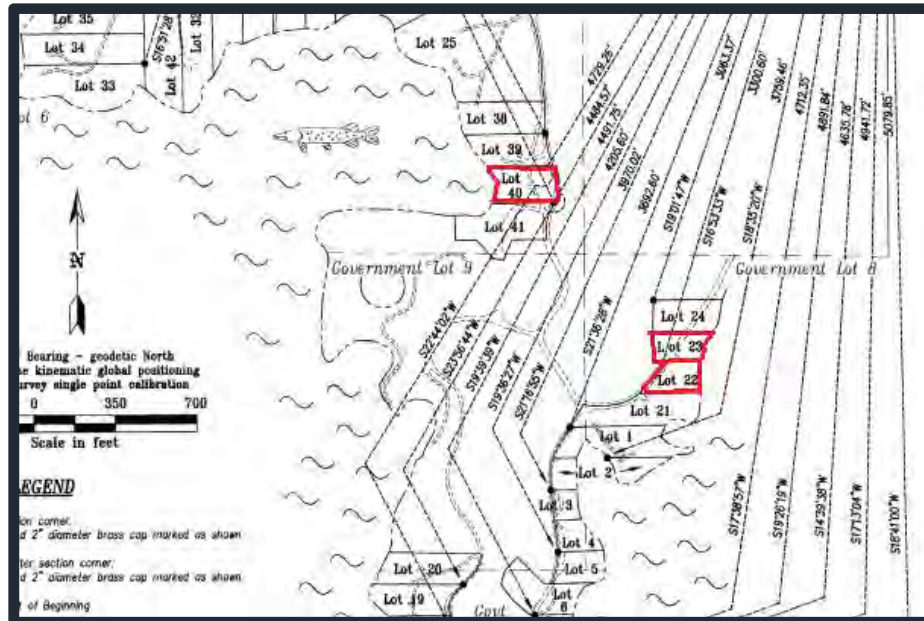


APPRAISAL REPORT OF:

**LOTS 22, 23, & 407
COS # 18885, ECHO LAKE,
BIGFORK, MONTANA**



PREPARED FOR:

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

MARKET VALUES AS OF:

June 19, 2018

PREPARED BY:

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



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

LETTER OF TRANSMITTAL

August 8, 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 22, 23, and 40, COS #18885, of Section 5, Township 27 North, Range 19 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 19, 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.

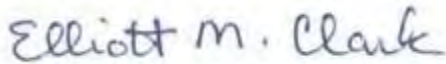
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We were not provided with soil studies for the subject sites. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any 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

18-020ec

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TABLE OF CONTENTS

LETTER OF TRANSMITTAL	2
SUMMARY OF SALIENT DATA AND CONCLUSIONS	5
CERTIFICATION OF APPRAISAL.....	6
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS.....	8
SCOPE OF THE APPRAISAL	10
IDENTIFICATION OF THE SUBJECT PROPERTIES	12
INTENDED USE & INTENDED USERS OF THE APPRAISAL.....	12
PURPOSE OF THE APPRAISAL	12
DATE OF PROPERTY VIEWINGS	13
EFFECTIVE DATE OF MARKET VALUES	13
PROPERTY RIGHTS APPRAISED	13
DEFINITION OF MARKET VALUE	13
STATEMENT OF OWNERSHIP & USE HISTORY	14
PROPERTY DESCRIPTIONS.....	15
GENERAL DESCRIPTIONS.....	15
ACCESS AND VIEWS	19
IMPROVEMENTS.....	19
EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS	20
ZONING	20
ASSESSMENT/REAL PROPERTY TAXES.....	21
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE	22
UTILITIES	23
PUBLIC SAFETY AND SERVICES	23
SITE SUITABILITY	23
SUBJECT BUILDING SKETCHES & PHOTOGRAPHS.....	24
SUBJECT MARKET ANALYSIS	42
HIGHEST AND BEST USE	46
THE APPRAISAL PROCESS.....	48
LAKEFRONT LOT SALES	49
HOME SALES	54
PROPERTY VALUATIONS	61
LOT 22.....	62
LOT 23.....	68
LOT 40.....	74
RECAPITULATION OF VALUE INDICATIONS	80
QUALIFICATIONS OF THE APPRAISERS	81
APPRAISERS LICENSES.....	85
ADDENDUM.....	86
NATIONAL ECONOMIC DATA.....	87
STATE ECONOMIC DATA.....	87
FLATHEAD COUNTY DATA	88
BIGFORK ECONOMIC DATA.....	92
SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS	95

SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lots 22, 23, & 40 of COS #18885, Section 5, Township 27 North, Range 19 West, Flathead County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-063-0013.02
Flood Zone	Zone X, Map Panel 30029C1875G – Dated September 28, 2007
Zoning	SAG-5, Suburban Agricultural (5 Acre Minimum Site Area)

HIGHEST AND BEST USE(S)

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

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

Report Date	August 8, 2018
Inspection Date(s)	June 19, 2018
Effective Date of Value(s)	June 19, 2018
Property Rights Appraised	Fee Simple
Estimate of Market Values	
Individual Lot Values	Property Valuation Section of Report & Page 61 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 61 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 61 of Report

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

MARKETING & EXPOSURE TIME

The appraised values for the subject properties as 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

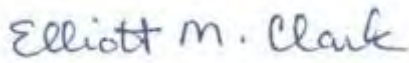
Appraiser(s)	Elliott M. Clark, MAI & Christopher D. Clark
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CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions, and conclusions.
- Elliott M. Clark, MAI and Christopher D. Clark have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- We prepared an appraisal report for the client with an effective date of August 18, 2015 which included subject Lot 40. We have performed no services, as appraisers or in any other capacity, regarding subject Lots 22 or 23 within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or directions in value that favor the cause of the clients, the amounts of the value opinions, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- Elliott M. Clark, MAI and Christopher D. Clark both personally viewed the subject properties.
- No one provided significant real property appraisal assistance to the persons signing this certification.

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



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



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 22, 23, and 40 of COS #18885, Bigfork, 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 19, 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
22	929	18885	S05/T27N/R19W	Flathead
23	930	18885	S05/T27N/R19W	Flathead
40	931	18885	S05/T27N/R19W	Flathead

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject 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
22	929	Lance & Juli Miller
23	930	Floyd R. & Helen M. Cook
40	931	Brian & Cari Schlauch

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 19, 2018

EFFECTIVE DATE OF MARKET VALUES

June 19, 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
22	929	Lance & Juli Miller	Quit Claim Deed - 2011
23	930	Floyd R. & Helen M. Cook	Unknown (Lessees Reported 2011 Purchase of Improvements)
40	931	Brian & Cari Schlauch	Quit Claim 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. There was a site built house on Lot 40 and mobile homes on Lots 22 and 23. The house construction date for Lot 40 and any recent listing information for the improvements via the area MLS for each property are below;

Lot #	Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
22	929	Lance & Juli Miller	N/A - Mobile Home	Expired Listing for \$68,500 in 2010
23	930	Floyd R. & Helen M. Cook	N/A - Mobile Home	N/A
40	931	Brian & Cari Schlauch	1930	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.

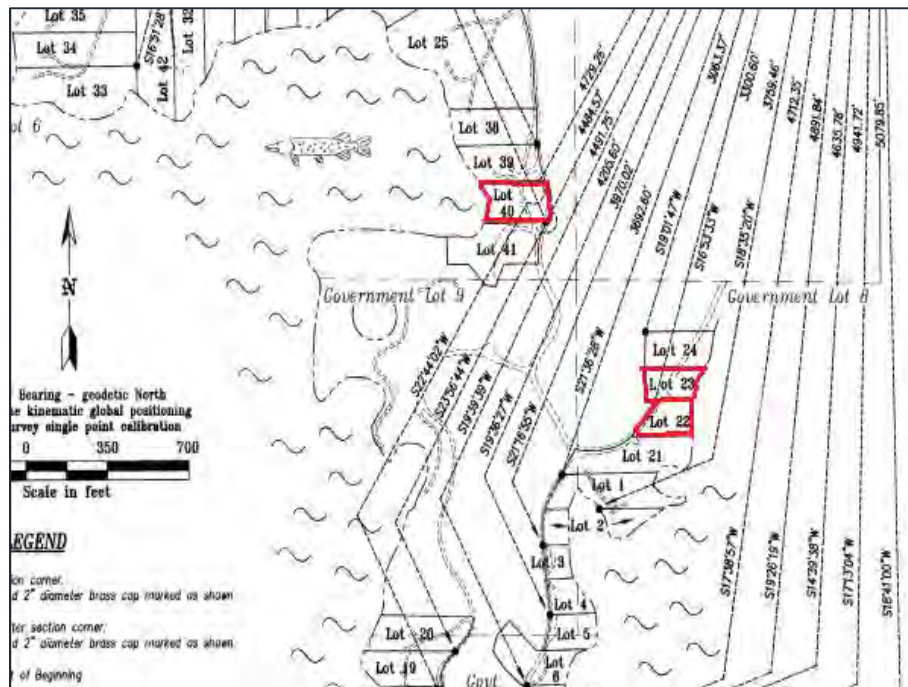
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

The subject properties are Lots 22, 23, and 40 of Certificate of Survey #18885 in Section 5, Township 27 North, Range 19 West, in Flathead County, Montana. The subject properties are described on the table below;

Lot #	Sale #	Lessee	Gross Acres	Net Acres	Front Feet
22	929	Lance & Juli Miller	0.658	0.543	136.37
23	930	Floyd R. & Helen M. Cook	0.646	0.430	132.59
40	931	Brian & Cari Schlauch	0.965	0.852	173.11

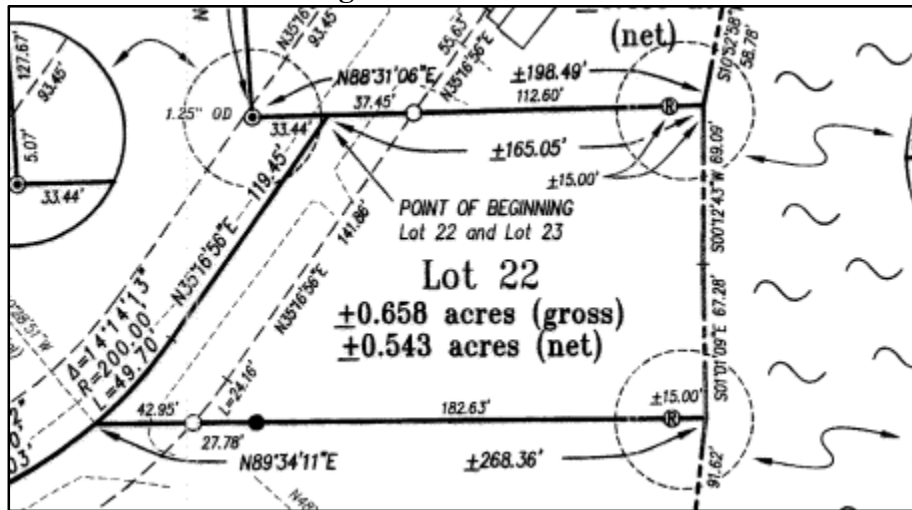
The subject properties are identified on COS #18885 (portion of page 1 of 12) below;



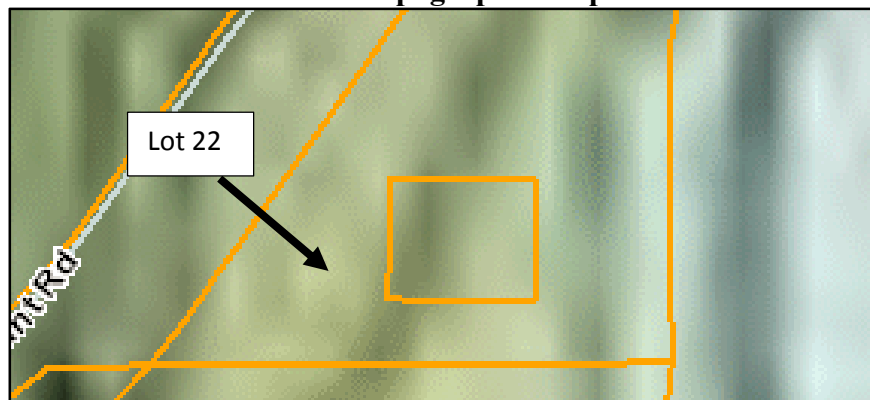
Individual images depicting each subject site recorded as part of COS #18885 and topographic maps are included on the following pages.

LOT 22

Enlarged View of COS #18885

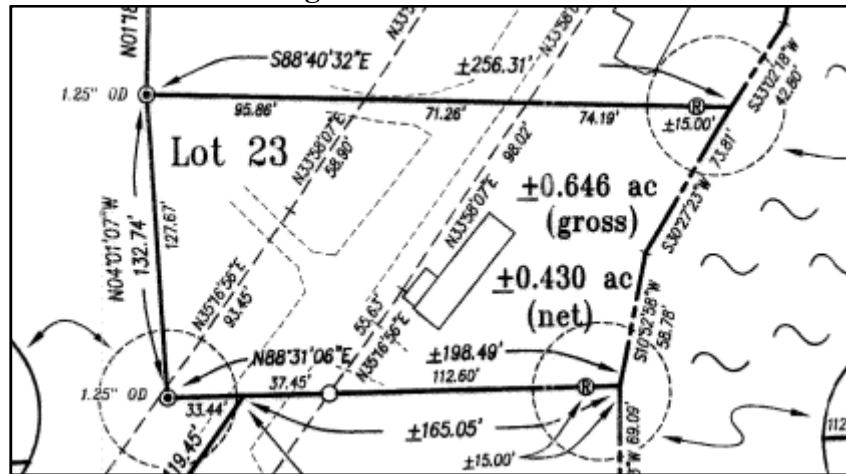


Area Topographic Map

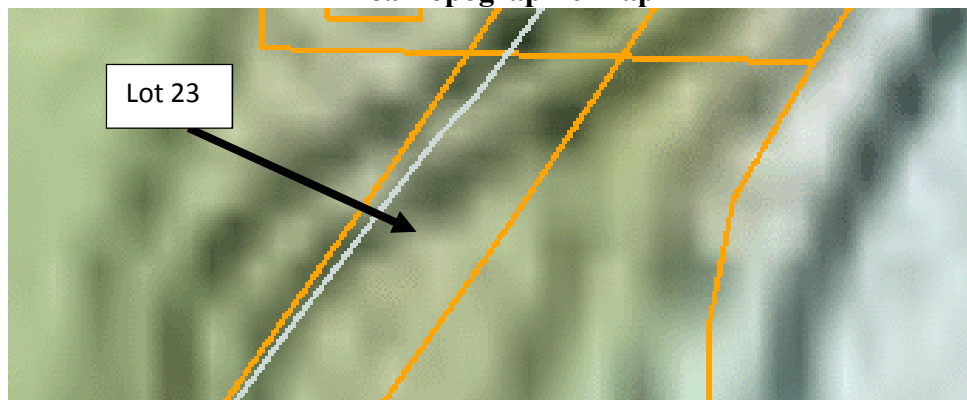


LOT 23

Enlarged View of COS #18885

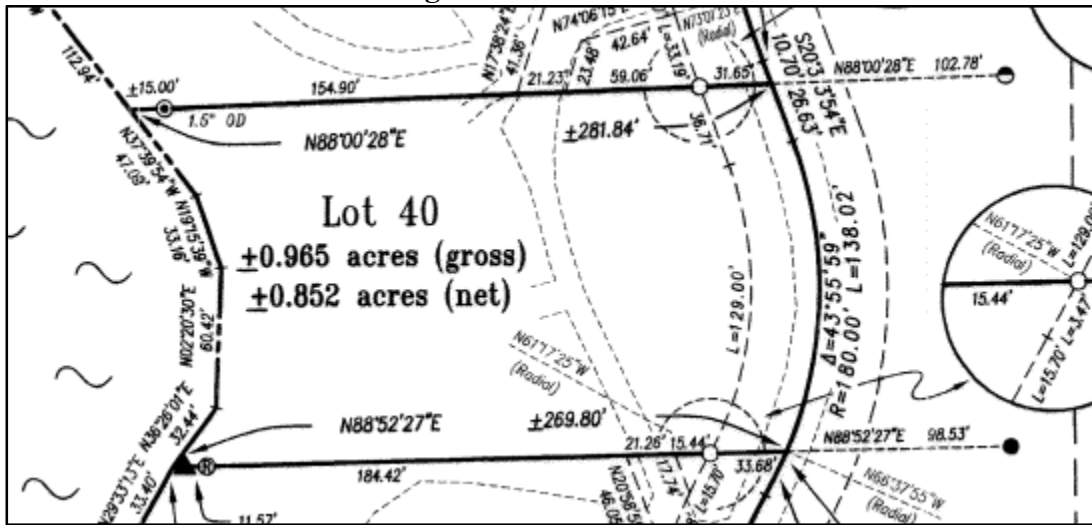


Area Topographic Map

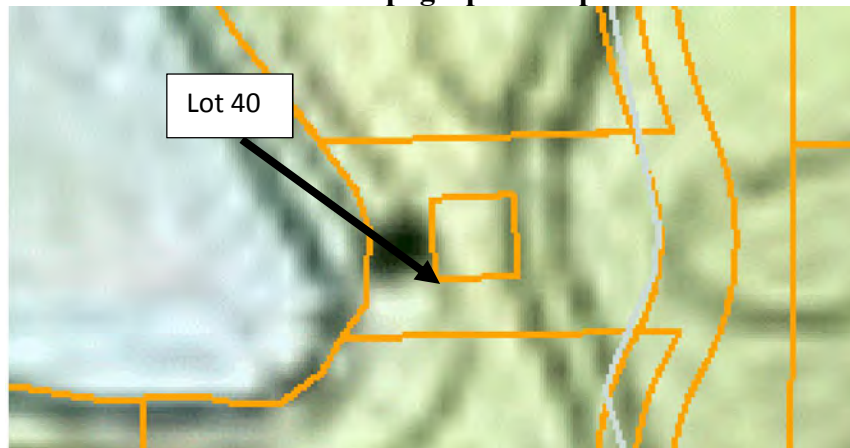


LOT 40

Enlarged View of COS #18885



Area Topographic Map



ACCESS AND VIEWS

The subject properties all have views of and frontage along Echo Lake. The subject lots include portions of LaBrandt Road within the lot boundaries. Lots 22 and 40 include portions of LaBrandt Road within the west and east boundaries respectively. Lot 23 is bisected by LaBrandt Road. Lots 22 and 23 will have vehicular access from LaBrandt Road. Lot 40 will have vehicular access via a 30' wide driveway from LaBrandt Road. This driveway crosses Lot 40 and provides vehicular access to Lots 38, 39, 40, and 41. LaBrandt Road is 60' wide gravel covered road which is maintained by Flathead County. Specific access to each subject parcel is identified on the table below;

Lot #	Sale #	Lessee	Address	Access
22	929	Lance & Juli Miller	1890 LaBrandt Rd	LaBrandt Road
23	930	Floyd R. & Helen M. Cook	1894 LaBrandt Rd	LaBrandt Road
40	931	Brian & Cari Schlauch	1634 LaBrandt Rd	Shared Driveway from LaBrandt Rd (provides access to Lots 38, 39, 40 & 41)

IMPROVEMENTS

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

Lot #	22	23	40
Residence SF	1,060	738	487
Construction Type	Single Wide Mobile Home	Single Wide Mobile Home	Log Frame
Foundation	Pier	Pier	Pier
Quality	Average	Average	Average
Condition	Average	Average	Average
Year Built	1977 (Moved to Site 2014)	1995 (Moved to Site 2011)	1930 (Renovated)
# of Bedrooms	2	2	1
# of Bathrooms	2	1	1
Porches	109 SF Covered Porch	64 SF Covered Porch & 848 SF Deck	171 SF Covered Deck & 142 SF Total Additional Decks
Outbuildings	128 SF Storage Building	228 SF Bunkhouse & 128 SF Shed	172 SF Bunkhouse, 64 SF Shed, & 27 SF Outhouse
Well/Septic	Well/Septic	2 Wells/Septic	Well/Septic
Landscaping	Law n	Law n	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;

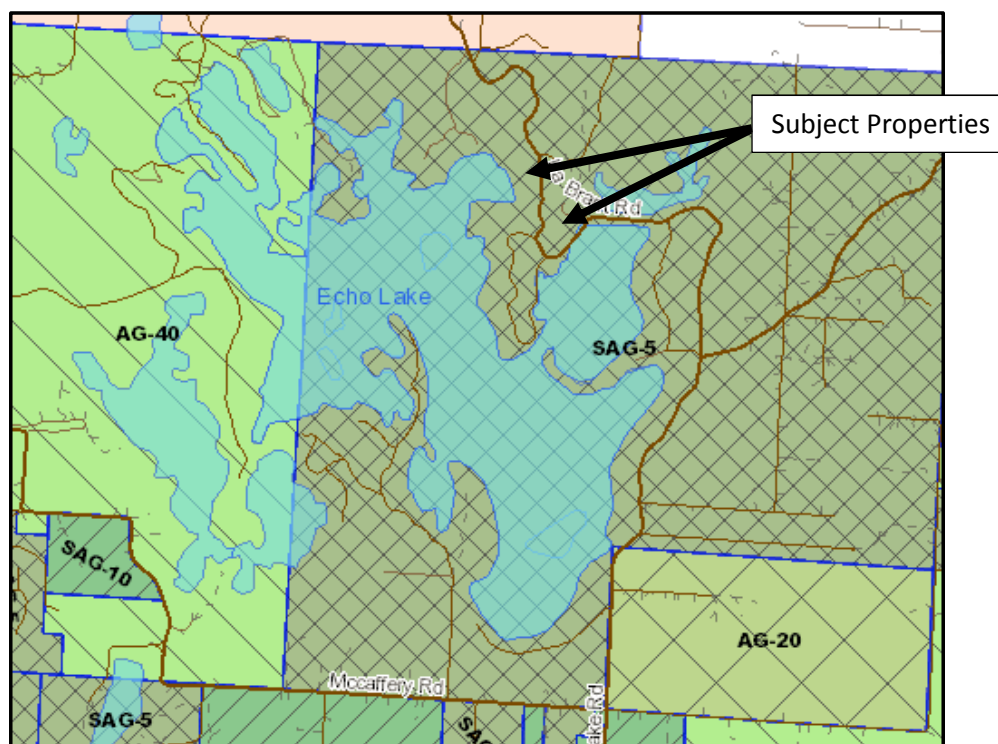
Lot #	Sale #	Lessee	Easement Affecting Property
22	929	Lance & Juli Miller	40' w wide portion of LaBrandt Rd w within property western boundary,
23	930	Floyd R. & Helen M. Cook	60' w wide easement for LaBrandt Rd bisects property
40	931	Brian & Cari Schlauch	20' w wide shared driveway to Lot 41 within this property, 30'+ w wide portion of LaBrandt Rd within this property eastern boundary, and overhead power line bisects site

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

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

ZONING

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



The intent of the SAG-5 zoning district is below;

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

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

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

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

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

ASSESSMENT/REAL PROPERTY TAXES

The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 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
22	Lance & Juli Miller	0920345	\$48,040	\$450.69
23	Floyd R. & Helen M. Cook	T510219	\$39,750	\$393.32
40	Brian & Cari Schlauch	0042540	\$35,830	\$367.50

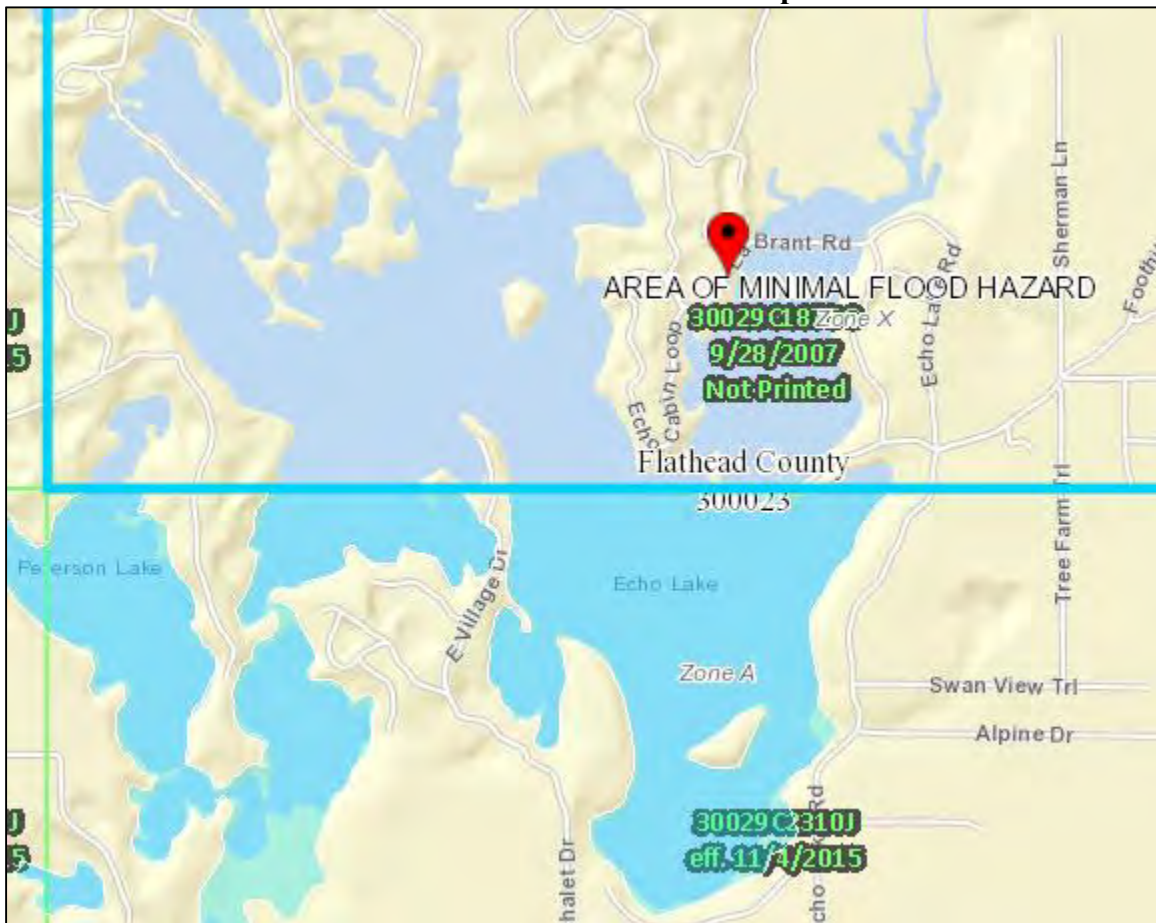
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

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

The subject lots include native vegetation and/or landscaping. All three lots slope down toward the lake. Much of the unencumbered portion of Lot 40 slopes steeply down toward the lake. The most level portion of Lot 23 is on the west side of LaBrandt Road. The portion of Lot 23 east of LaBrandt Road includes a level area just sufficient for the subject mobile home.

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

Exhibit from Area FEMA Map



UTILITIES

The subject lots have access to and/or are connected to electricity and phone lines. The subject lots all include wells and septic systems. Lots 23 and 40 include water rights. Information provided by the lessees and/or MT DNRC regarding septic systems, wells, and water rights is below;

Lot #	Lessees	Septic	Water Source	Water Right
22	Lance & Juli Miller	Yes	Well	No
23	Floyd R. & Helen M. Cook	Yes	Wells (2)	Yes
40	Brian & Cari Schlauch	Yes	Well	Yes

PUBLIC SAFETY AND SERVICES

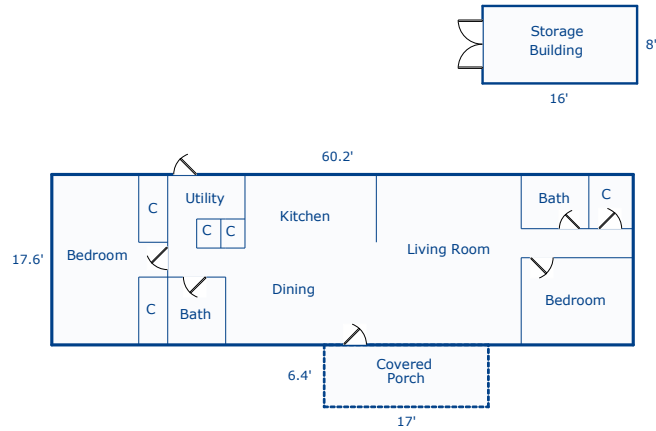
Police, fire protection, and other services are provided by Flathead County and area volunteer emergency services.

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 22 – BUILDING SKETCHES



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1059.52	1059.52
P/P	Covered Porch	108.80	108.80
OTH	Storage Building	128.00	128.00
Net LIVABLE Area		(rounded)	1060

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
17.6	x 60.2	1059.52
1 Item		(rounded) 1060

LOT 22 - SUBJECT PHOTOGRAPHS



Residence on Lot 22



North Side of Residence



East Side of Residence



View of Residence from Lake Frontage



East Side of Residence



Living Room

ADDITIONAL PHOTOGRAPHS



Kitchen



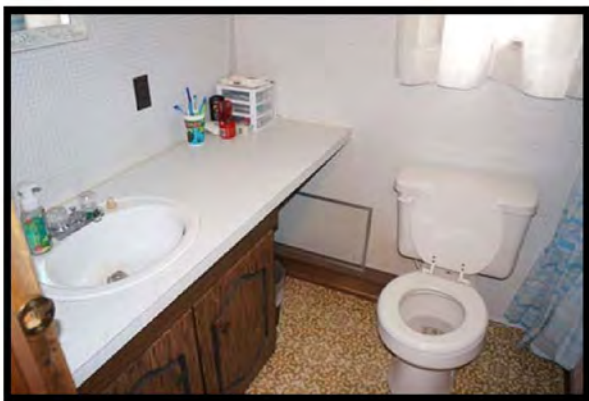
Master Bedroom



Bunk Room



Bathroom

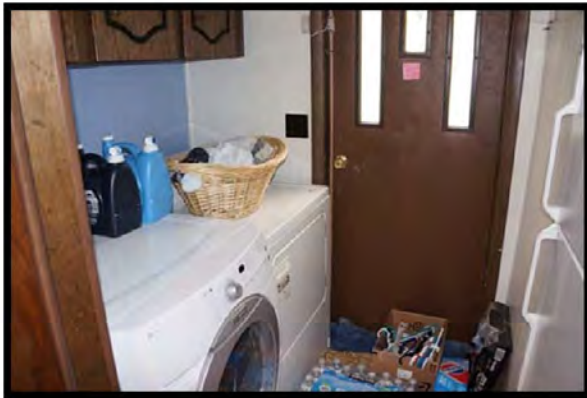


Bathroom



Hallway

ADDITIONAL PHOTOGRAPHS



Laundry Room



Storage Building



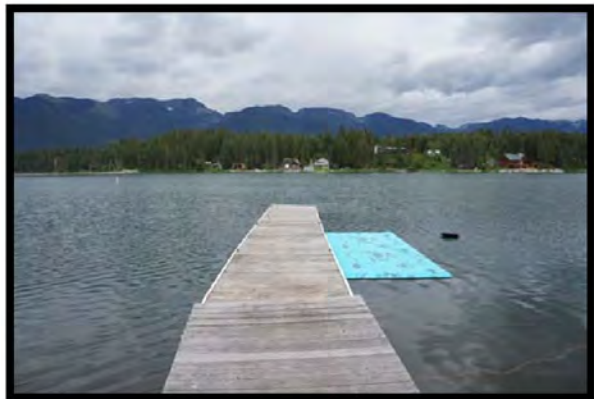
Lot 22 Interior Looking North



Electric Meter on Lot 22



View of Echo Lake and Dock from Lot 22



Dock

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View North along East Property Boundary and Lake Frontage



Well on Property



Northeast Property Boundary Marker



View South along East Property Boundary and Lake Frontage



View NE along West Property Boundary & LaBrandt Rd.

ADDITIONAL PHOTOGRAPHS

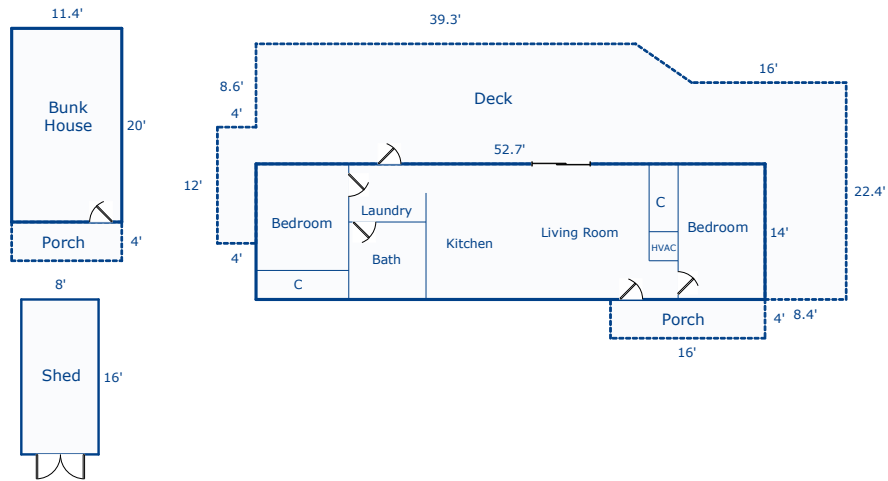


View East along South Property Boundary



View SW along West Property Boundary & LaBrandt Rd.

LOT 23 – BUILDING SKETCHES



Sketch by Apex Sketch v5 Standard™
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	737.80	
	Bunk House	228.00	965.80
P/P	Covered Porch	64.00	
	Deck	847.64	
	Bunk House Porch	45.60	957.24
OTH	Shed	128.00	128.00
Net LIVABLE Area		(rounded)	966

LIVING AREA BREAKDOWN			
	Breakdown		Subtotals
First Floor	52.7	x 14.0	737.80
Bunk House	11.4	x 20.0	228.00
2 Items	(rounded)		966

LOT 23 - SUBJECT PHOTOGRAPHS



Residence on Lot 23



North Side of Residence



South Side of Residence



View of Residence from Lake Frontage



Deck



Living Room

ADDITIONAL PHOTOGRAPHS



Kitchen



Bedroom



Bedroom



Bathroom



Laundry Room



Bunk House

ADDITIONAL PHOTOGRAPHS



Bunk House Interior



Storage Shed



View of Echo Lake from Deck



Dock



Lot 23 Interior



SE Property Boundary Marker and Lake Frontage Looking North

ADDITIONAL PHOTOGRAPHS



View South along Echo Lake Frontage



View South from Northeast Property Corner



Northwest Property Boundary Marker



View South along West Property Boundary



Bunk House and Shed on West Side of LaBrandt Rd.



Residence on Lot 23 from LaBrandt Rd.

ADDITIONAL PHOTOGRAPHS

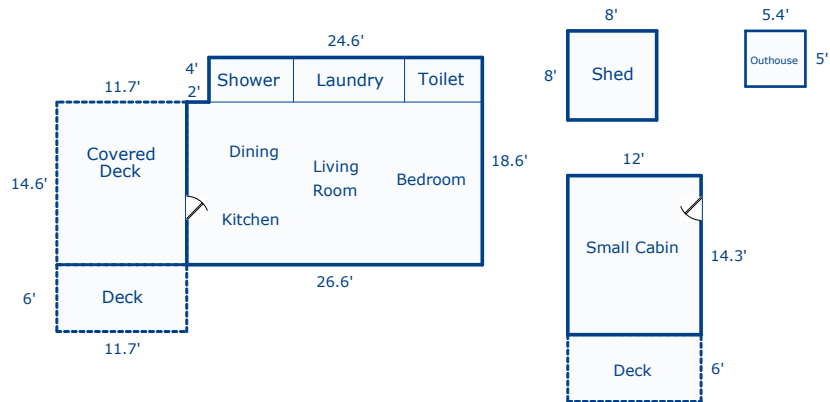


LaBrandt Road Looking Northeast



LaBrandt Road Looking Southwest

LOT 40 – BUILDING SKETCHES



Sketch by Apex Sketch v5 Standard™
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	486.76	
	Small Cabin	171.60	658.36
GAR	Shed	64.00	64.00
P/P	Covered Deck	170.82	
	Deck	70.20	
	Deck	72.00	313.02
OTH	Outhouse	27.00	27.00
Net LIVABLE Area		(rounded)	658

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	24.6	x 4.0	98.40
	14.6	x 26.6	388.36
Small Cabin			
	12.0	x 14.3	171.60
3 Items			(rounded) 658

LOT 40 - SUBJECT PHOTOGRAPHS



Cabin on Lot 40



East Side of Cabin



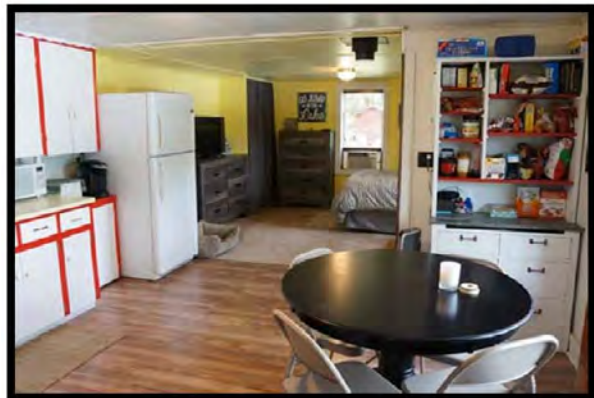
South Side of Cabin



Cabin, Bath and Laundry Rooms



Cabin from Lake Frontage



Cabin Interior

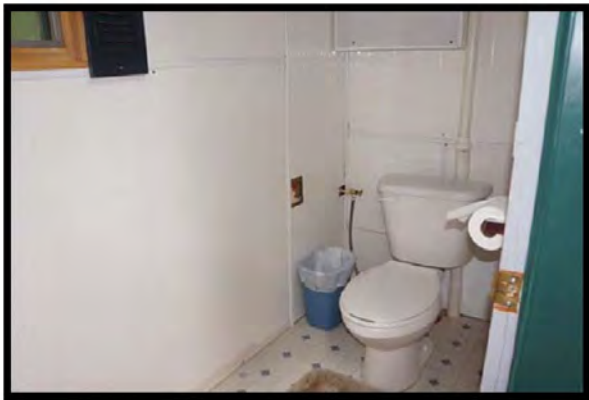
ADDITIONAL PHOTOGRAPHS



Kitchen



Bedroom



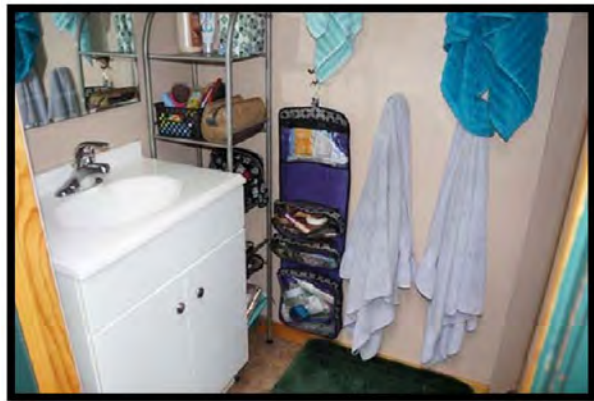
Bathroom



Laundry



Utility Room



Bathroom

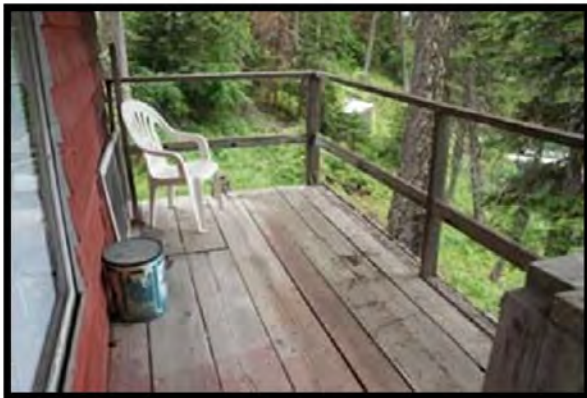
ADDITIONAL PHOTOGRAPHS



Bunk House



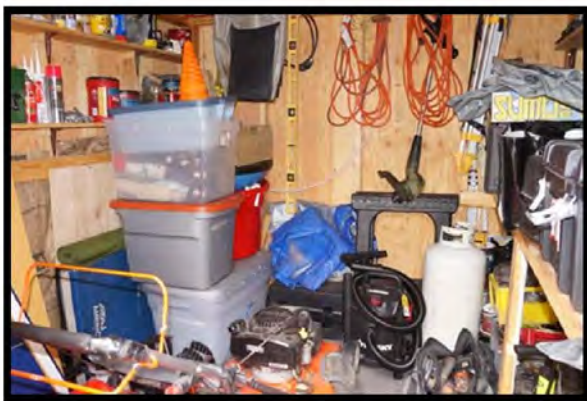
Bunk House Interior



Bunk House Deck



Storage Shed



Storage Shed Interior



Outhouse/Storage

ADDITIONAL PHOTOGRAPHS



Fire Pit & View of Echo Lake



Deck and View of Echo Lake



Northwest Property Boundary Marker Looking South



Southwest Property Corner Looking North



Southeast Property Boundary Marker



Northeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



Parking Area on Lot 40



Driveway to Lot 40 from LaBrandt Rd.



LaBrandt Road Looking South



LaBrandt Road Looking North

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 0.430 up to 0.852 acres in size. All have frontage along Echo Lake. The subject lot front footages range from 132.59 up to 173.11. Lots 22 and 23 include single wide mobile homes and Lot 40 includes a cabin.

Area Land Use Trends

Many surrounding properties with frontage along Echo 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 Echo Lake. Whitefish Lake is a relatively small area lake; however, market participants seeking property on Whitefish Lake would not be similar to those seeking property along Echo Lake. This is due to the 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 Echo Lake.

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales of vacant and improved properties along area lakes with site 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 Echo Lake.

There were not sufficient sales on Echo Lake in recent years 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 Echo Lake. We located two site sales with frontage along Echo Lake since 2016. The subject sites (as if vacant) are considered to have similar marketability compared to other properties with frontage along small area lakes.

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

Estimated Marketing and Exposure Times

The 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 sales of homes on similar area lakes that sold during 2017 were marketed for an average of 246 days. The 9 sales of vacant sites sold during 2018 Year-to-Date were marketed for an average of 363 days. **Marketing times** of approximately 6 to 12 months are appropriate for the subject properties as improved. If the properties, as improved, had sold on the effective date of this report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

AS IF VACANT

Legally Permissible

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

Physically Possible

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

Financially Feasible

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

Maximally Productive

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

AS IMPROVED

Subject Lots 22 and 23 are improved with mobile homes and outbuildings. Subject Lot 40 is improved with a cabin and outbuildings. There is market acceptance of many types of residences along small area lakes. Area lakefront residences range from very small, older, not 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 a single family residences (recreational and/or year round residential) for the subject properties are the highest and best use as improved.

THE APPRAISAL PROCESS

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

APPROACHES IN THE VALUATION OF REAL PROPERTY

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

Cost Approach

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

Sales Comparison Approach

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

Income Capitalization Approach

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

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

The Sales Comparison Approach is developed to determine the 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 recognized unit of comparison is price per feet of frontage along the lake. These comparables are described on the table below;


Sale #	Address	City	Lake	Front Feet	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvements	Price/FF
1	1170 Echo Lake Rd	Bigfork	Echo Lake	100.00	2018	\$295,000	\$2,500	\$292,500	\$2,925
1	185 Weaver Ln	Kalispell	Lake Blaine	150.00	2018	\$362,500	\$0	\$362,500	\$2,417
3	804 Abbot Village Dr	Bigfork	Abbot Lake	96.00	2018	\$270,000	\$10,000	\$260,000	\$2,708
4	636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	2016	\$371,000	\$0	\$371,000	\$2,968

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

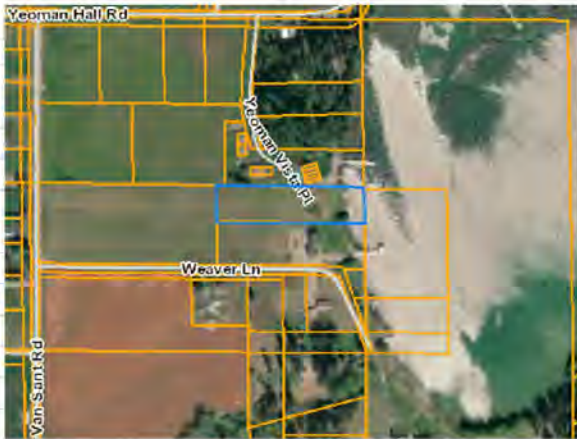
Map of Comparable Lot Sales




LAND SALE 1

COMPARABLE SALE INFORMATION					
	Location		1170 Echo Lake Road		
	City/State		Bigfork, Montana		
	County		Flathead		
	Assessor Number		0935640		
	Zoning		SAG-5, Suburban Ag/5 Acre Min		
	Site Size: Acres		0.470		
	Square Feet		20,473		
	Date of Sale		March 30, 2018		
	Sales Price		\$295,000		
	Less Cost of Improvements*		\$2,500		
Sales Price Adjusted		\$292,500			
MLS #		21702917			
ANALYSIS OF SALE					
Price per Acre		\$622,340	Price per Square Foot	\$14.29	
			Price Per Front Foot	\$2,925	
TRANSFER INFORMATION					
Grantor		David E. Williams & Sharon E. Williams	Grantee		Katerina A. Robinson
Type of Instrument		Warranty Deed	Document #		201800006127
			Marketing Time		361 Days on Market
Financing/Conditions		Conventional/Market	Verified By		Scott Hollinger, Listing Agent
Legal Description		Lot 60 of Echo Acres Subdivision, Flathead County, Montana	Intended Use/Comments		Purchased for Residential / Recreational Use
Section/Township/Range		S4/T27N/R19W			
PROPERTY DETAILS					
Access		Echo Lake Road	View		Lake, Mountains
Topography		Sloping	Lot Dimensions		Various
Flood Plain		According to FEMA Map Panel 30029C1875G, this property is not in an area of elevated flood risk.	Improvements		RV Shed & Older Septic
Water		Echo Lake	Value of Improvements		\$2,500
Water Frontage/Front Feet		100.00			
Utilities		Electricity & Telephone at road.	Miscellaneous		
				Report File # 18-020ec	

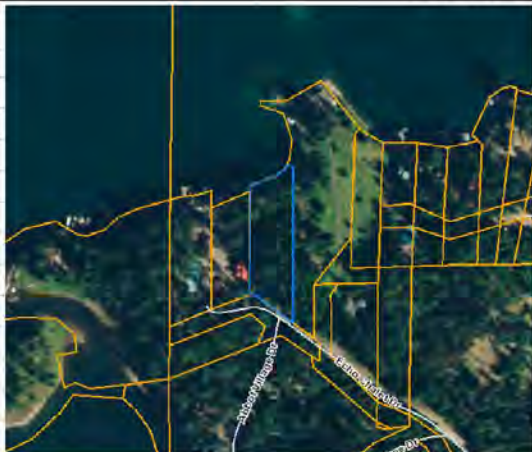
LAND SALE 2

COMPARABLE SALE INFORMATION				
	Location	185 Weaver Lane		
		Kalispell, Montana		
	County	Flathead		
	Assessor Number	0935640		
	Zoning	No Zoning		
	Site Size: Acres	2.036		
	Square Feet	88,688		
	Date of Sale	April 2, 2018		
	Sales Price	\$362,500		
	Less Cost of Improvements*	\$0		
	Sales Price Adjusted	\$362,500		
	MLS #	21707269		
ANALYSIS OF SALE				
Price per Acre	\$178,045	Price per Square Foot	\$4.09	
		Price Per Front Foot	\$2,417	
TRANSFER INFORMATION				
Grantor	Richard Layton	Grantee	Bronson Patrick Harker & Casey Lynne Harker	
Type of Instrument	Warranty Deed	Document #	201800006326	
		Marketing Time	292 Days on Market	
Financing/Conditions	Conventional/Market	Verified By	Steve Dooling, Listing Agent	
Legal Description	Tract 2 of COS # 20463, Flathead County, Montana	Intended Use/Comments	Purchased for Residential / Recreational Use	
Section/Township/Range	S27/T29N/R20W			
PROPERTY DETAILS				
Access	Driveway from County Road	View	Lake, Mountains	
Topography	Level	Lot Dimensions	Various	
Flood Plain	According to FEMA Map Panel 30029C1835G, this property is not in an area of elevated flood risk.	Improvements	N/A	
Water	Lake Blaine	Value of Improvements	\$0	
Water Frontage/Front Feet	150.00			
Utilities	Electricity & Telephone at road.	Miscellaneous		
				Report File # 18-020ec

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location	804 Abbot Village Drive	
		Bigfork, Montana	
	County	Flathead	
	Assessor Number	0280190	
	Zoning	SAG-5, Suburban Ag/5 Ac Min	
	Site Size: Acres	0.770	
	Square Feet	33,541	
	Date of Sale	April 2, 2018	
	Sales Price	\$270,000	
	Less Cost of Improvements*	\$10,000	
	Sales Price Adjusted	\$260,000	
	MLS #	21710982	
ANALYSIS OF SALE			
Price per Acre	\$337,662	Price per Square Foot	\$7.75
		Price Per Front Foot	\$2,708
TRANSFER INFORMATION			
Grantor	Paul D. & Shirley M. Gochis, Frack R. Willis Jr, & Mark W. & Susan G. Sterkel	Grantee	Jacob W. Carter & Sonia J. Carter
Type of Instrument	Warranty Deed	Document #	201800006204
Financing/Conditions	Conventional/Market	Marketing Time	214 Days on Market
Legal Description	Lengthy - in appraisal work file	Verified By	Jennifer Shelley, Listing Agent
		Intended Use/Comments	Purchased for Residential / Recreational Use
Section/Township/Range	S/T29N/R20W		
PROPERTY DETAILS			
Access	Private Road - Gravel	View	Lake, Mountains
Topography	Sloping	Lot Dimensions	Various
Flood Plain	According to FEMA Map Panel 30029C2310J this property is not in an area of elevated flood risk.	Improvements	Well
Water	Abbot Lake	Value of Improvements	\$10,000
Water Frontage/Front Feet	96.00		
Utilities	Electricity & Telephone at road.	Miscellaneous	
		Report File # 18-020ec	

LAND SALE 4

COMPARABLE SALE INFORMATION				
	Location		636 Echo Chalet Drive	
	City/State		Bigfork, Montana	
	County		Flathead	
	Assessor Number		0339738	
	Zoning		SAG-5, Suburban Ag/5 Acre Min	
	Site Size: Acres		1.090	
	Square Feet		47,480	
	Date of Sale		November 10, 2016	
	Sales Price		\$371,000	
	Less Cost of Improvements*		\$0	
	Sales Price Adjusted		\$371,000	
	MLS #		337550	
ANALYSIS OF SALE				
Price per Acre		\$340,367		
		Price per Square Foot	\$7.81	
		Price Per Front Foot	\$2,968	
TRANSFER INFORMATION				
Grantor		Jeff McNamara & Monica McNamara	Grantee	Richard W. Botting & Sharon K. Prier
Type of Instrument		Warranty Deed	Document #	201600025165
			Marketing Time	409 Days on Market
Financing/Conditions		Conventional/Market	Verified By	Cheri Hanson, Selling Agent
Legal Description		Tract 1 of COS #19637 in Government Lot 4, Flathead County, Montana	Intended Use/Comments	Purchased for Residential / Recreational Use
Section/Township/Range		S4/T27N/R19W		
PROPERTY DETAILS				
Access		Echo Chalet Drive	View	Lake, Mountains
Topography		Some Slope	Lot Dimensions	Various
Flood Plain		According to FEMA Map Panel 30029C2310J, this property is not in an area of significant flood risk.	Improvements	None
Water		Echo Lake	Value of Improvements	\$0
Water Frontage/Front Feet		125.00	Miscellaneous	
Utilities		Electricity & Telephone at road.		
				Report File # 17-013ec

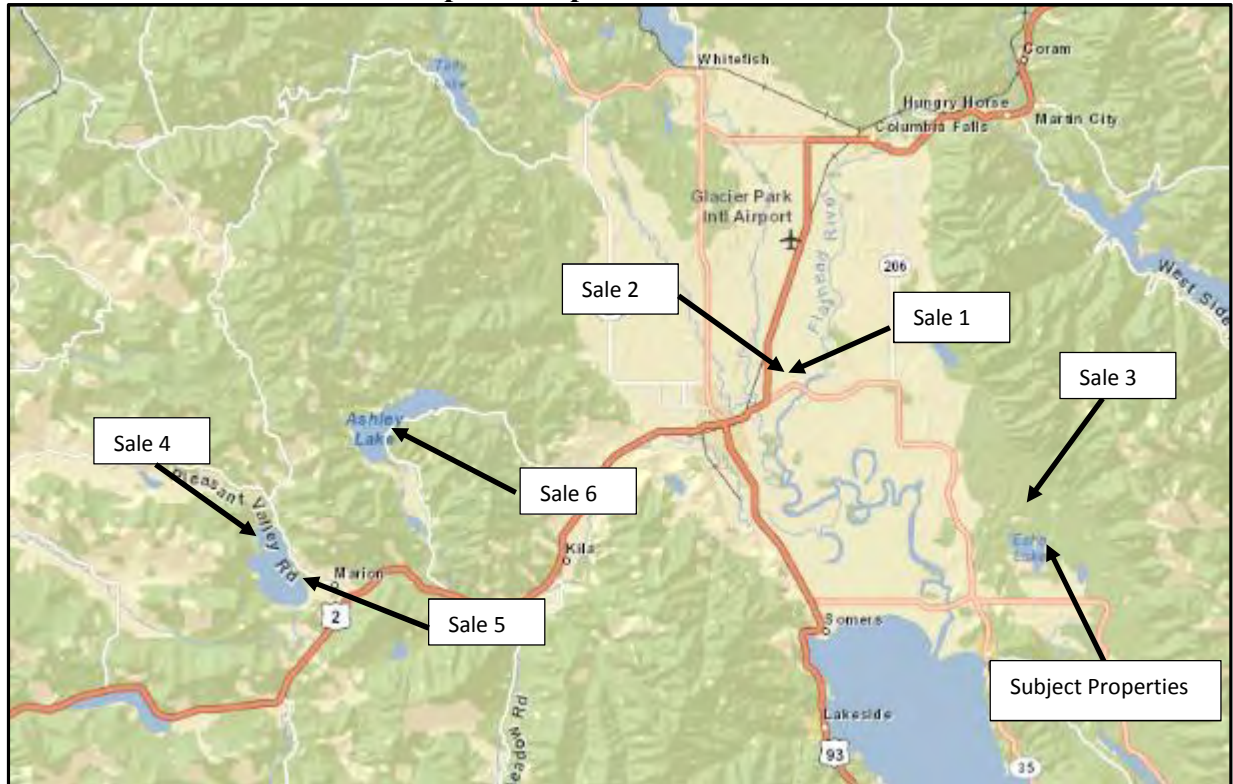
HOME SALES

We conducted a search for sales of homes on lakefront sites similar the subject mobile homes (Lots 22 & 23) and residence (Lot 40) for use as comparables to determine the values of the subject improvements. No sales of single 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 3 sales of homes with lake frontage that were appropriate comparables for the improvements on Lot 40. The most applicable and recent 6 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	613 E Evergreen Dr	Kalispell	N/A	2018	\$66,000	\$30,000	\$36,000
2	620 E Evergreen Dr	Kalispell	N/A	2018	\$80,000	\$30,000	\$50,000
3	62 Rockwood Rd	Kalispell	N/A	2017	\$110,000	\$50,000	\$60,000
4	1048 Kelsey Rd	Marion	Bitterroot Lake	2018	\$390,000	\$288,000	\$102,000
5	685 Lodgepole Dr	Marion	Bitterroot Lake	2017	\$400,000	\$280,000	\$120,000
6	4429 Ashley Lake Rd	Kila	Ashley Lake	2018	\$365,000	\$240,000	\$125,000

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 Home Sales



HOME SALE 1

COMPARABLE SALE INFORMATION			
		Location	613 East Evergreen Drive
		City/State	Kalispell, Montana
		County	Flathead
		Assessor Number	0478360 & T500239
		Zoning	R5, Two Family Residential
		Site Size: Acres	0.232
		Square Feet	10,106
		Date of Sale	April 11, 2018
		Sales Price	\$66,000
		Adjustment to Sales Price	\$0
		Adjusted Sales Price	\$66,000
		MLS #	21802878
TRANSFER INFORMATION			
Grantor	Kenneth Lapp, Jr	Grantee	Michael Vernon Seaman
Recording Data	WD #201800007006	Marketing Time	12 Days on Market
Financing/Conditions	Cash/Market	Verified By	Aaron Norton, Listing Agent
Legal Description	Lot 4 of Evergreen Estates	Intended Use	Residential
Section/Township/Range	S03/T29N/R21W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	None	Sales Price	\$66,000
Front Footage	N/A	Estimated Site Value	\$30,000
Access	Private Road - Paved	Sales Price of Improvements	\$36,000
House Square Feet	924	Improvement Price/SF	\$39
Bedroom/Bathrooms	3 BR/2 BA		
Year Built or Renovated	1985		
Construction	Single Wide Mobile Home		
Quality	Average		
Condition	Average		
Water/Sewer	Public Water/Sewer		
Utilities	Electricity, Telephone, Internet		
Topography	Level		
Outbuildings	None		
Miscellaneous	This mobile home was manufactured by Medallion and is a Challenger model. The mobile home is 14' x 66'. Property is in an area of significant flood hazard.		
		Report File # 18-019ec	

HOME SALE 2

COMPARABLE SALE INFORMATION

Location	620 East Evergreen Drive
City/State	Kalispell, Montana
County	Flathead
Assessor Number	0478360 & T099825
Zoning	R5, Two Family Residential
Site Size: Acres	0.236
Square Feet	10,280
Date of Sale	April 9, 2018
Sales Price	\$80,000
Adjustment to Sales Price	\$0
Adjusted Sales Price	\$80,000
MLS #	21802710

TRANSFER INFORMATION

Grantor	Mark Kuhl	Grantee	FBKR, LLC
Recording Data	WD #201800006704	Marketing Time	19 Days on Market
Financing/Conditions	Cash/Market	Verified By	Theresa Hartwell, Listing Agent
Legal Description	Lot 11 of Evergreen Estates	Intended Use	Residential
Section/Township/Range	S03/T28N/R21W		

DESCRIPTION OF IMPROVEMENTS

Body of Water	None
Front Footage	N/A
Access	County Road - Paved
House Square Feet	896
Bedroom/Bathrooms	3 BR/1 BA
Year Built or Renovated	1976
Construction	Single Wide Mobile Home
Quality	Average
Condition	Average
Water/Sewer	Public Water/Sewer
Utilities	Electricity, Telephone, Internet
Topography	Level
Outbuildings	None
Miscellaneous	The mobile home was manufactured by Windsor and is 14' x 64'. The home includes a 256 SF deck. Property is in an area of significant flood hazard.

ANALYSIS OF SALE



Sales Price	\$80,000
Estimated Site Value	\$30,000
Sales Price of Improvements	\$50,000
Improvement Price/SF	\$56

Report File # 18-019ec

HOME SALE 3

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HOME SALE 4

COMPARABLE SALE INFORMATION											
		Location 1048 Kelsey Road									
		City/State Marion, Montana									
		County Flathead									
		Assessor Number 0971405									
		Zoning Little Bitterroot Lake Zoning District									
		Site Size: Acres 0.280									
		Square Feet 12,197									
		Date of Sale March 19, 2018									
		Sales Price \$390,000									
		Adjustment to Sales Price \$0									
		Adjusted Sales Price \$390,000									
		MLS # 21709190									
TRANSFER INFORMATION											
Grantor	F. Jerome Doyle & Julie Lyn Doyle Trustees of the F. Jerome Doyle & Julie Lyn Doyle 1995 Trust	Grantee	Lyle Mark Wallner & Nicole Zoe Wallner								
Recording Data	WD #201800005355	Marketing Time	960 Days on Market								
Financing/Conditions	Conventional/Market	Verified By	Dusty Dziza, Listing Agent								
Legal Description	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	Intended Use	Residential								
Section/Township/Range	S16/T27N/R24W										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE									
Body of Water	Bitterroot Lake	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Sales Price</td> <td style="width: 50%; padding: 5px; text-align: right;">\$390,000</td> </tr> <tr> <td style="padding: 5px;">Estimated Site Value</td> <td style="padding: 5px; text-align: right;">\$288,000</td> </tr> <tr> <td style="padding: 5px;">Sales Price of Improvements</td> <td style="padding: 5px; text-align: right;">\$102,000</td> </tr> <tr> <td style="padding: 5px;">Improvement Price/SF</td> <td style="padding: 5px; text-align: right;">\$105</td> </tr> </table>		Sales Price	\$390,000	Estimated Site Value	\$288,000	Sales Price of Improvements	\$102,000	Improvement Price/SF	\$105
Sales Price	\$390,000										
Estimated Site Value	\$288,000										
Sales Price of Improvements	\$102,000										
Improvement Price/SF	\$105										
Front Footage	72.00										
Access	County Road - Paved										
House Square Feet	975										
Bedroom/Bathrooms	2 BR/1 BA										
Year Built or Renovated	1950 (Remodeled)										
Construction	Wood Frame										
Quality	Average										
Condition	Good										
Water/Sewer	Lake Water & Septic										
Utilities	Electricity, Telephone, Internet										
Topography	Slopes down at lake										
Outbuildings	2 Car Garage & Boat House (Finished for Use as Guest Cabin)										
Miscellaneous	House includes 961 SF decking.										
		Report File # 18-019ec									

HOME SALE 5

COMPARABLE SALE INFORMATION				
		Location		685 Lodgepole Drive
		City/State		Marion, Montana
		County		Flathead
		Assessor Number		0589600
		Zoning		Bitterroot Lake Zoning District
		Site Size: Acres		0.420
		Square Feet		18,295
		Date of Sale		October 13, 2017
		Sales Price		\$400,000
		Adjustment to Sales Price		\$0
		Adjusted Sales Price		\$400,000
		MLS #		21701006
TRANSFER INFORMATION				
Grantor	Carol Christine Wilson	Grantee	Larry L. Wakefield & Mary J. Wakefield	
Recording Data	WD #201700025759	Marketing Time	250 Days on Market	
Financing/Conditions	Conventional/Market	Verified By	Michael Johnson, Listing Agent	
Legal Description	Lot 19 of Blue Grouse SD	Intended Use	Residential	
Section/Township/Range	S06/T27N/R24W			
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE		
Body of Water	Bitterroot Lake	Sales Price \$400,000 Estimated Site Value <u>\$280,000</u> Sales Price of Improvements \$120,000 Improvement Price/SF \$115		
Front Footage	88.00			
Access	County Road - Gravel			
House Square Feet	1,040			
Bedroom/Bathrooms	3 BR/1 BA			
Year Built or Renovated	1997			
Construction	Wood Frame			
Quality	Average			
Condition	Average			
Water/Sewer	Well & Septic			
Utilities	Electricity, Telephone, Internet			
Topography	Level			
Outbuildings	Shed			
Miscellaneous	House includes 541 SF of decking.			
		Report File # 18-019ec		

HOME SALE 6

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PROPERTY VALUATIONS

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 #18885 ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1170 Echo Lake Rd	185 Weaver Ln	804 Abbot Village Dr	636 Echo Chalet Dr
CITY		Bigfork, MT	Kalispell, MT	Bigfork, MT	Bigfork, MT
SALES PRICE		\$295,000	\$362,500	\$270,000	\$371,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		-\$2,500	\$0	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/30/18	04/02/18	04/02/18	11/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$292,500	\$362,500	\$260,000	\$371,000
SITE SIZE/ACRES	0.658	0.470	2.036	0.770	1.090
FRONT FEET ON LAKE	136.37	100.00	150.00	96.00	125.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,925	\$2,417	\$2,708	\$2,968
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Echo Lake	Echo Lake	Lake Blaine	Abbot Lake	Echo Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Some Slope	Level	Sloping	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	County Road	County Road	County Road	Private Road	County Road
		0%	0%	0%	0%
ZONING	SAG-5	SAG-5	None	SAG-5	SAG-5
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	Yes	No	No	Yes	No
		-10%	-10%	0%	-10%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	0.658	0.470	2.036	0.770	1.090
		0%	0%	0%	0%
FRONT FEET	136.37	100.00	150.00	96.00	125.00
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		-10%	-10%	0%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$293	-\$242	\$0	-\$297
ADJUSTED PRICE PER FF		\$2,633	\$2,175	\$2,708	\$2,671

Discussion of Adjustments

Adjustments for Improvements: Land Sale 1 included an RV shed which (according to the verifying source) contributed approximately \$2,500 to the sales price. Land Sale 3 include a well which we estimated to contribute \$10,000 to the sales prices. There were no improvements noted on the remaining comparables.

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 1 and 4 have frontage along Echo Lake. Land Sales 2 and 3 have frontage along Lake Blaine and Abbott 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 Land Sales 1, 3, and 4 are in the SAG-5, Suburban Agricultural Zoning District of Flathead County. Land Sale 2 is not zoned. 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 a road easement that affects value. Land Sale 3 includes a similar easement and required no adjustment in this category. Land Sales 1, 2, and 4 do not include easements that affect value. Some downward adjustment is necessary for Land Sales 1, 2, 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. Downward adjustments of 10% were made to Land Sales 1, 2, 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: 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 \$2,633, \$2,175, \$2,708, and \$2,671 per front foot. Most weight is accorded the indications from Land Sales 1 and 4 as these sales include frontage along Echo Lake. The average of these two indications is \$2,652. We rounded this to \$2,700. A value of \$2,700 per front foot is well supported by this analysis. Consequently;

136.37 FF @ \$2,700/FF	\$368,199
Rounded To	\$368,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 22, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		613 E Evergreen Dr	620 E Evergreen Dr	62 rockwood Rd
LOCATION		Kalispell, M T	Kalispell, M T	Kalispell, M T
SALES PRICE		\$66,000	\$80,000	\$110,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		04/11/18	04/09/18	05/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$66,000	\$80,000	\$110,000
LESS SITE VALUE		(\$30,000)	(\$30,000)	(\$50,000)
ADJUSTED IMPROVEMENT PRICE		\$36,000	\$50,000	\$60,000
ADJUSTMENT FOR:				
LOCATION/SITE	Echo Lake	Interior Site	Interior Site	Interior Site
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Average	Average	Average
		\$0	\$0	\$0
BATHROOMS	2	2	1	2
		\$0	\$3,000	\$0
HOUSE SIZE/SF	624	924	896	1,216
		-\$7,500	-\$6,800	-\$14,800
OUTBUILDINGS	Storage Building	Inferior	Inferior	Similar
		\$1,000	\$1,000	\$0
TOTAL ADJUSTMENT		-\$6,500	-\$2,800	-\$14,800
NET ADJUSTMENT PERCENTAGE		-18%	-6%	-25%
ADJUSTED PRICE INDICATION		\$29,500	\$47,200	\$45,200

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 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 single 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 Improved Sales 1 and 3 include similar bathroom counts and required no adjustment in this category. Improved Sale 2 has one less bathroom than the subject residence. An upward adjustment of \$3,000 was made to Improved Sale 2 in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

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 \$25 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 value of the subject outbuilding was estimated based upon depreciated costs calculated below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	128	Section 17/Page 12	\$12.90	\$1,651
Total Cost New				\$1,651
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$826
Depreciated Cost Estimate				\$826
Rounded To				\$1,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$29,500, \$47,200, and \$45,200. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$41,000 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	\$368,000
Subject Improvements Value	<u>\$ 41,000</u>
Total Value Indication	\$409,000

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 #18885 ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1170 Echo Lake Rd	185 Weaver Ln	804 Abbot Village Dr	636 Echo Chalet Dr
CITY		Bigfork, MT	Kalispell, MT	Bigfork, MT	Bigfork, MT
SALES PRICE		\$295,000	\$362,500	\$270,000	\$371,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		-\$2,500	\$0	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/30/18	04/02/18	04/02/18	11/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$292,500	\$362,500	\$260,000	\$371,000
SITE SIZE/ACRES	0.646	0.470	2.036	0.770	1.090
FRONT FEET ON LAKE	132.59	100.00	150.00	96.00	125.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,925	\$2,417	\$2,708	\$2,968
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Echo Lake	Echo Lake	Lake Blaine	Abbot Lake	Echo Lake
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Some Slope	Some Slope	Level	Sloping	Level
FRONTAGE/ACCESS	County Road	County Road	County Road	Private Road	County Road
ZONING	SAG-5	SAG-5	None	SAG-5	SAG-5
EASEMENTS AFFECTING USE	Yes	No	No	Yes	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.658	0.470	2.036	0.770	1.090
FRONT FEET	132.59	100.00	150.00	96.00	125.00
TOTAL PERCENTAGE ADJUSTMENT		-50%	-50%	-40%	-50%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,463	-\$1,208	-\$1,083	-\$1,484
ADJUSTED PRICE PER FF		\$1,463	\$1,208	\$1,625	\$1,484

Discussion of Adjustments

Adjustments for Improvements: Land Sale 1 included an RV shed which (according to the verifying source) contributed approximately \$2,500 to the sales price. Land Sale 3 include a well which we estimated to contribute \$10,000 to the sales prices. There were no improvements noted on the remaining comparables.

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 1 and 4 have frontage along Echo Lake. Land Sales 2 and 3 have frontage along Lake Blaine and Abbott 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 Land Sales 1, 3, and 4 are in the SAG-5, Suburban Agricultural Zoning District of Flathead County. Land Sale 2 is not zoned. 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 is bisected by LaBrandt Road. This road easement effectively splits this subject lot, affects the usable area, and consequently has a significant negative impact on the marketability of the site.

We conducted a search for smaller, lakefront lots bisected by similar roads. We located sales of lakefront sites that are bisected by highways. We compared these with sales of similar sites that are not bisected by highways. These comparisons were made to quantify an appropriate adjustment for the road easement on the subject site. These paired sales analyses are included below;

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

Based upon the analyses above, we have elected to make downward adjustments of 50% to the comparable sales with no easement issues. Sale 3 includes an easement that affects value to a lesser degree. We have made a downward adjustment of 40% to this sale.

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

Size/Acres: The 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: 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 \$1,463, \$1,208, \$1,625, and \$1,484 per front foot. Most weight is accorded the indications from Land Sales 1 and 4 as these sales include frontage along Echo Lake. The average of these two indications is \$1,474. We have rounded this to \$1,500. A value of \$1,500 per front foot is well supported by this analysis. Consequently;

132.59 FF @ \$1,500/FF
Rounded To

\$198,885
\$199,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 23, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		613 E Evergreen Dr	620 E Evergreen Dr	62 rockwood Rd
LOCATION		Kalispell, M T	Kalispell, M T	Kalispell, M T
SALES PRICE		\$66,000	\$80,000	\$110,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		04/11/18	04/09/18	05/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$66,000	\$80,000	\$110,000
LESS SITE VALUE		(\$30,000)	(\$30,000)	(\$50,000)
ADJUSTED IMPROVEMENT PRICE		\$36,000	\$50,000	\$60,000
ADJUSTMENT FOR:				
LOCATION/SITE	Echo Lake	Interior Site	Interior Site	Interior Site
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Average	Average	Average
		\$0	\$0	\$0
BATHROOMS	1	2	1	2
		-\$3,000	\$0	-\$3,000
HOUSE SIZE/SF	738	924	896	1,216
		-\$4,650	-\$3,950	-\$11,950
OUTBUILDINGS	Storage Building	Inferior	Inferior	Inferior
		\$16,000	\$16,000	\$15,000
TOTAL ADJUSTMENT		\$8,350	\$12,050	\$50
NET ADJUSTMENT PERCENTAGE		23%	24%	0%
ADJUSTED PRICE INDICATION		\$44,350	\$62,050	\$60,050

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 single 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 Improved Sale2 include similar bathroom counts and required no adjustment in this category. Improved Sales 1 and 3 have one more bathroom than the subject residence. Downward adjustments of \$3,000 were made to Improved Sales 1 and 3 in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

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 \$25 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 value of the subject outbuilding was estimated based upon depreciated costs calculated below;

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Deck	848	Section 12/Page 40	\$15.74	\$13,348
Storage Building	128	Section 17/Page 12	\$12.90	\$1,651
Bunk House	228	Section 12/Page 15	\$76.47	\$17,435
Total Cost New				\$32,434
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$16,217
Depreciated Cost Estimate				\$16,217
Rounded To				\$16,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$44,350, \$62,050, and \$60,050. 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 \$55,000 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	\$199,000
Subject Improvements Value	<u>\$ 55,000</u>
Total Value Indication	\$254,000

LOT 40

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 40, COS #18885 ECHO LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1170 Echo Lake Rd	185 Weaver Ln	804 Abbot Village Dr	636 Echo Chalet Dr
CITY		Bigfork, MT	Kalispell, MT	Bigfork, MT	Bigfork, MT
SALES PRICE		\$295,000	\$362,500	\$270,000	\$371,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		-\$2,500	\$0	-\$10,000	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/30/18	04/02/18	04/02/18	11/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$292,500	\$362,500	\$260,000	\$371,000
SITE SIZE/ACRES	0.965	0.470	2.036	0.770	1.090
FRONT FEET ON LAKE	173.11	100.00	150.00	96.00	125.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,925	\$2,417	\$2,708	\$2,968
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Echo Lake	Echo Lake	Lake Blaine	Abbot Lake	Echo Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Steep Slope	Some Slope	Level	Sloping	Level
		-10%	-10%	-10%	-10%
FRONTAGE/ACCESS	County Road	County Road	County Road	Private Road	County Road
		0%	0%	0%	0%
ZONING	SAG-5	SAG-5	None	SAG-5	SAG-5
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	Yes	No	No	Yes	No
		-30%	-30%	-20%	-30%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	0.658	0.470	2.036	0.770	1.090
		0%	0%	0%	0%
FRONT FEET	173.11	100.00	150.00	96.00	125.00
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		-40%	-40%	-30%	-40%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,170	-\$967	-\$813	-\$1,187
ADJUSTED PRICE PER FF		\$1,755	\$1,450	\$1,896	\$1,781

Discussion of Adjustments

Adjustments for Improvements: Land Sale 1 included an RV shed which (according to the verifying source) contributed approximately \$2,500 to the sales price. Land Sale 3 include a well which we estimated to contribute \$10,000 to the sales prices. There were no improvements noted on the remaining comparables.

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 1 and 4 have frontage along Echo Lake. Land Sales 2 and 3 have frontage along Lake Blaine and Abbott 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 includes a steep slope toward the lake. Some of the comparables include some slope but none as steep as the subject lots. It is our opinion that the subject lot steepness negative impacts marketability. We did not locate specific paired sales data on which to make an adjustment in this category. We have elected to make a downward adjustment of 10% in this category. This adjustment is considered reasonable and indicative of the actions of market participants 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 Land Sales 1, 3, and 4 are in the SAG-5, Suburban Agricultural Zoning District of Flathead County. Land Sale 2 is not zoned. 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 is bisected by a 30' wide shared driveway, includes a 30'+ portion of LaBrandt Road within the property borders, and includes an overhead power line

that essentially divides the site. These easements considered together limit the usable area of this site and consequently have a significant negative affect on the marketability of this property.

We conducted a search for smaller, lakefront lots with similar easements. No sales were located with the exact set of easements. We located sales of lakefront sites that are bisected by highways. We compared these with sales of similar sites that are not bisected by highways. These comparisons were the best substitute we located to assist with quantifying an appropriate adjustment for the easements on the subject site. These paired sales analyses are included below;

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

We elected to utilize an adjustment less than 51% or 62% as bisection by a road is considered a greater encumbrance than the subject easements considered together. Based upon the analyses above, we have elected to make downward adjustments of 30% to the comparable sales with no easement issues. Sale 3 includes an easement that affects value to a lesser degree. We have made a downward adjustment of 20% to this sale.

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

Size/Acres: The 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: 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 \$1,755, \$1,450, \$1,896, and \$1,781 per front foot. Most weight is accorded the indications from Land Sales 1 and 4 as these sales include frontage along Echo Lake. The average of these two indications is \$1,768. We have rounded this to \$1,800. A value of \$1,800 per front foot is well supported by this analysis. Consequently;

173.11FF @ \$1,800/FF
Rounded To

\$311,598
\$312,000

Improvement Value Estimates

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

SALES COMPARISON ANALYSIS FOR LOT 40, COS #18885, ECHO LAKE				
DESCRIPTION	SUBJECT	SALE 4	SALE 5	SALE 6
IDENTIFICATION		1048 Kelsey Rd	685 Lodgepole Dr	4429 Ashley Lake Rd
LOCATION		Marion, MT	Marion, MT	Kila, MT
SALES PRICE		\$390,000	\$400,000	\$365,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		03/19/18	10/13/17	06/29/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$390,000	\$400,000	\$365,000
LESS SITE VALUE		(\$288,000)	(\$280,000)	(\$240,000)
ADJUSTED IMPROVEMENT PRICE		\$102,000	\$120,000	\$125,000
ADJUSTMENT FOR:				
LOCATION/SITE	Echo Lake	Bitterroot Lake	Bitterroot Lake	Ashley Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Good	Average	Average
		-\$10,200	\$0	\$0
BATHROOMS	1	1	1	1
		\$0	\$0	\$0
HOUSE SIZE/SF	487	975	1,040	1,075
		-\$24,400	-\$27,650	-\$29,400
BASEMENT/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Bunkhouse, Shed, Outhouse	Superior	Inferior	Inferior
		-\$22,000	\$7,000	\$7,000
TOTAL ADJUSTMENT		-\$56,600	-\$20,650	-\$22,400
NET ADJUSTMENT PERCENTAGE		-55%	-17%	-18%
ADJUSTED PRICE INDICATION		\$45,400	\$99,350	\$102,600

Improved Sale 6 was not closed as of the report effective date but was under contract and closed prior to the report completion date.

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 Sales 5 and 6 are considered similar in condition and no adjustment was necessary in this category. Improved Sale 4 was considered to be in superior condition than the subject. A downward adjustment of 10% was made to this sale. This adjustment percentage is considered reasonable and indicative of the actions of market participants in this category.

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 \$50 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 subject and comparables do not include basements and no adjustments were necessary in this category.

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 on the following page.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Bunk House	172	Section 12/Page 15	\$76.47	\$13,153
Shed	136	Section 17/Page 12	\$12.90	\$1,754
Outhouse	Lump sum Estimate			\$2,000
Total Cost New				\$16,907
Less Depreciation - Age/Life - 10/20 Years = 50%				<u>-8,454</u>
Depreciated Cost Estimate				\$8,454
Rounded To				\$8,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$56,600, \$99,350, and \$102,600. The comparables, considered together, provide a well supported indication of market value for the subject improvements. Approximately equal weight is accorded the adjusted indications from all three comparables. A value of \$82,000 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	\$312,000
Subject Improvements Value	<u>\$ 82,000</u>
Total Value Indication	\$394,000

RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
22	\$368,000	\$41,000	\$409,000	6/19/2018
23	\$199,000	\$55,000	\$254,000	6/19/2018
40	\$312,000	\$82,000	\$394,000	6/19/2018

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

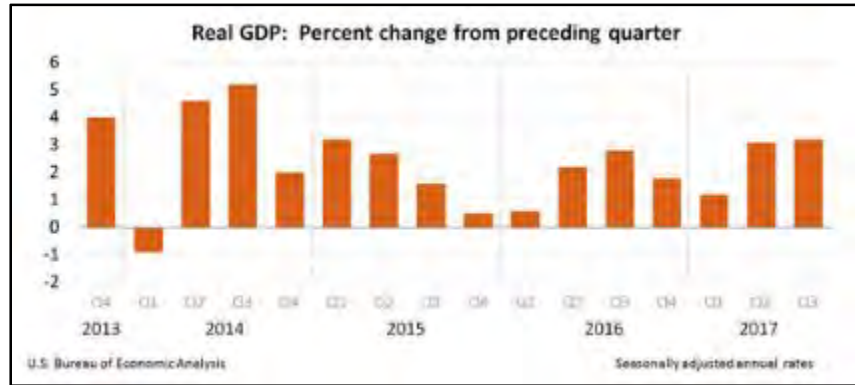
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: <i>REAL ESTATE APPRAISER MENTOR</i>
License #:	REA-RAG-LIC-683	
Status:	Active	
Expiration Date:	03/31/2019	
ELLIOTT M CLARK CLARK REAL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

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: LICENSED APPRAISER
License #:	REA-RAL-LIC-841	
Status:	Active	
Expiration Date:	03/31/2019	
CHRISTOPHER D CLARK CLARK REAL ESTATE APPRAISAL 704C E 13TH STREET #509 WHITEFISH, MT 59937		
		 Montana Department of LABOR & INDUSTRY <small>RENEW OR VERIFY YOUR LICENSE AT: https://biz.mt.gov/pol/</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 44th most populous state in the US. 2010 US Census data estimated a population of 989,415 indicating a growth in population of 9.7% from 2000 to 2010. According to ESRI using US Census data, the 2015 population of Montana was forecasted to be 1,027,698. This estimate shows a 3.87% increase since the 2010 census. The state economy is diverse with a wide variety of industries. The top five employment categories in the state are;

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

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

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

Geographical Information

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



Population

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

Employment

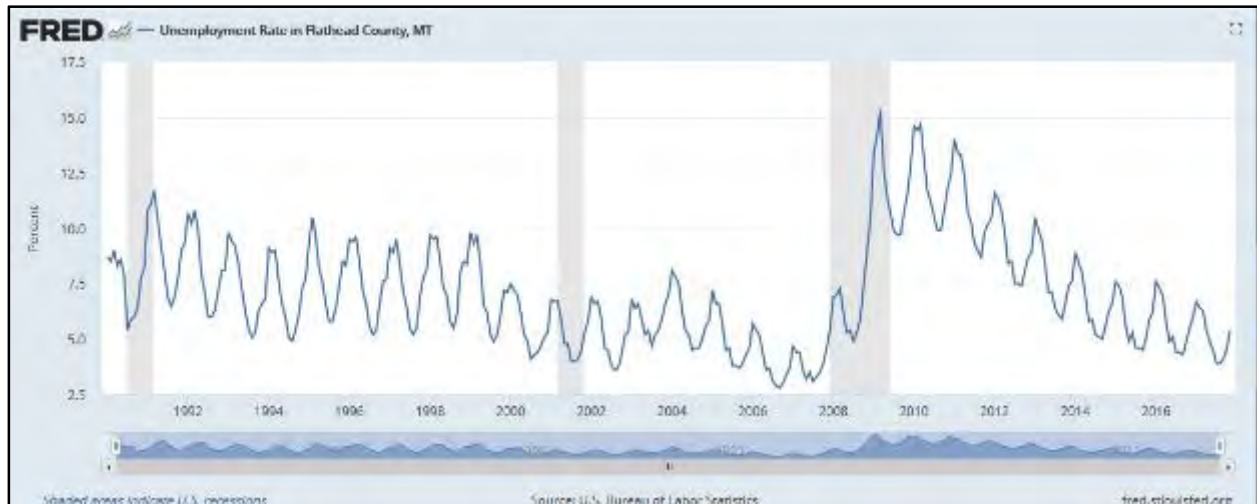
The retail trade industry represents approximately 15% of employment in Flathead County. Approximately 13% of the workforce is employed in the accommodation and food services industries and the healthcare and social assistance industries represents 12% of employment in Flathead County. Some of the largest private employers in Flathead County include; Kalispell Regional Healthcare, Winter Sports, Inc., North Valley Hospital, Century Link, National Flood Insurance, Walmart, Super 1 Foods, Weyerhaeuser, Teletex, 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%
Total	365	268	236	112	66	73	87	113	189	174	137	168	23%

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

BIGFORK ECONOMIC DATA

The subject properties are located in Bigfork approximately 5 miles northeast of the Village of Bigfork. Bigfork is an unincorporated town located in the southern portion of Flathead County along the shores of Flathead Lake. Bigfork was founded in 1901 and is considered a resort and retirement community with tourism as the main economic base. The “Village of Bigfork” is situated along the bay of the Swan River as it flows into Flathead Lake. The western style village is comprised of restaurants offering casual and fine dining, bars, unique retail shops, and art galleries. The Bigfork Summer Playhouse located on Electric Avenue is considered one of the Northwest’s finest repertory theaters. Area services include schools, banks, restaurants, hotels, grocery stores, churches, clinics and retail and service type businesses.



Recreation

The Bigfork area provides outdoor enthusiasts with an abundance of nature and recreational activities. Flathead Lake is a significant attraction for tourists and Montana residents. The lake is 28 miles long



and up to 15 miles wide. Water activities on Flathead Lake include; fishing, cruises, sailing, boating and water sports. The Swan River is known for fly fishing, whitewater rafting and kayaking. Echo Lake and Swan Lake are smaller fresh water lakes located near Bigfork. Nearby mountains provide opportunities for hiking, camping, biking, snowmobiling and snow skiing. Wilderness areas located near Bigfork include Glacier National Park, the Swan Wilderness, Jewel Basin, and Bob Marshall Wilderness which offer many recreational opportunities. Whitefish Mountain Resort and Blacktail Ski

Resort are close by and offer winter activities including snowboarding, downhill and cross country skiing. The Eagle Bend Golf Course is a semi-private 27-hole championship course available for the golf enthusiasts.

Population and Income

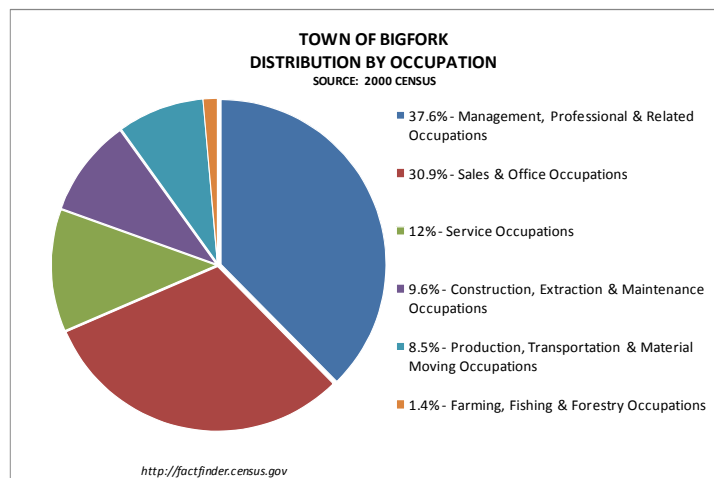
According to the 2000 US Census, the population of the Bigfork Census Designated Place boundaries was 3,608 and the population increased to 4,270 by the 2010 US Census. This indicates an annual rate of change in population from 2000 to 2010 of +1.83% per year.

According to ESRI forecasts based upon US Census data, the median household income in Bigfork was approximately \$55,490 in 2013. This exceeds the estimated median household for the state of

Montana for 2013 by approximately 24%. The median household income is for Bigfork was forecasted to increase by approximately 3.50% per year between 2013 and 2018.

Employment

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



Linkages and Transportation

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

Commercial Real Estate

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

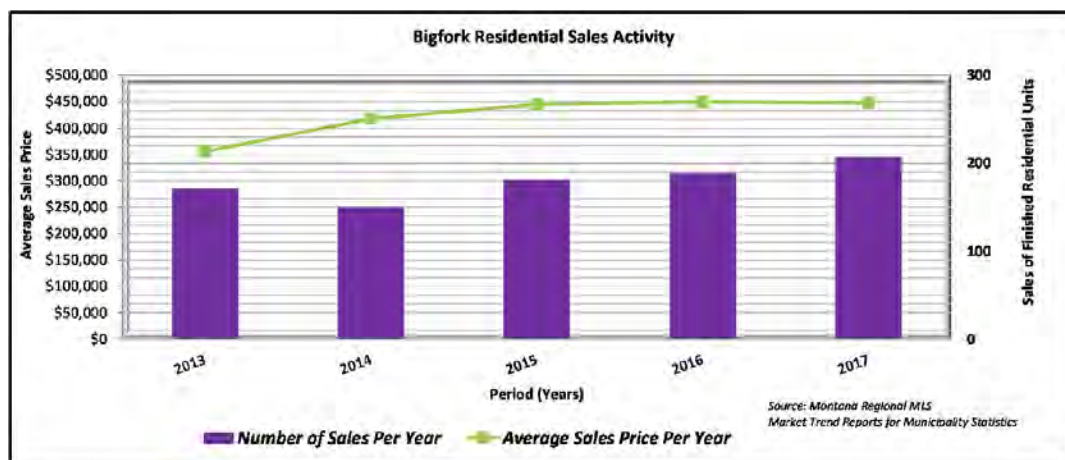
Improved commercial properties along the Montana Highway 35 corridor includes neighborhood shopping centers, a grocery store, bank branches, convenient stores, hotels, specialty shops, professional offices, restaurants and retail/service type businesses. Commercial properties located south of the village on Montana Highway 35 include hotels, professional offices, restaurants, churches, specialty shops and retail/service type businesses. A brewery/restaurant completed in 2015 just outside of the Village of Bigfork along Holt Drive near the intersection of Holt Drive and Montana Highway 35.

Commercial new construction in Bigfork slowed during and in the years following the national recession. More vacancies in new commercial buildings were noted during the years following the recession than in prior years. The commercial market in Bigfork appears to be improving.

Residential Real Estate

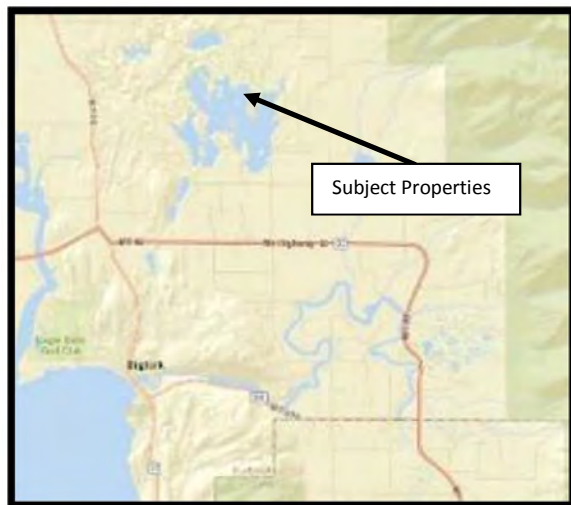
Bigfork is best described as a resort and bedroom community. Many area homes are second or vacation homes. As with commercial development, residential development (specifically residential subdivision development and construction of new residential condominium units) increased substantially between 2003 and 2006. Also, as with commercial development, construction began slowing in 2007 as signs of overbuilding and decreased demand became evident. Market conditions for residential properties in Bigfork declined as a result of oversupply and the national recession. Market conditions for the residential market in Bigfork have rebounded in recent years.

The chart below includes sales volume and sales price for single family residences in Bigfork. Average home sales prices and sales volume have increased since 2013. The average residential sales price has increased each year since 2013 and annual demand has increased each year since 2014.



Conclusion

There are relatively few larger employers in Bigfork and the year round population is fairly small.



Much of the commercial development during the past decade was tied to real estate and new subdivision development. Businesses occupying space related to real estate in area buildings included real estate agencies, builders, and architects. The slowdown in the residential real estate market negatively affected the area commercial market.

The Bigfork area will likely continue to be an attractive destination for second home buyers and retirees due to the proximity of Flathead Lake and the abundance of recreational opportunities. The second home market is tied to the national economy. The national second home market has

been improving over the past several of years. Market conditions are forecasted to continue to improve in Bigfork.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 5)

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 Echo 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 Lance & Julie Miller, Floyd R. & Helen M. Cook, and Brian & Cari Schlauch. 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 three (3) 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 Echo Lake Appraisals

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

Subject Properties Located on Echo Lake in Flathead County:

Sale #	Acres	Legal Description
929	0.658 ±	Lot 22, Echo Lake T27N-19W, Sec. 5 Flathead County
930	0.646 ±	Lot 23, Echo Lake T27N-19W, Sec. 5 Flathead County
931	0.965 ±	Lot 40, Echo Lake T27N-19W, Sec. 5 Flathead County

DNRC Contact Information:

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

Lessees:

Sale 929 Lance & Juli Miller PO Box 612 Magrath, Alberta, T0K1J0, Canada (403) 388-2387	Sale 930 Floyd R. & Helen M. Cook PO Box 2620 Claresholm, Alberta, T0L-0T0, Canada (403) 625-3526	Sale 931 Brian & Cari Schlauch 3695 Amber Court Helena, MT 59602 (406) 461-2525
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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 SALES LOCATION MAP



Echo Lake

T27N-19W, Sec. 5, Flathead County



