b>County</b>	Flathead			<b>Assessor Number</b>	0009409			<b>Zoning</b>	No Zoning			<b>Site Size: Acres</b>	1.150			<b>Square Feet</b>	50,094			<b>Date of Sale</b>	January 16, 2018			<b>Sales Price</b>	\$189,000			<b>Adjustment to Sales Price</b>	\$0			<b>Adjusted Sales Price</b>	\$189,000			<b>MLS #</b>	21712244		
	<b>Location</b>	135 Shephard Lane																																																	
	<b>City/State</b>	Kalispell, Montana																																																	
	<b>County</b>	Flathead																																																	
	<b>Assessor Number</b>	0009409																																																	
	<b>Zoning</b>	No Zoning																																																	
	<b>Site Size: Acres</b>	1.150																																																	
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	<b>Adjustment to Sales Price</b>	\$0																																																	
	<b>Adjusted Sales Price</b>	\$189,000																																																	
<b>MLS #</b>	21712244																																																		
TRANSFER INFORMATION																																																			
<b>Grantor</b>	Richard Paul Sutton	<b>Grantee</b>	Tom Darsow																																																
<b>Recording Data</b>	WD #201700018836	<b>Marketing Time</b>	97 Days on Market																																																
<b>Financing/Conditions</b>	VA/Market	<b>Verified By</b>	Judy Fountain, Listing Agent																																																
<b>Legal Description</b>	Parcel A of COS #16303	<b>Intended Use</b>	Residential																																																
<b>Section/Township/Range</b>	S21/T28N/R22W																																																		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																																																	
<b>Body of Water</b>	None	<b>Sales Price</b>	\$189,000																																																
<b>Front Footage</b>	N/A	<b>Estimated Site Value</b>	\$50,000																																																
<b>Access</b>	Driveway from Paved County Road	<b>Sales Price of Improvements</b>	\$139,000																																																
<b>House Square Feet</b>	1,848	<b>Improvement Price/SF</b>	\$75																																																
<b>Bedroom/Bathrooms</b>	4 BR/2 BA																																																		
<b>Year Built or Renovated</b>	1993 (Remodeled)																																																		
<b>Construction</b>	Double Wide Mobile Home																																																		
<b>Quality</b>	Average																																																		
<b>Condition</b>	Average																																																		
<b>Water/Sewer</b>	Well, Septic																																																		
<b>Utilities</b>	Electricity, Telephone, Internet																																																		
<b>Topography</b>	Level																																																		
<b>Outbuildings</b>	None																																																		
<b>Miscellaneous</b>	The residence is a Redman (Wynnewood Model) Mobile Home on a crawl space foundation. This residence includes a 384 SF Deck. A 60' wide private road and utility easement is within the north side boundary of this property.																																																		

Report File # 18-019ec

## HOME SALE 4

COMPARABLE SALE INFORMATION			
		<b>Location</b> 970 McGregor Lane	
		<b>City/State</b> Marion, Montana	
		<b>County</b> Flathead	
		<b>Assessor Number</b> 0005421	
		<b>Zoning</b> No Zoning	
		<b>Site Size: Acres</b> 1.199	
		<b>Square Feet</b> 52,228	
		<b>Date of Sale</b> May 4, 2018	
		<b>Sales Price</b> \$711,500	
		<b>Adjustment to Sales Price</b> \$0	
		<b>Adjusted Sales Price</b> \$711,500	
		<b>MLS #</b> 21705701	
TRANSFER INFORMATION			
<b>Grantor</b>	Michael C. Russell & Sally Cameron-Russell	<b>Grantee</b>	Kurt E. Schlachter & Jason P. VandenHoek
<b>Recording Data</b>	WD #201800008858	<b>Marketing Time</b>	691 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Carmen Hobson, Selling Agent
<b>Legal Description</b>	Lot 14 of McGregor Lake Highlands, Phase 3	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S08/T26N/R25W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	McGregor Lake	<b>Sales Price</b>	\$711,500
<b>Front Footage</b>	139.81	<b>Estimated Site Value</b>	\$350,000
<b>Access</b>	Driveway from Paved County Road	<b>Sales Price of Improvements</b>	\$361,500
<b>House Square Feet</b>	2,468	<b>Improvement Price/SF</b>	\$146
<b>Bedroom/Bathrooms</b>	2 BR/2 BA		
<b>Year Built or Renovated</b>	2009		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Very Good		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Community Water & Sewer		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Slopes to lake		
<b>Outbuildings</b>	1,050 SF Guest House		
<b>Miscellaneous</b>	Guest house includes kitchen, 2 bedrooms, & 1 bath. There is a 3 car, attached garage with the guest house. Improvements includes decks, patios, parking area, and extensive landscaping with rock work.		
		<b>Report File #</b> 18-019ec	





## HOME SALE 5



[illegible]



## HOME SALE 6

COMPARABLE SALE INFORMATION				
	<b>Location</b>	3155 Ashley Lake Road		
	<b>City/State</b>	Kalispell, Montana		
	<b>County</b>	Flathead		
	<b>Assessor Number</b>	0331690		
	<b>Zoning</b>	Ashley Lake Zoning District		
	<b>Site Size: Acres</b>	1.199		
	<b>Square Feet</b>	52,228		
	<b>Date of Sale</b>	June 13, 2018		
	<b>Sales Price</b>	\$640,000		
	<b>Adjustment to Sales Price</b>	\$0		
	<b>Adjusted Sales Price</b>	\$640,000		
	<b>MLS #</b>	21707377		
TRANSFER INFORMATION				
<b>Grantor</b>	Shelby Nash Hunter	<b>Grantee</b>	Timothy J. Allen & Mary C. Allen	
<b>Recording Data</b>	WD #201800011862	<b>Marketing Time</b>	365 Days on Market	
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Shelby Nash Hunter, Listing Agent	
<b>Legal Description</b>	Tract 3BIA of Lot 12	<b>Intended Use</b>	Residential	
<b>Section/Township/Range</b>	S5/T28N/R23W			
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE		
<b>Body of Water</b>	Ashley Lake	<b>Sales Price</b>	\$640,000	
<b>Front Footage</b>	198.00	<b>Estimated Site Value</b>	\$297,000	
<b>Access</b>	County Road - Gravel	<b>Sales Price of Improvements</b>	\$343,000	
<b>House Square Feet</b>	2,736	<b>Improvement Price/SF</b>	\$125	
<b>Bedroom/Bathrooms</b>	3 BR/3 BA			
<b>Year Built or Renovated</b>	2003			
<b>Construction</b>	Wood Frame			
<b>Quality</b>	Good			
<b>Condition</b>	Good			
<b>Water/Sewer</b>	Well & Septic			
<b>Utilities</b>	Electricity, Telephone, Internet			
<b>Topography</b>	Gentle slope to lake			
<b>Outbuildings</b>	Shed			
<b>Miscellaneous</b>	Residence includes 1,050 SF of finished basement area, covered porches, and decks. Site includes landscaping. Ashley Lake Road bisects this property.			
</				

## HOME SALE 7

COMPARABLE SALE INFORMATION			
		<b>Location</b>	1048 Kelsey Road
		<b>City/State</b>	Marion, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0971405
		<b>Zoning</b>	Little Bitterroot Lake Zoning District
		<b>Site Size: Acres</b>	0.280
		<b>Square Feet</b>	12,197
		<b>Date of Sale</b>	March 19, 2018
		<b>Sales Price</b>	\$390,000
		<b>Adjustment to Sales Price</b>	\$0
<b>Adjusted Sales Price</b>	\$390,000		
<b>MLS #</b>	21709190		
TRANSFER INFORMATION			
<b>Grantor</b>	F. Jerome Doyle & Julie Lyn Doyle Trustees of the F. Jerome Doyle & Julie Lyn Doyle 1995 Trust	<b>Grantee</b>	Lyle Mark Wallner & Nicole Zoe Wallner
<b>Recording Data</b>	WD #201800005355	<b>Marketing Time</b>	960 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Dusty Dziza, Listing Agent
<b>Legal Description</b>	Lot 13A of the Amended Plat of South Half of Lot 13 & 14 and the Retracement of Lot 15, Kelsey's Little Bitterroot Lake Villa Sites	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S16/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	Bitterroot Lake	<b>Sales Price</b>	\$390,000
<b>Front Footage</b>	72.00	<b>Estimated Site Value</b>	\$288,000
<b>Access</b>	County Road - Paved	<b>Sales Price of Improvements</b>	\$102,000
<b>House Square Feet</b>	975	<b>Improvement Price/SF</b>	\$105
<b>Bedroom/Bathrooms</b>	2 BR/1 BA		
<b>Year Built or Renovated</b>	1950 (Remodeled)		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Lake Water & Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Slopes down at lake		
<b>Outbuildings</b>	2 Car Garage & Boat House (Finished for Use as Guest Cabin)		
<b>Miscellaneous</b>	House includes 961 SF decking.		

**Report File # 18-019ec**



## HOME SALE 8

COMPARABLE SALE INFORMATION			
		<b>Location</b>	3185 Ashley Lake Road
		<b>City/State</b>	Kalispell, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0956201
		<b>Zoning</b>	Ashley Lake Zoning District
		<b>Site Size: Acres</b>	0.812
		<b>Square Feet</b>	35,371
		<b>Date of Sale</b>	April 13, 2018
		<b>Sales Price</b>	\$469,000
		<b>Adjustment to Sales Price</b>	\$0
<b>Adjusted Sales Price</b>	\$469,000		
<b>MLS #</b>	21602114		
TRANSFER INFORMATION			
<b>Grantor</b>	Jeffrey C. Alsbury	<b>Grantee</b>	Jane Adams
<b>Recording Data</b>	WD #201800007191	<b>Marketing Time</b>	749 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Mark Koletis, Listing Agent
<b>Legal Description</b>	COS #2744	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S05/T28N/R23W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	Ashley Lake	<b>Sales Price</b>	\$469,000
<b>Front Footage</b>	225.00	<b>Estimated Site Value</b>	\$270,000
<b>Access</b>	County Road - Paved	<b>Sales Price of Improvements</b>	\$199,000
<b>House Square Feet</b>	1,309	<b>Improvement Price/SF</b>	\$152
<b>Bedroom/Bathrooms</b>	1 BR/1 BA		
<b>Year Built or Renovated</b>	1984		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Well & Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Level		
<b>Outbuildings</b>	2 Car Carport		
<b>Miscellaneous</b>	House includes 952 SF of finished basement area, 640 SF of decking, and a water treatment system. This site is bisected by Ashley Lake Road.		
		<b>Report File # 18-019ec</b>	



## HOME SALE 9

[illegible]

## **PROPERTY VALUATIONS**

## LOT 3

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 3, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.411	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	151.13	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.411	1.454	1.890	1.220	2.054	3.810
FRONT FEET	151.13	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997



## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well which was considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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

*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation bracket the subject site in the amount of front footage and do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

151.13 FF @ \$2,100/FF	\$317,373
<b>Rounded To</b>	<b>\$317,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 3, COS #19909, MCGREGOR LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		143 Idaho Hill Rd	192 Caps Rd	135 Shephard Ln
LOCATION		Marion, M T	Kalispell, M T	Kalispell, M T
SALES PRICE		\$165,000	\$185,000	\$189,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		11/22/17	08/04/17	01/16/18
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$165,000	\$185,000	\$189,000
LESS SITE VALUE		(\$25,000)	(\$50,000)	(\$50,000)
ADJUSTED IMPROVEMENT PRICE		\$140,000	\$135,000	\$139,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>McGregor Lake</b>	<b>Interior Site</b>	<b>Interior Site</b>	<b>Interior Site</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>CONDITION</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>BATHROOMS</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
		\$0	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>1,572</b>	<b>1,152</b>	<b>1,624</b>	<b>1,848</b>
		\$18,900	-\$2,340	-\$12,420
<b>OUTBUILDINGS</b>	<b>Shop, Garage, Carport, Boat House, Outhouse</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$37,000	\$37,000	\$37,000
<b>TOTAL ADJUSTMENT</b>		<b>\$55,900</b>	<b>\$34,660</b>	<b>\$24,580</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>40%</b>	<b>26%</b>	<b>18%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$195,900</b>	<b>\$169,660</b>	<b>\$163,580</b>



## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2017 and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The site sales utilized to determine the site values for the improved sales are retained in the appraisal work file.

*Quality:* The subject residence and improved sales are double wide mobile homes. The subject and comparables are considered similar in quality and no adjustment was necessary in this category.

*Condition:* The subject residence and comparables are considered similar in condition and no adjustment was necessary in this category.

*Bathrooms:* The subject residence and comparables include similar bathroom counts. No adjustments were necessary in this category.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$45 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Outbuildings/Amenities:* Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated costs calculated below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Shop	1,200	Section 17/Page 13	\$23.55	\$28,260
Garage	624	Section 12/Page 35	\$60.50	\$37,752
Carport	192	Section 12/Page 35	\$16.50	\$3,168
Boat House	120	Section 17/Page 18	\$22.85	\$2,742
Outhouse	Lump Sum Estimate			\$2,000
Total Cost New				\$73,922
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$36,961
Depreciated Cost Estimate				\$36,961
Rounded To				-\$37,000

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

The comparables provided adjusted indications of market value for the subject improvements of \$195,900, \$169,660, and \$163,580. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$176,000 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	\$317,000
Subject Improvements Value	<u>\$176,000</u>
<b>Total Value Indication</b>	<b>\$493,000</b>

## LOT 7

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 7, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.789	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	190.28	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.789	1.454	1.890	1.220	2.054	3.810
FRONT FEET	190.28	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997



## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well which was considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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

*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation bracket the subject site in the amount of front footage and do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

190.28 FF @ \$2,100/FF	\$399,588
<b>Rounded To</b>	<b>\$400,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 7, COS #19909, MCGREGOR LAKE				
DESCRIPTION	SUBJECT	SALE 4	SALE 5	SALE 6
IDENTIFICATION		970 McGregor Ln	1790 Bitterroot Ln	3155 Ashely Lake Rd
LOCATION		Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$711,500	\$765,000	\$640,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		05/04/18	10/27/17	06/13/18
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$711,500	\$765,000	\$640,000
LESS SITE VALUE		(\$350,000)	(\$300,000)	(\$297,000)
ADJUSTED IMPROVEMENT PRICE		\$361,500	\$465,000	\$343,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>McGregor Lake</b>	<b>McGregor Lake</b>	<b>Bitterroot Lake</b>	<b>Ashley Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Very Good</b>	<b>Very Good</b>	<b>Very Good</b>	<b>Good</b>
		\$0	\$0	\$34,300
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0
<b>BATHROOMS</b>	<b>2.5</b>	<b>2</b>	<b>4</b>	<b>3</b>
		\$2,500	-\$7,500	-\$2,500
<b>HOUSE SIZE/SF</b>	<b>2,482</b>	<b>2,468</b>	<b>2,692</b>	<b>2,736</b>
		\$1,050	-\$15,750	-\$19,050
<b>BASEMENT/SF</b>	<b>0</b>	<b>0</b>	<b>1,266</b>	<b>1,050</b>
		\$0	-\$44,310	-\$36,750
<b>OUTBUILDINGS</b>	<b>Boat House, Open Shed, &amp; Outhouse</b>	<b>Superior</b>	<b>Superior</b>	<b>Inferior</b>
		-\$75,000	-\$11,000	\$9,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$71,450</b>	<b>-\$78,560</b>	<b>-\$15,000</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-20%</b>	<b>-17%</b>	<b>-4%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$290,050</b>	<b>\$386,440</b>	<b>\$328,000</b>



## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2017 and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The site sales utilized to determine the site values for the improved sales are included in the Subject Market Analysis section of this report.

*Quality:* The quality of construction of the subject residence was determined by the appraisers based upon observation. The quality of construction for the improved sales were determined based upon photographs from the area MLS and information from the verifying parties for each sale. Improved Sales 4 and 5 were considered similar in quality compared to the subject residence and no adjustment was necessary in this category for these sales. Improved Sale 6 was considered inferior in overall construction quality and some upward adjustment was necessary. Due to the large amount of variables associated with sales of lake front residences, there is little credible market data on which to base an adjustment in this category. The adjustment selected (10%) is based upon cost differences associated with different construction qualities. This adjustment is considered reasonable and reflective of the actions of market participants relative to quality.

*Condition:* The subject residence and comparables are considered similar in condition and no adjustment was necessary in this category.

*Bathrooms:* The subject residence and comparables include differing bathroom counts. Adjustments of \$5,000 per full bath and \$2,500 per half bath were utilized in this analysis. These adjustments are considered reasonable and reflective of the actions of market participants with respect to bathroom counts.

*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 \$75 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Basement Size:* The adjustments in this category reflect differences in finished basement areas between the subject and comparables. We utilized an adjustment of \$35 per square foot in this category. This adjustment amount is approximately half of the adjustment amount utilized for the above grade square footage. Based upon analysis sales data in the greater market area, basements

do not typically contribute the same value as above grade square footage. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to differences in finished basement areas.

*Outbuildings/Amenities:* Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated costs calculated below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Boat House	202	Section 17/Page 18	\$30.50	\$6,161
Open Shed	136	Section 17/Page 16	\$16.00	\$2,176
Out House	Lump sum Estimate			\$2,000
Total Cost New				\$10,337
Less Depreciation - Age/Life - 2/20 Years = 10%				-\$1,034
Depreciated Cost Estimate				\$9,303
Rounded To				\$9,000

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

The comparables provided adjusted indications of market value for the subject improvements of \$290,050, \$386,440, and \$328,000. No weight is the indication from Improved Sale 4 because this sale includes a guest house and the subject residence does not. No weight is accorded Improved Sale 6 as is inferior in overall quality of construction compared to the subject. All weight is placed the indication from Improved Sale 5. It is considered most similar in overall marketability compared to the subject. A value of \$386,000 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	\$400,000
Subject Improvements Value	<u>\$386,000</u>
<b>Total Value Indication</b>	<b>\$786,000</b>

## LOT 12

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 12, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, Mt	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.365	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	153.84	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.365	1.454	1.890	1.220	2.054	3.810
FRONT FEET	153.84	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997



## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well which was considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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

*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation bracket the subject site in the amount of front footage and do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

153.84 FF @ \$2,100/FF	\$323,064
<b>Rounded To</b>	<b>\$323,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 12, COS #19909, MCGREGOR LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		143 Idaho Hill Rd	192 Caps Rd	135 Shephard Ln
LOCATION		Marion, MT	Kalispell, MT	Kalispell, MT
SALES PRICE		\$165,000	\$185,000	\$189,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		11/22/17	08/04/17	01/16/18
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$165,000	\$185,000	\$189,000
LESS SITE VALUE		(\$25,000)	(\$50,000)	(\$50,000)
ADJUSTED IMPROVEMENT PRICE		\$140,000	\$135,000	\$139,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>McGregor Lake</b>	<b>Interior Site</b>	<b>Interior Site</b>	<b>Interior Site</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>CONDITION</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>BATHROOMS</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
		\$0	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>1,265</b>	<b>1,152</b>	<b>1,624</b>	<b>1,848</b>
		\$5,085	-\$16,155	-\$26,235
<b>OUTBUILDINGS</b>	<b>Large Deck, Guest House, Shop, Pump House, Shed, 2 Open Storages, &amp; Vault Toilet</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$151,000	\$151,000	\$151,000
<b>TOTAL ADJUSTMENT</b>		<b>\$156,085</b>	<b>\$134,845</b>	<b>\$124,765</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>111%</b>	<b>100%</b>	<b>90%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$296,085</b>	<b>\$269,845</b>	<b>\$263,765</b>



## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2017 and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The site sales utilized to determine the site values for the improved sales are retained in the appraisal work file.

*Quality:* The subject residence and improved sales are double wide mobile homes. The subject and comparables are considered similar in quality and no adjustment was necessary in this category.

*Condition:* The subject residence and comparables are considered similar in condition and no adjustment was necessary in this category.

*Bathrooms:* The subject residence and comparables include similar bathroom counts. No adjustments were necessary in this category.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$45 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Outbuildings/Amenities:* Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated costs calculated to the right;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Deck	2,293	Section 12/Page 40	\$15.74	\$36,092
Guest House	478	Section 12/Page 29	\$79.83	\$38,159
Shop	3,054	Section 17/Page 12	\$29.50	\$90,093
Shop (Interior Finished Area)	907	Section 12/Page 17	\$36.98	\$33,541
Shop Mezzanine	1,310	Section 14/Page 27	\$25.50	\$33,405
Shop Covered Storage	1,091	Section 17/Page 11	\$10.75	\$11,728
Pump house	80	Section 17/Page 12	\$12.90	\$1,032
Shed	160	Section 17/Page 12	\$12.90	\$2,064
Open Storage	237	Section 17/Page 11	\$10.75	\$2,548
Vault Toilet		Lump Sum Estimate		\$3,000
<b>Total Cost New</b>				\$251,661
<b>Less Depreciation - Age/Life - 8/20 Years = 40%</b>				<u>-\$100,665</u>
<b>Depreciated Cost Estimate</b>				\$150,997
<b>Rounded To</b>				\$151,000

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

The comparables provided adjusted indications of market value for the subject improvements of \$296,085, \$269,845, and \$263,765. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$277,000 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	\$323,000
Subject Improvements Value	<u>\$277,000</u>
<b>Total Value Indication</b>	<b>\$600,000</b>

## LOT 17

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 17, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, Mt	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.519	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	148.11	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.519	1.454	1.890	1.220	2.054	3.810
FRONT FEET	148.11	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997

## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well which was considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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



*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation bracket the subject site in the amount of front footage and do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

148.11 FF @ \$2,100/FF	\$311,031
<b>Rounded To</b>	<b>\$311,000</b>

### **Improvement Value Estimate**

This property includes a dry cabin and other outbuildings. No comparable sales were located with similar improvements. For that reason, the contributory value of the improvements was estimated using depreciated cost. This analysis does not constitute a full Cost Approach but is adequate for determination of the contributory value of the improvements on this property. The depreciated cost analysis is below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Dry Cabin	432	Section 12/Page 15	\$76.47	\$33,035
Bunkhouse	128	Section 12/Page 15	\$76.47	\$9,788
Storage Building	28	Section 17/Page 12	\$12.90	\$361
Outhouse	Lump Sum Estimate			\$2,000
Total Cost New				\$45,184
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$22,592
Depreciated Cost Estimate				\$22,592
Rounded To				\$23,000

### **Total Value Conclusion**

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

Subject Site Value	\$311,000
Subject Improvements Value	<u>\$ 23,000</u>
<b>Total Value Indication</b>	<b>\$334,000</b>

## LOT 22

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 22, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, Mt	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.135	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	123.97	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.135	1.454	1.890	1.220	2.054	3.810
FRONT FEET	123.97	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997

## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well which was considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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



*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

123.97 FF @ \$2,100/FF	\$260,337
<b>Rounded To</b>	<b>\$260,000</b>

#### **Improvement Value Estimate**

The improvements on this property are highly depreciated and not considered to contribute value to the property.

#### **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	\$260,000
Subject Improvements Value	\$ <u>0</u>
<b>Total Value Indication</b>	<b>\$260,000</b>

## LOT 23

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 23, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, Mt	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.277	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	132.69	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.277	1.454	1.890	1.220	2.054	3.810
FRONT FEET	132.69	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997

## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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

*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

132.69 FF @ \$2,100/FF	\$278,649
<b>Rounded To</b>	<b>\$279,000</b>



### **Improvement Value Estimate**

This property includes a storage building, a pump house, and an outhouse. No comparable sales were located with similar improvements. For that reason, the contributory value of the improvements was estimated using depreciated cost. This analysis does not constitute a full Cost Approach but is adequate for determination of the contributory value of the improvements on this property. The depreciated cost analysis is below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	320	Section 17/Page 12	\$12.90	\$4,128
Pump House	32	Section 17/Page 12	\$12.90	\$413
Outhouse	Lump Sum Cost Estimate			\$2,000
Total Cost New				\$6,541
Less Depreciation - Age/Life - 8/20 Years = 40%				-\$2,616
Depreciated Cost Estimate				\$3,924
Rounded To				\$4,000

### **Total Value Conclusion**

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

Subject Site Value	\$279,000
Subject Improvements Value	<u>\$ 4,000</u>
<b>Total Value Indication</b>	<b>\$283,000</b>

## LOT 27

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE						
LOT 27, COS #19909, MCGREGOR LAKE						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		1030 N Bitterroot Rd	5400 Ashley Lake Rd	2710 US Hwy 2	NHN Paradise Loop	140 McGregor Ln
CITY		Marion, MT	Kila, Mt	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$340,000	\$440,000	\$229,000	\$350,000	\$499,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0	-\$19,960
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES						
DEMOLITION		\$0	\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0	\$0
DATE OF SALE		06/12/18	04/02/18	11/28/16	10/03/16	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$340,000	\$440,000	\$229,000	\$345,000	\$474,040
SITE SIZE/ACRES	1.470	1.454	1.890	1.220	2.054	3.810
FRONT FEET ON LAKE	131.46	155.15	145.30	217.27	192.44	237.32
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,054	\$1,793	\$1,997
ADJUSTMENT FOR:						
LOCATION/LAKE NAME	McGregor Lake	Bitterroot Lake	Ashley Lake	McGregor Lake	McGregor Lake	McGregor Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Some Slope	Sloping	Some Slope	Some Slope
FRONTAGE/ACCESS	Private Road	Private Road	Public Road	Public Road	Public Road	Private Road
ZONING	None	LBL	AL	SC	SC	SC
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes	Yes
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.470	1.454	1.890	1.220	2.054	3.810
FRONT FEET	131.46	155.15	145.30	217.27	192.44	237.32
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	10%	10%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$105	\$179	\$0
ADJUSTED PRICE PER FRONT FOOT		\$2,191	\$3,028	\$1,159	\$1,972	\$1,997

## Discussion of Adjustments

*Adjustments for List Price:* Active Listing 1 was not a closed sale as of the report effective date. Similar lakefront lots typically sell for less than the list prices. For this reason, some adjustment is considered necessary in this category for Active Listing 1. Land Sales 1, 2, 3 and 4 closed for 9.33%, 2.22%, 2.55%, and 0% less the list prices respectively. A downward adjustment of 4% (the approximate average of discount from list price for the closed sales) is a reasonable adjustment for Active Listing 1 in this category. The closed comparables required no adjustment in this category.

*Adjustments for Improvements:* Land Sales 1, 2 and 3 did not include improvements that contributed value and no adjustment was necessary for these comparables in this category. Land Sale 4 included a well considered to contribute approximately \$5,000 to the purchase price. Active Listing 1 includes a floating dock, a shed, and a gazebo considered collectively to contribute approximately \$5,000 to this list price. Downward adjustments of \$5,000 in this category to these two comparables are considered necessary.

*Property Rights:* The ownership interest in this report for the subject site and for the land sales are the fee simple interests. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2016 and 2018. The sales utilized were the most recent located. There is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

*Location/Lake Name:* The subject site and Land Sales 3 and 4 and Active Listing 1 have frontage along McGregor Lake. Land Sales 1 and 2 have frontage along Bitterroot and Ashley Lake. Overall the subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

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

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

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

*Zoning:* The subject sites and comparables are either in areas with no zoning or in areas which allow residential use. Based upon the highest and best uses for the subject and comparables, no adjustments were necessary in this category.

*Easements Affecting Value:* The subject site includes easements that affect value. Land Sales 1 and 2 and Active Listing 1 include easements that have relatively similar impacts on value. These sales required no adjustment in this category. Land Sales 3 and 4 include significant easements that affect usable site area and privacy. The easements for these sales have more significant impacts on value than those of the subject. Some upward adjustment is necessary for Land Sales 3 and 4 in this category. Due to the variables associated with the available market data, it is difficult to credibly support specific adjustments for varying types of easements. Upward adjustments of 10% were made to Land Sales 3 and 4. This adjustment percentage is considered reasonable and reflective of the actions of market participants in this category.

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

*Size/Acres:* The comparables bracket the subject site in size. There was no market data indicating that an adjustment was necessary for acreage differences in the size range of the subject and comparables. For this reason, no adjustments were made in this category.

*Front Feet:* Based upon our analysis of available data, the appropriate unit of comparison for the subject site and comparables is the price per front foot. The specific comparables selected for the site valuation do not provide support for an adjustment in this category. For this reason, no adjustment was made in this category.

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

The comparables provide indications of value for the subject site of \$2,191, \$3,028, \$1,159, \$1,972, and \$1,997 per front foot. Approximately equal weight is accorded the closed comparables. The average of the indications is approximately \$2,100. A value of \$2,100 per front foot is well supported by this analysis. Consequently;

131.46 FF @ \$2,100/FF	\$276,066
<b>Rounded To</b>	<b>\$276,000</b>



## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 27, COS #19909, MCGREGOR LAKE				
DESCRIPTION	SUBJECT	SALE 7	SALE 8	SALE 9
IDENTIFICATION		1048 Kelsey Rd	3185 Ashley Lake Rd	685 Lodgepole Dr
LOCATION		Marion, MT	Kalispell, MT	Marion, MT
SALES PRICE		\$390,000	\$469,000	\$400,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		03/19/18	04/13/18	10/13/17
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$390,000	\$469,000	\$400,000
LESS SITE VALUE		(\$288,000)	(\$270,000)	(\$280,000)
ADJUSTED IMPROVEMENT PRICE		\$102,000	\$199,000	\$120,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>McGregor Lake</b>	<b>Bitterroot Lake</b>	<b>Ashley Lake</b>	<b>Bitterroot Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>
		\$0	\$0	\$12,000
<b>BATHROOMS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
		\$0	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>685</b>	<b>975</b>	<b>1,309</b>	<b>1,040</b>
		-\$17,400	-\$37,440	-\$21,300
<b>BASEMENT/SF</b>	<b>685</b>	<b>0</b>	<b>952</b>	<b>0</b>
		\$20,550	-\$8,010	\$20,550
<b>OUTBUILDINGS</b>	<b>Storage Building &amp; Outhouse</b>	<b>Superior</b>	<b>Superior</b>	<b>Similar</b>
		-\$28,000	-\$6,000	\$0
<b>TOTAL ADJUSTMENT</b>		<b>-\$24,850</b>	<b>-\$51,450</b>	<b>\$11,250</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-24%</b>	<b>-26%</b>	<b>9%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$77,150</b>	<b>\$147,550</b>	<b>\$131,250</b>

## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2017 and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The site sales utilized to determine the site values for the improved sales are included in the Subject Market Analysis section of this report.

*Quality:* The subject residence and comparables are considered similar in construction quality and no adjustment was necessary in this category.

*Condition:* The subject residence and Improved 7 and 8 were considered similar in condition and no adjustment was necessary in this category. Improved Sale 9 was considered to be in inferior condition compared to the subject residence. Some upward adjustment was necessary in this category. A 10% upward adjustment was considered reasonable and indicative of the actions of market participants with respect to condition.

*Bathrooms:* The subject residence and comparables have the same number of bathrooms and no adjustment was necessary in this category.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$60 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Basement Size:* The adjustments in this category reflect differences in finished basement areas between the subject and comparables. We utilized an adjustment of \$30 per square foot in this category. This adjustment amount is approximately half of the adjustment amount utilized for the above grade square footage. Based upon analysis sales data in the greater market area, basements do not typically contribute the same value as above grade square footage. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to differences in finished basement areas.

*Outbuildings/Amenities:* Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated costs calculated below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	64	Section 17/Page 16	\$16.00	\$1,024
Pump House	Lump Sum Cost Estimate			\$2,000
Total Cost New				\$3,024
Less Depreciation - Age/Life - 8/20 Years = 40%				-\$1,210
Depreciated Cost Estimate				\$1,814
Rounded To				\$2,000

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

The comparables provided adjusted indications of market value for the subject improvements of \$77,150, \$147,550, and \$131,250. No weight is the indication from Improved Sale 7 because this sale includes a guest cabin and detached garage and the subject residence does not. Approximately equal weight is accorded the adjusted indications from Improved Sales 8 and 9. A value of \$140,000 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	\$276,000
Subject Improvements Value	<u>\$140,000</u>
<b>Total Value Indication</b>	<b>\$416,000</b>

## RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
3	\$317,000	\$176,000	\$493,000	6/18/2018
7	\$400,000	\$386,000	\$786,000	6/18/2018
12	\$323,000	\$277,000	\$600,000	6/18/2018
17	\$311,000	\$23,000	\$334,000	6/18/2018
22	\$260,000	\$0	\$260,000	6/18/2018
23	\$279,000	\$4,000	\$283,000	6/18/2018
27	\$276,000	\$140,000	\$416,000	6/18/2018



## **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  
2006 - Uniform Appraisal Standards for Federal Land Acquisitions  
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  
2017 - Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications  
2018 - 7 Hour National USPAP Update Course

##### **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  
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  
2018 – Appraisal Institute: Real Estate Finance, Value, and Investment Performance

**PARTIAL LIST OF CLIENTS**

United States Department of Interior  
United States Government Services Administration  
State of Montana Department of Natural Resources  
Montana Department of Transportation  
City of Whitefish  
City of Kalispell  
Flathead County  
Glacier Bank  
Rocky Mountain Bank  
Whitefish Credit Union  
Parkside Credit Union  
First Interstate Bank  
Three Rivers Bank  
Stockman Bank

## **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  
Course REA-CEC-REC-8806–Uniform Standards for Federal Land Acquisitions – 2017  
Course REA-CEC-REC-9788 – 7 Hour National USPAP Update – 2018  
Course REA-CEC-REC- Real Estate Finance, Value, & Investment Performance – 2018

### **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)–Tech. Marketing


### **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Appraiser # REA-RAL-LIC-841



## APPRAISERS LICENSES

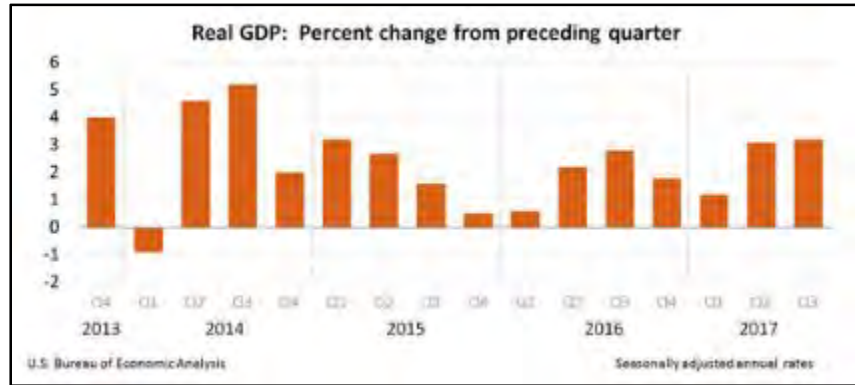
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>CERTIFIED GENERAL APPRAISER</b> With endorsements of: <i>REAL ESTATE APPRAISER MENTOR</i>
License #:	<b>REA-RAG-LIC-683</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2019</b>	
<b>ELLIOTT M CLARK</b> <b>CLARK REAL ESTATE APPRAISAL</b> <b>704C E 13TH STREET #509</b> <b>WHITEFISH, MT 59937</b>		
		 Montana Department of <b>LABOR &amp; INDUSTRY</b> <small>RENEW OR VERIFY YOUR LICENSE AT: <a href="https://biz.mt.gov/pol/">https://biz.mt.gov/pol/</a></small>

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>LICENSED APPRAISER</b>
License #:	<b>REA-RAL-LIC-841</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2019</b>	
<b>CHRISTOPHER D CLARK</b> <b>CLARK REAL ESTATE APPRAISAL</b> <b>704C E 13TH STREET #509</b> <b>WHITEFISH, MT 59937</b>		
		 Montana Department of <b>LABOR &amp; INDUSTRY</b> <small>RENEW OR VERIFY YOUR LICENSE AT: <a href="https://biz.mt.gov/pol/">https://biz.mt.gov/pol/</a></small>

## **ADDENDUM**

## NATIONAL ECONOMIC DATA

Real GDP increased by 3.2% in the third quarter of 2017 after increasing 3.1% in the second quarter of 2017 according to the Bureau of Economic Analysis of the US Department of Commerce (BEA). According to the BEA, the increase in real GDP reflected positive contributions from personal consumption expenditures, private inventory investment, nonresidential fixed investment, exports, federal government spending, and state and local government spending that were partly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.



According to the US Bureau of Labor and Statistics, the seasonally adjusted national unemployment rate for December 2017 was 4.1 %. This is lower than the December 2016 rate of 4.7%. This is the lowest national unemployment rate for the prior ten years.

## STATE ECONOMIC DATA

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

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

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

The Montana Bureau of Business and Economic Development forecasted issues with cattle prices and wheat production for 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 were 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 to 8.7%, and Montana's housing market resembles the market conditions prior to recession.

## FLATHEAD COUNTY DATA

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

### Geographical Information

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



### Population

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

### Employment

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

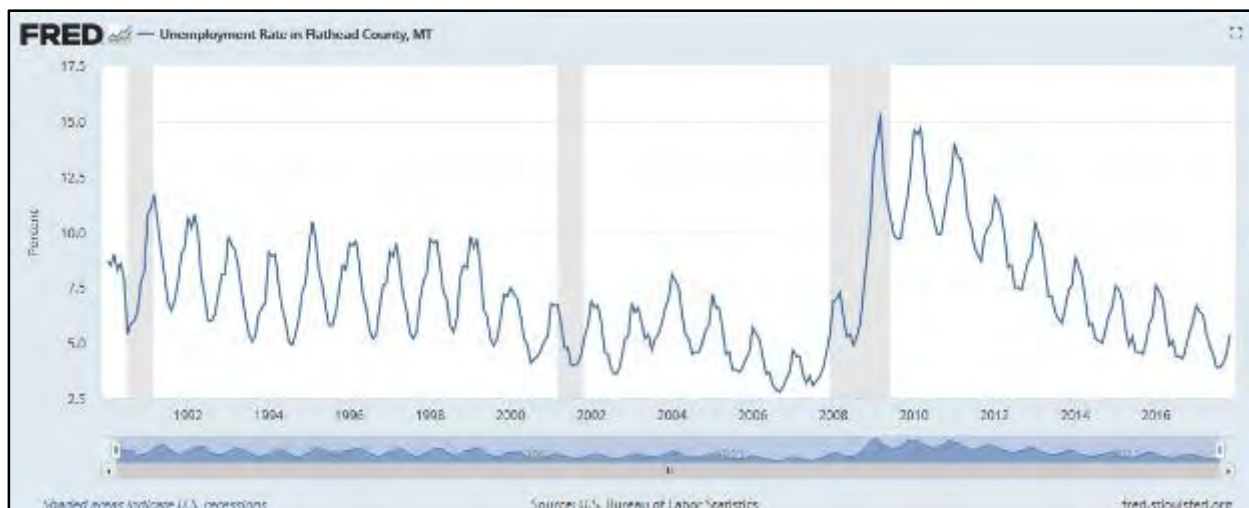
### Income

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



## Unemployment

According to the US Bureau of Labor and Statistics, the non-seasonally adjusted unemployment rate for Flathead County was 5.4% in November of 2017. This is below the December 2016 unemployment rate of 6.0%. Unemployment fluctuations for the county since 1990 are included on the graph below.



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

## Construction & Development

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

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

The twelve year high for residential single family permits in the three municipalities is 365 permits issued in 2005. Thousands of new residential subdivision lots were created in Flathead County (incorporated and unincorporated areas) during the early and mid-2000’s. Supply exceeded demand for the years immediately following the national recession. According to research by Clark Real Estate Appraisal, supply and demand moved closer to a balanced level in the municipalities in Flathead County over the past 5 years.

## Healthcare

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

## Tourism

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

## Linkages & Transportation

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

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

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

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

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

## City and Communities

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

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

**County Economic Data Conclusion**

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

## CITY AND NEIGHBORHOOD DATA

The subject properties are in an unincorporated portion of Flathead County approximately 26 miles southwest of the city of Kalispell. The city of Kalispell is the county seat for Flathead County and it is the major economic and business center for the area. Services available in Kalispell include; schools, employment, retail stores, places of worship, a thriving medical center, and an expanding community college.

### Population & Income

According to the US Census the 2016 population of the city of Kalispell was estimated to be 21,235. The population is forecasted to increase to 22,343 by 2021. This represents a forecasted increase of approximately 1.04% per year. The median household income was estimated to be \$40,147 in 2016. This is lower than the estimated 2016 median household income for Flathead County of \$47,173 and for the state of Montana of \$47,161. Approximately 17.1% of Kalispell residents were below the poverty line from 2010-2015 as opposed to 14.6% in the state for the same period.



### Employment

According to US Census Bureau statistics, there were 10,399 persons over the age of 16 employed in Kalispell. The categories of Healthcare & Social Assistance, Retail Trade, Accommodation & Food Services, and Public Administration make up approximately 61% of the job market. Healthcare & Social Assistance is the largest employment sector with 27.4% of the job market. Other significant employment categories in Kalispell include Education Services, Professional, Scientific, and Tech Services, Finance & Insurance, Real Estate, and Construction. Remaining sectors provide less than 2.0% of total employment. The Montana Department of Labor & Industry indicates that the unemployment rate for Flathead County in December 2016 was 5.9% of a total labor force of 45,084. This compares to an unemployment rate of 4.0% for the State of Montana, and 5.7% for the US.

### Linkages & Transportation

US Highway 93 runs north to south through the city of Kalispell and is labeled as the “Main Street” of the central business district. US Highway 93 provides access to Flathead Lake to the south of Kalispell and Whitefish to the north of Kalispell. There is a By-pass for US Highway 93 that is west of the city that was completed in 2016. US Highway 2 is an east to west arterial road through Kalispell and provides access to Columbia Falls and Glacier National Park. There is public transportation in Kalispell. There is a municipal airport in Kalispell which can accommodate small airplanes.

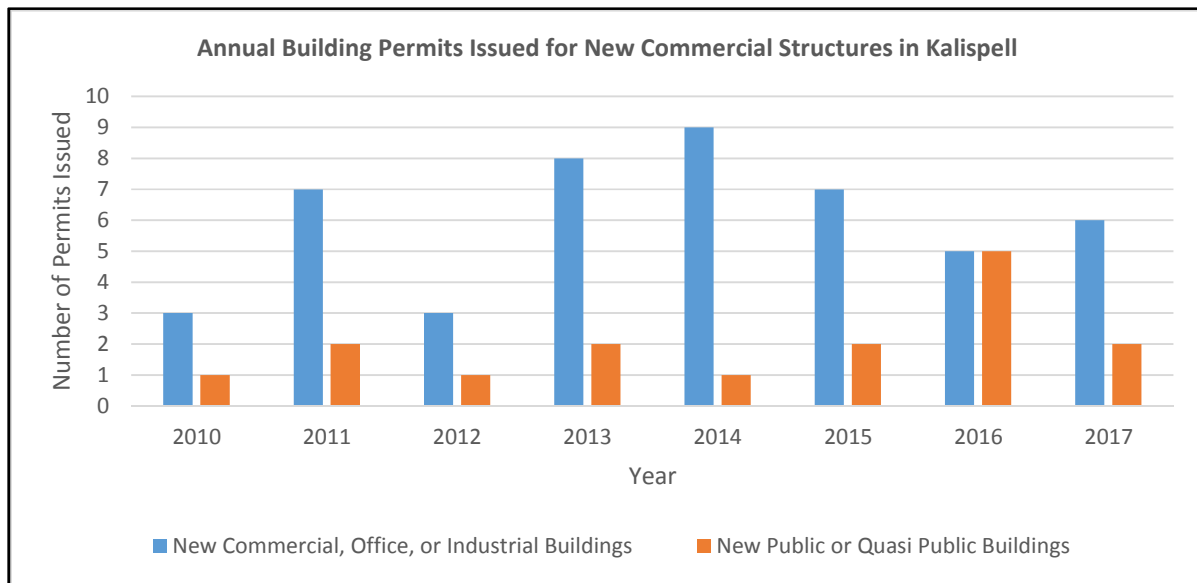
### Commercial Real Estate

Properties improved with medical and/or general offices and retail spaces are located throughout the Kalispell area. Most of the growth in the past few years has been concentrated in the area north



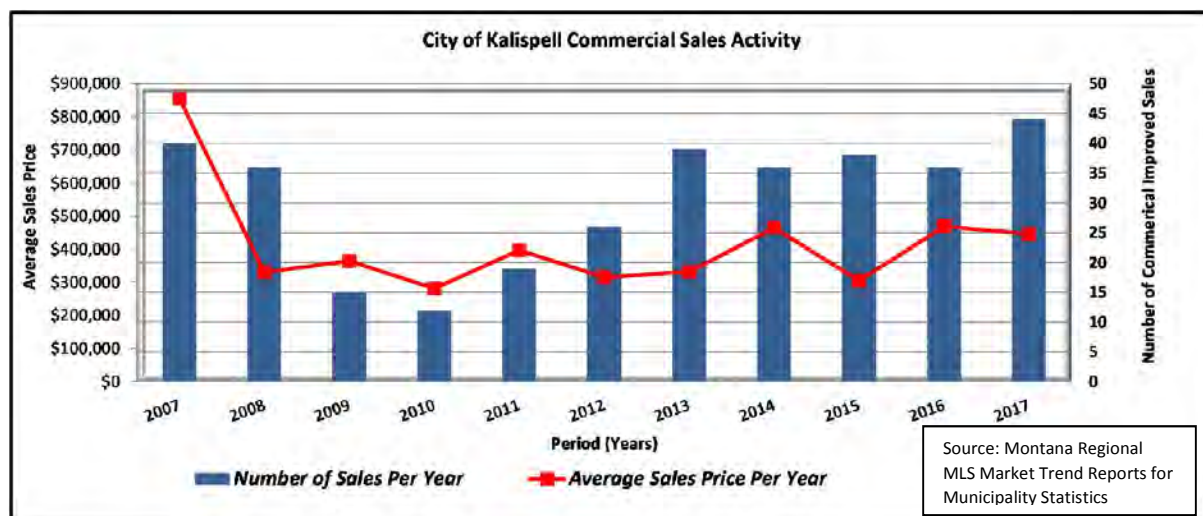
of Kalispell on US Highway 93 at Reserve Drive. This area has become the retail hub for the greater Flathead Valley area with the development of 3 neighborhood shopping centers. Additionally, the expansion of US Highway 93 to 4 lanes on the southern portion of Kalispell helped spur commercial development in that area over the past few years. A two lane bypass of US Highway 93 was completed in 2017. The by-pass has shortened travel times and alleviated large truck traffic in the central business district of Kalispell.

The City of Kalispell issued an average of approximately 7 new permits per year for commercial new construction between 2010 and 2017. The number of new commercial construction permits issued each year from 2010 through 2017 in Kalispell is included on the table below;



Source: City of Kalispell Building Department

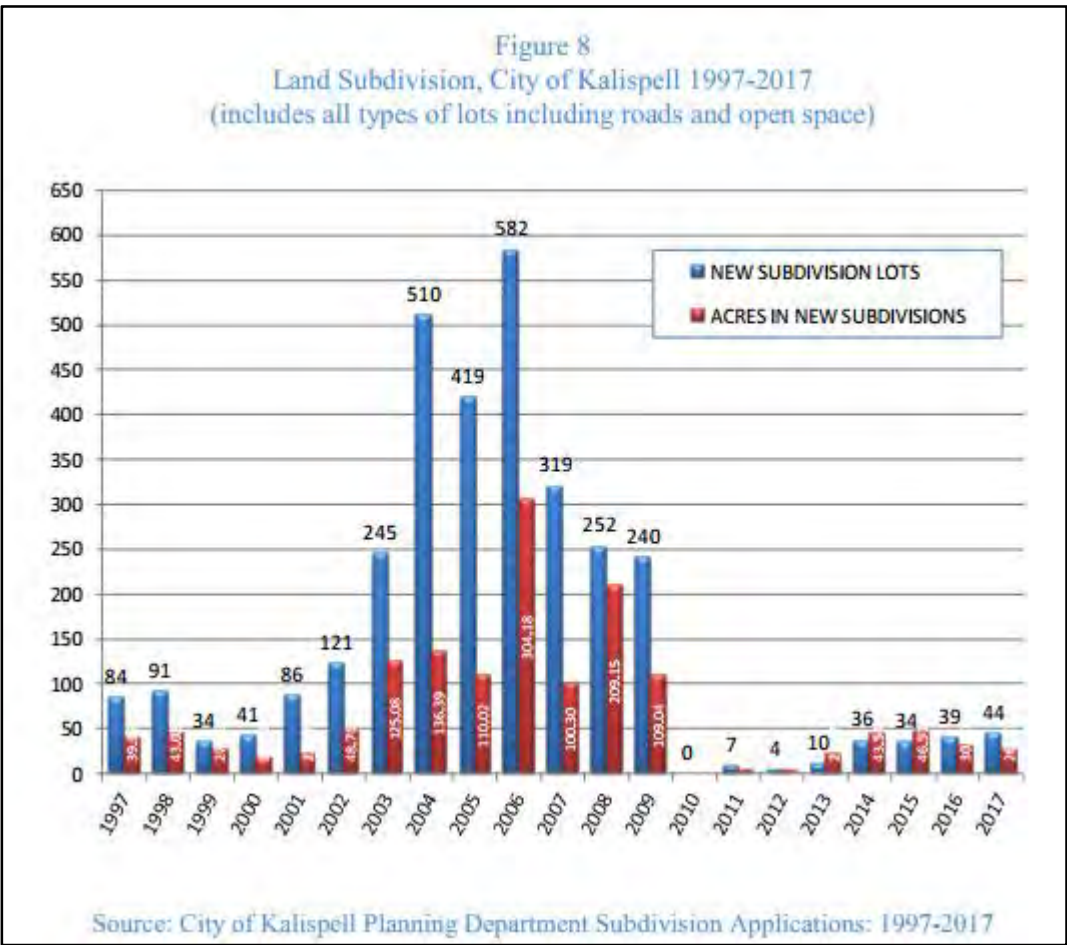
The chart below depicts sales volume and median price per property for improved commercial sales for the past 11 years in Kalispell;



The most recent peak in sales volume for improved commercial occurred in 2007, followed by a decline in demand. Demand increased each year between 2010 and 2013. Demand and Sales Price has fluctuated between 2013 and 2017. The average sales price decreased 35% from 2014 to 2015 but increased again in 2016 by 53.77%. Demand increased somewhat from 2014 to 2015 but decreased slightly in 2016 and increased in 2017. Foreclosed properties comprised a significant percentage of the commercial sales in the years immediately after the national recession. The inventory of foreclosed commercial properties has continued to decrease from 2012 to 2017.

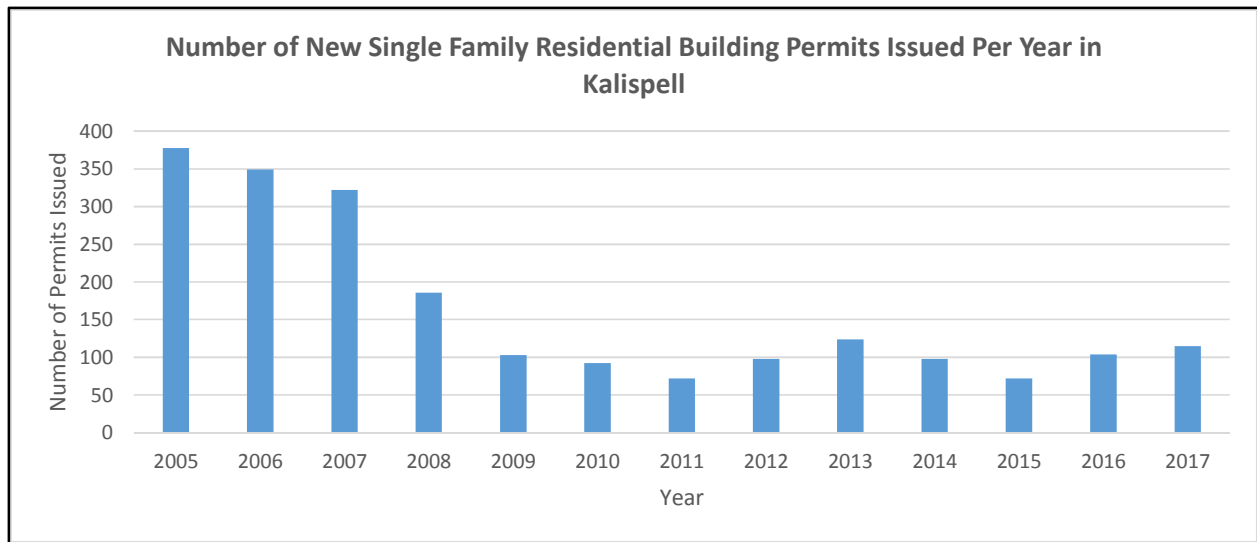
**Residential Real Estate**

New residential lots and acres in new subdivisions for the City of Kalispell between 1997 and 2017 are on the table below;



There was a total 666 new lots were created in Kalispell between 2008 and 2017.

The table on the following page depicts the annual number of new single-family residential construction permits issued in the city of Kalispell between 2005 and 2017.



Source: City of Kalispell

This data indicates that construction of single-family residential properties in Kalispell decreased each year between 2005 and 2011. The number of permits increased from 2011 to 2013, decreased again from 2014 to 2015, but have rebounded somewhat in 2016 and 2017.

The chart below depicts sales volume and median price per property for improved residential sales for the past 11 years in the municipal areas of Kalispell;

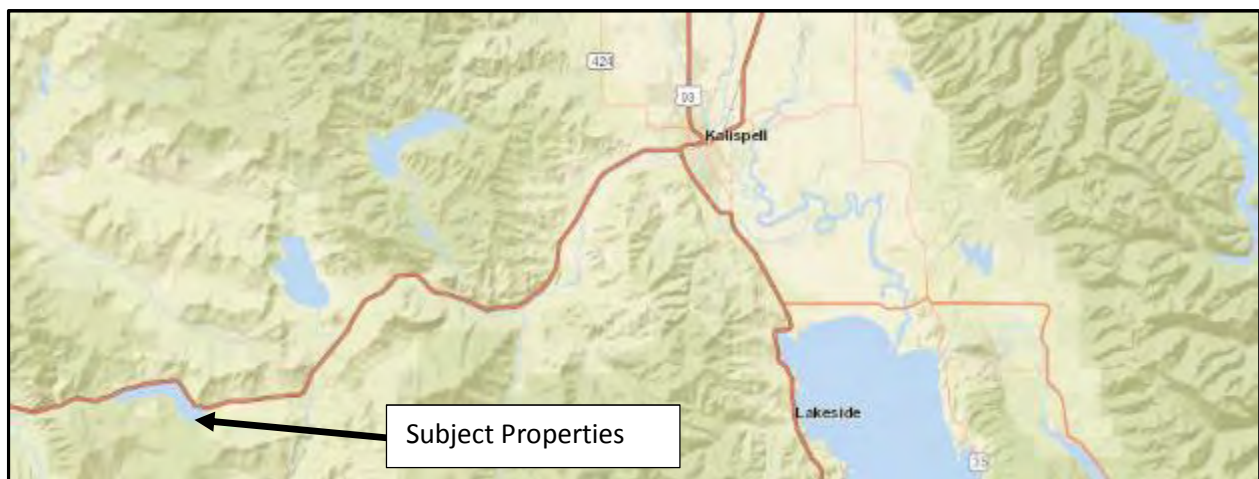


The volume of home sales in 2017 represents the peak for the period. Peak pricing also occurred for period in 2017.

## Conclusion

General market conditions for commercial properties in the Kalispell area are considered stable. The residential market sector has continued to improve. Sales volume and pricing increased for improved residential properties in Kalispell from 2011 through 2017. Supply and Demand for residential and commercial properties in the greater Kalispell area are in relative balance. List prices for commercial properties far exceed historical sales prices which could result in a lower number of commercial sales in the coming year; however, building permits issued for general commercial new construction increased in 2017 compared to 2016. In spite of high list prices in the commercial sector, future growth and expansion for the greater Kalispell area is considered likely in the long term due to forecasted population growth.

### Kalispell Area Map





## SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 11)

### **ATTACHMENT A**

#### **DNRC TLMD Real Estate Management Bureau Cabin/Home Site Sale Program**

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:  
2018 McGregor Lake Appraisals*

#### **CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:**

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board), and the Department of Natural Resources and Conservation (DNRC). The intended users are State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), and Lessees Karol K. Stack, Donald & Sara Erickson, Donald & Claudia Dennison, and James F. Slaton. 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 includes analysis and appraised values of the seven (7) cabin sites identified in the Supplemental Appraisal Instructions.

The subject property must 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. Comparable sales used should preferably be most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county. Use comparable sales of like properties.

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

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

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

**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

1. Include a total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.
2. Include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements.
3. Allocate a separate market value for the non-state-owned improvements, from the total market value derived in 1 above.
4. Valuation of the improvements must account for all forms of obsolescence.



**ATTACHMENT B**

**DNRC TLMD Real Estate Management Bureau  
Cabin/Home Site Sale Program**

*Supplemental Appraisal Instructions: 2018 McGregor Lake Appraisals*

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

**Subject Properties Located on McGregor Lake in Flathead County:**

Sale #	Acres	Legal Description
921	1.411 ±	Lot 3, McGregor Lake T26N-R25W, Sec. 16, Flathead County
922	1.789 ±	Lot 7, McGregor Lake T26N-R25W, Sec. 16, Flathead County
923	1.365 ±	Lot 12, McGregor Lake T26N-R25W, Sec. 16, Flathead County
925	1.470 ±	Lot 27, McGregor Lake T26N-R25W, Sec. 16, Flathead County
926	1.519 ±	Lot 17, McGregor Lake T26N-R25W, Sec. 16, Flathead County
927	1.135 ±	Lot 22, McGregor Lake T26N-R25W, Sec. 16, Flathead County
928	1.277 ±	Lot 23, McGregor Lake T26N-R25W, Sec. 16, Flathead County

**DNRC Contact Information:**

Kelly Motichka, Lands Section Supervisor  
PO Box 201601  
Helena, MT 59620-1601  
Phone: (406) 444-4165  
[kmotichka@mt.gov](mailto:kmotichka@mt.gov)

**Lessees:**

<b>Sale 921</b> Karol K. Stack 420 McGregor Lane Marion, MT 59925 (406) 858-2324	<b>Sale 922</b> Donald & Sara Ericksen 67 Spring Mountain Drive Kalispell, MT 59901 (406) 253-9054	<b>Sale 923</b> Donald & Claudia Dennison 53372 West Cardinal Maricopa, AZ 85139 (406) 858-2262
<b>Sale 925</b> James F. Slaton 4079 Saddleback Road Park City, UT 84098 (757) 291-1135	<b>Sale 926</b> DNRC	<b>Sale 927</b> DNRC
<b>Sale 928</b> DNRC		

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

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

The definition of market value is that as defined in 70-30-313 MCA.

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



**FLATHEAD COUNTY SALE LOCATION MAP**



**McGregor Lake**  
T26N-R25W, Sec. 16, Flathead County

