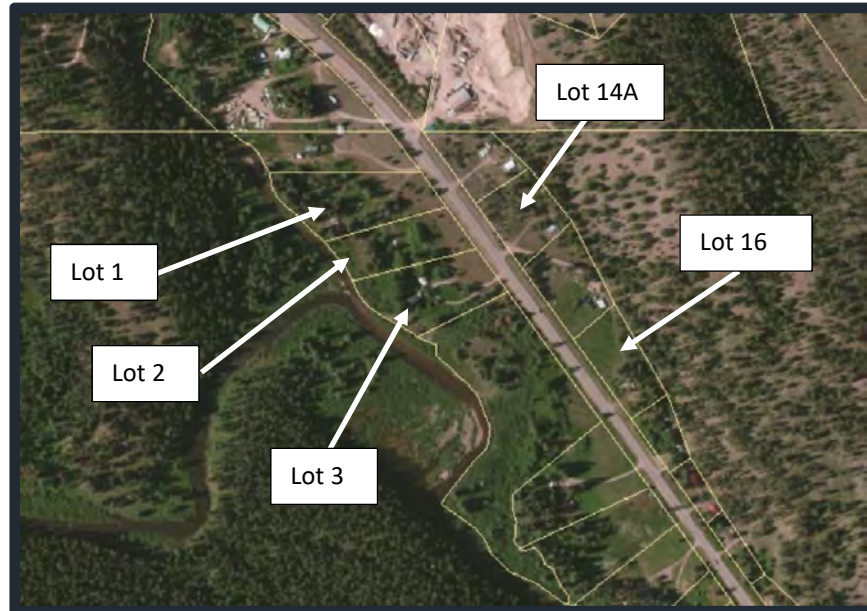


APPRAISAL REPORT OF:

**LOTS 1, 2, 3, 14A, & 16 OF COS # 5840
SEELEY LAKE, MISSOULA COUNTY, 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:
April 30, 2019

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

June 18, 2019

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 1, 2, 3, 14A & 16 of COS #5840, Section 14, Township 16 North, Range 15 West, Seeley Lake, Missoula County, Montana

Dear Ms. Motichka:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on April 30, 2019. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. This visual inspection, review and analyses were made in order to prepare the attached summary appraisal report.

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

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

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

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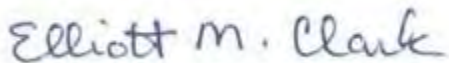
Due to partial location within the 100 year flood plain (Lots 2 and 3) and high water table in the area (Lots 2, 3, 14A & 16), septic systems may not be allowed for these subject lots. For this reason, we have provided two values for these sites in this report. The first value is based upon the **Extraordinary Assumption** that septic systems typical for the area would be permissible for Lots 2, 3, 14A, & 16. The second value is based upon the **Extraordinary Assumption** that no septic systems would be permissible for Lots 2, 3, 14A, & 16.

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

19-022ec

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lots 1, 2, 3, 14A, and 16 COS #5840, Section 14, Township 16 North, Range 15 West, Missoula County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-063-0018.00
Flood Zone	Zones X or AE, FEMA Map Panel 30063C0740E, Dated 7/6/2015
Zoning	Area Not Zoned

HIGHEST AND BEST USE(S)

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

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

Report Date	June 18, 2019
Inspection Date(s)	April 30, 2019
Effective Date of Value(s)	April 30, 2019
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuation Section of Report & Page 98 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 98 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 98 of Report

Extraordinary Assumption(s)	See Scope of the Appraisal
Hypothetical Condition(s)	See Scope of the Appraisal

MARKETING & EXPOSURE TIME

The appraised values for the subject lots, as if vacant, are based upon 4 to 6 or 8 to 14 month marketing and exposure times. The appraised values for Subject Lots 1 and 14A, as improved, are based upon 6 to 8 month marketing and exposure times. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

APPRAISER INFORMATION

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

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

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

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



Dated Signed: June 18, 2019
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: June 18, 2019
Christopher D. Clark
MT REA-RAL-LIC-841

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following conditions and to such other specific and limiting conditions as are set forth in the appraisal report.

1. The legal description(s) from the most recently recorded deed(s) or plat(s) are assumed to be correct.
2. The appraisers assume no responsibility for matters legal in character, nor do they render any opinion as to the titles, which are assumed to be marketable. All existing liens, encumbrances and assessments have been disregarded and the properties are appraised, as though free and clear, under responsible ownership and competent management.
3. Any sketches in this report indicate approximate dimensions and are included to assist the reader in visualizing the properties.
4. The appraisers have not made a survey, engineering studies or soil analysis of the properties and assume no responsibility in connection with such matters or for engineering, which might be required to discover such factors.
5. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning or restriction violations associated with the subject properties.
6. Information, estimates and opinions contained in this report are obtained from sources considered reliable and believed to be true and correct; however, no liability for them can be assumed by the appraisers.
7. The appraisers are not required to give testimony or attendance in court by reason of this appraisal, with reference to the properties in question, unless arrangements have been made previously, therefore.
8. The division of the land and improvements (if applicable) as valued herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
9. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion(s) are contingent upon completion of the improvements in a workmanlike manner.
10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public

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

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

SCOPE OF THE APPRAISAL

The subject properties are Lots 1, 2, 3, 14A, and 16 of COS #5840, Morrell Flats, Seeley Lake, Missoula 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 property for decisions regarding potential sale of the properties.

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on April 30, 2019. We measured the improvements on Lots 1 and 14A and walked the subject sites.

Scope of Research

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

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

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

Extraordinary Assumption(s)

An **Extraordinary Assumption** is defined in 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.*”

Due to partial location within the 100 year flood plain (Lots 2 and 3) and high water table in the area (Lots 2, 3, 14A & 16), septic systems may not be allowed for these subject lots. For this reason, we have provided two values for these sites in this report. The first value is based upon the **Extraordinary Assumption** that septic systems typical for the area would be permissible for Lots 2, 3, 14A, & 16. The second value is based upon the **Extraordinary Assumption** that no septic systems would be permissible for Lots 2, 3, 14A, & 16.

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 property will be reported and any impact on the value will be discussed.

General Data Sources

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

- Missoula County – Various Offices;
- Montana Department of Revenue;
- Various Area Real Estate Agents, Property Managers, Property Owners, 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
1	1030	5840	S14/T16N/R15W	Missoula
2	918	5840	S14/T16N/R15W	Missoula
3	936	5840	S14/T16N/R15W	Missoula
14A	1031	5840	S14/T16N/R15W	Missoula
16	1032	5840	S14/T16N/R15W	Missoula

INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Lot #	Sale #	Lessee
1	1030	Christy Hughes, Michael Hamilton, & Jack Hamilton
2	918	Vacant
3	936	Vacant
14A	1031	Angela & Ken Miller
16	1032	Angela & Ken Miller

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

April 30, 2019

EFFECTIVE DATE OF MARKET VALUES

April 30, 2019

PROPERTY RIGHTS APPRAISED

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

DEFINITION OF MARKET VALUE

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

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

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

STATEMENT OF OWNERSHIP & USE HISTORY

The subject sites are owned by the State of Montana. The improvements on the subject lots are owned by the lessees. The lessees and the most recent transfer documents located for the improvements are identified below;

Lot #	Sale #	Lessee	Last Transfer Document
1	1030	Christy Hughes, Michael Hamilton, & Jack Hamilton	N/A
2	918	Vacant	N/A
3	936	Vacant	N/A
14A	1031	Angela & Ken Miller	N/A
16	1032	Angela & Ken Miller	N/A

USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lots are in this program. According to the available information, the subject lots have been used for recreational/residential purposes for the three years prior to the report effective date. Houses were constructed on two of the subject sites. The house construction dates 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
1	1030	Christy Hughes, Michael Hamilton, & Jack Hamilton	1955	N/A
2	918	Vacant	N/A	N/A
3	936	Vacant	N/A	N/A
14A	1031	Angela & Ken Miller	1917	N/A
16	1032	Angela & Ken Miller	N/A	N/A

According to our research, the improvements on the subject lots were not available for sale via the area MLS as of the report effective date.

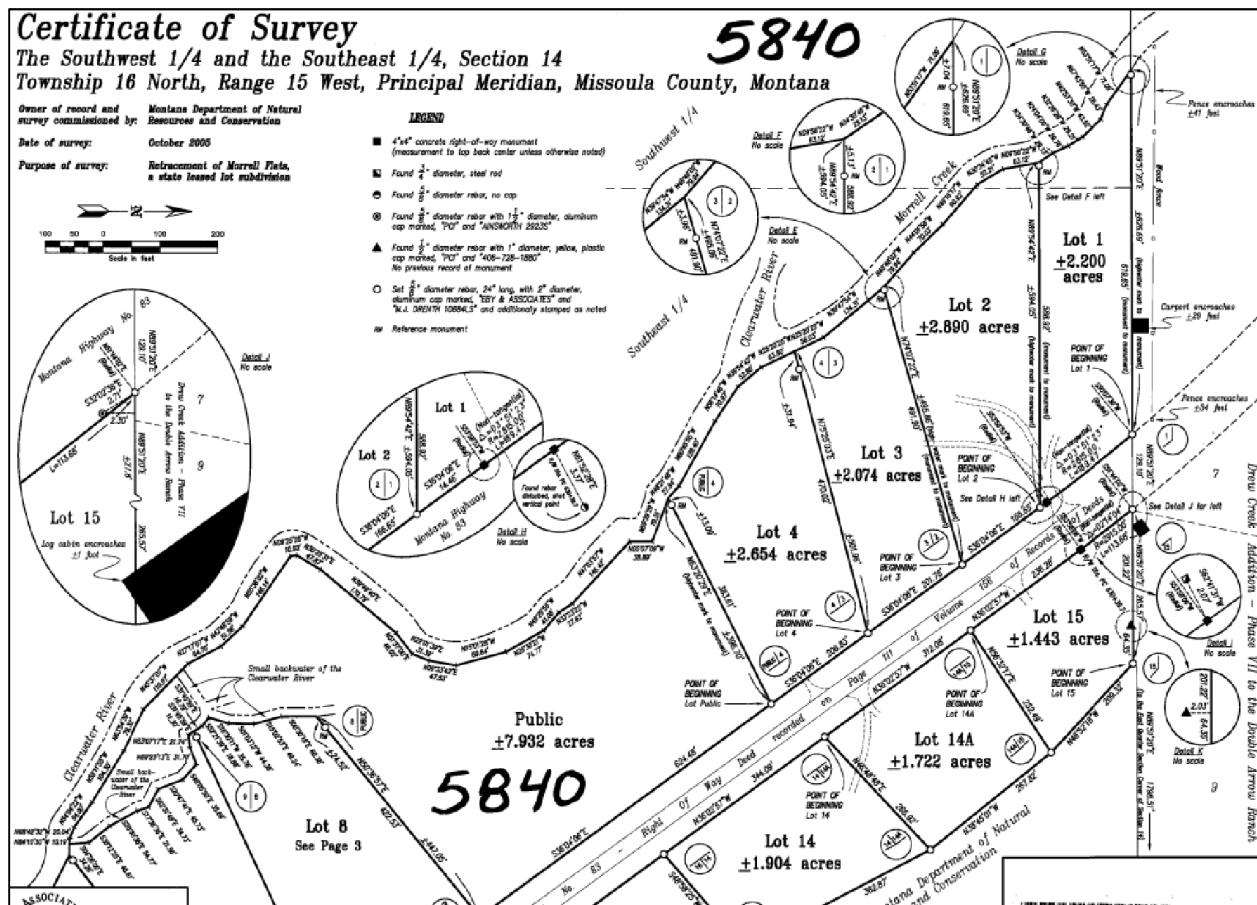
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

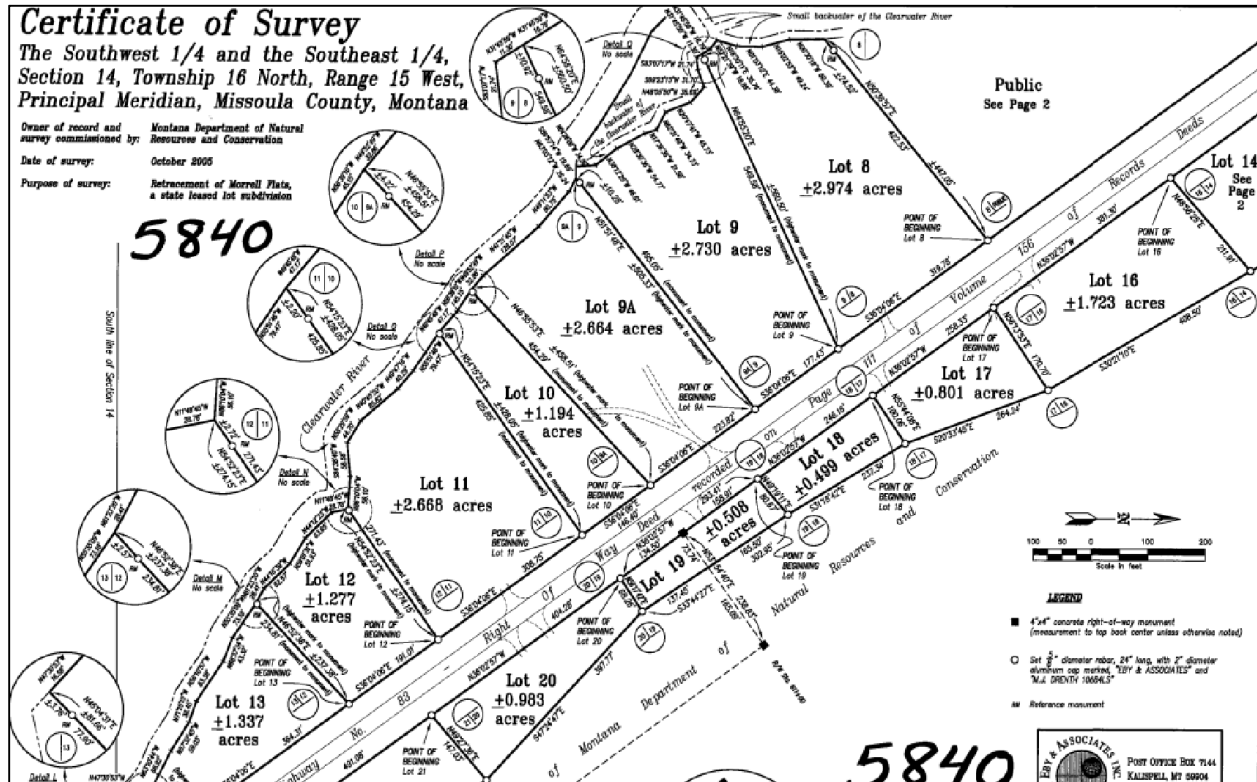
The subject properties are Lots 1, 2, 3, 14A, and 16 of Certificate of Survey #5840 in Section 14, Township 16 North, Range 15 West, in Missoula County, Montana. The subject site sizes are below;

Lot #	Sale #	Gross Acres
1	1030	2.200
2	918	2.890
3	936	2.074
14A	1031	1.722
16	1032	1.723

Subject Lots 1, 2, 3, and 14A are on Page 2 of COS#5840 below;



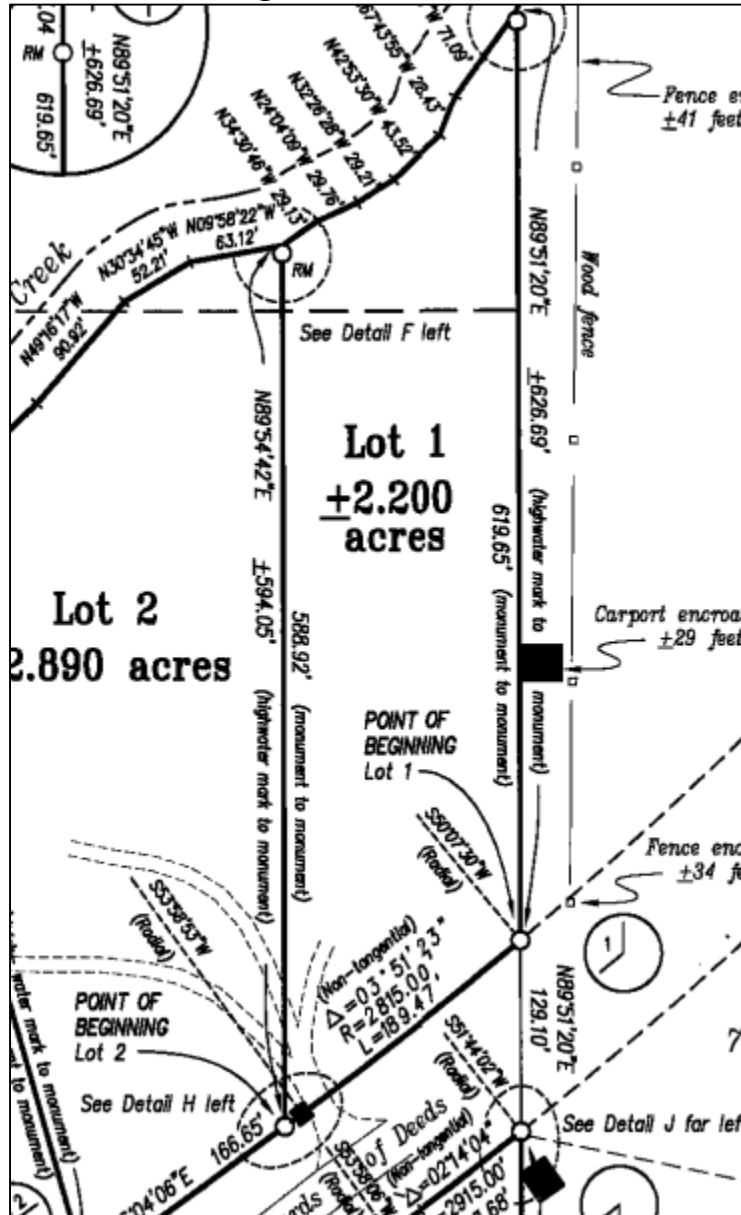
Subject Lot 16 is on page 3 COS #5840 below;



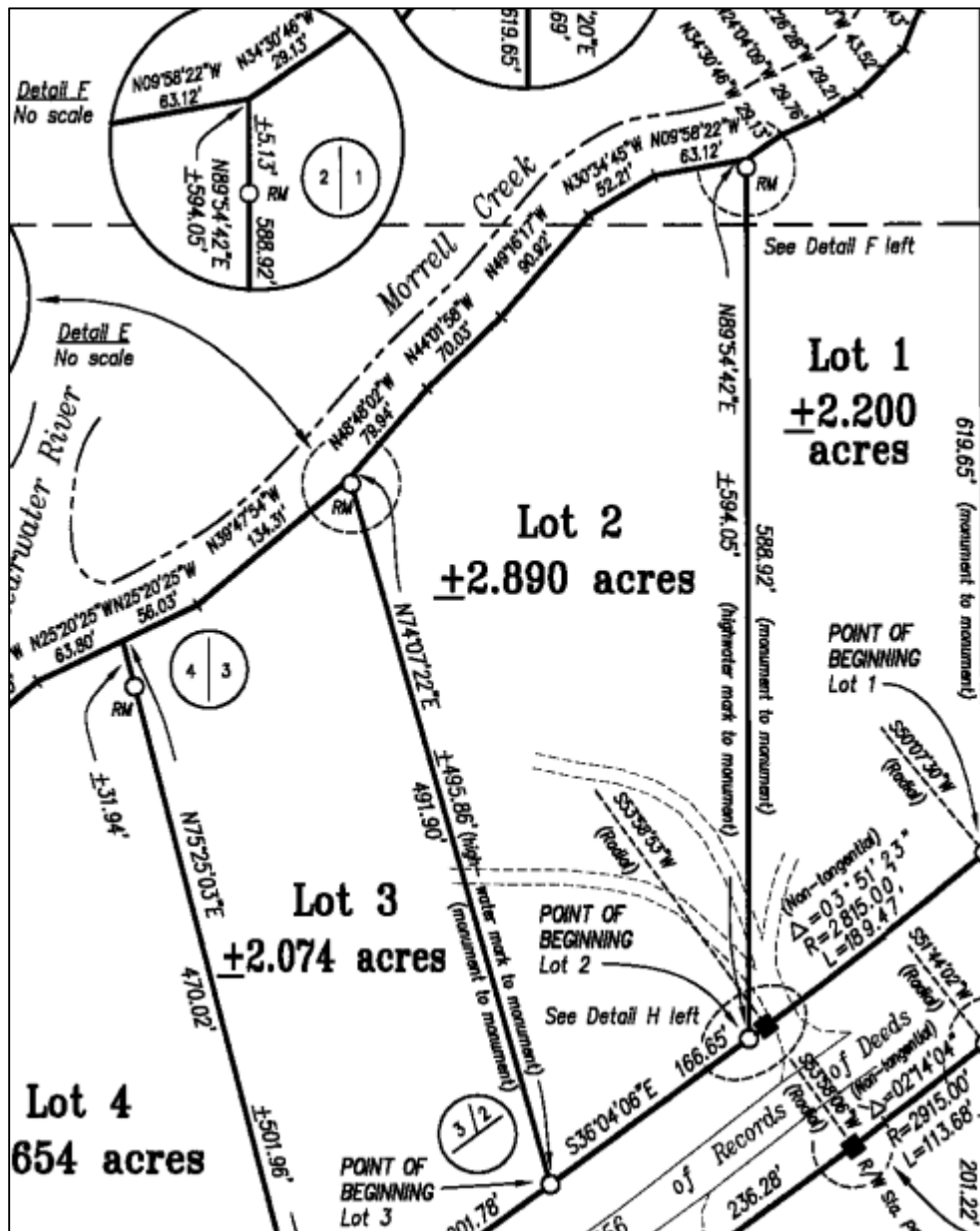
Enlarged views of each site as part of COS #5840 are included on the following pages.

LOT 1

Enlarged View of COS #5840

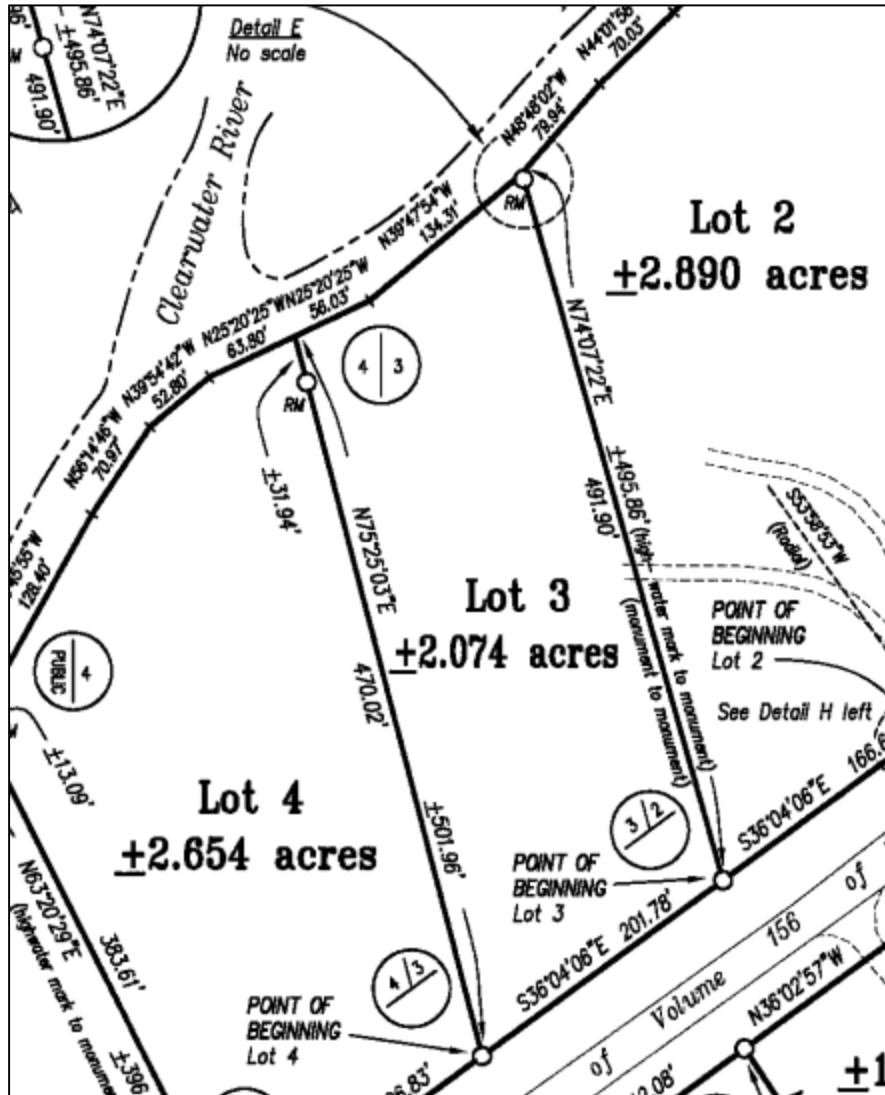


Enlarged View of COS #5840



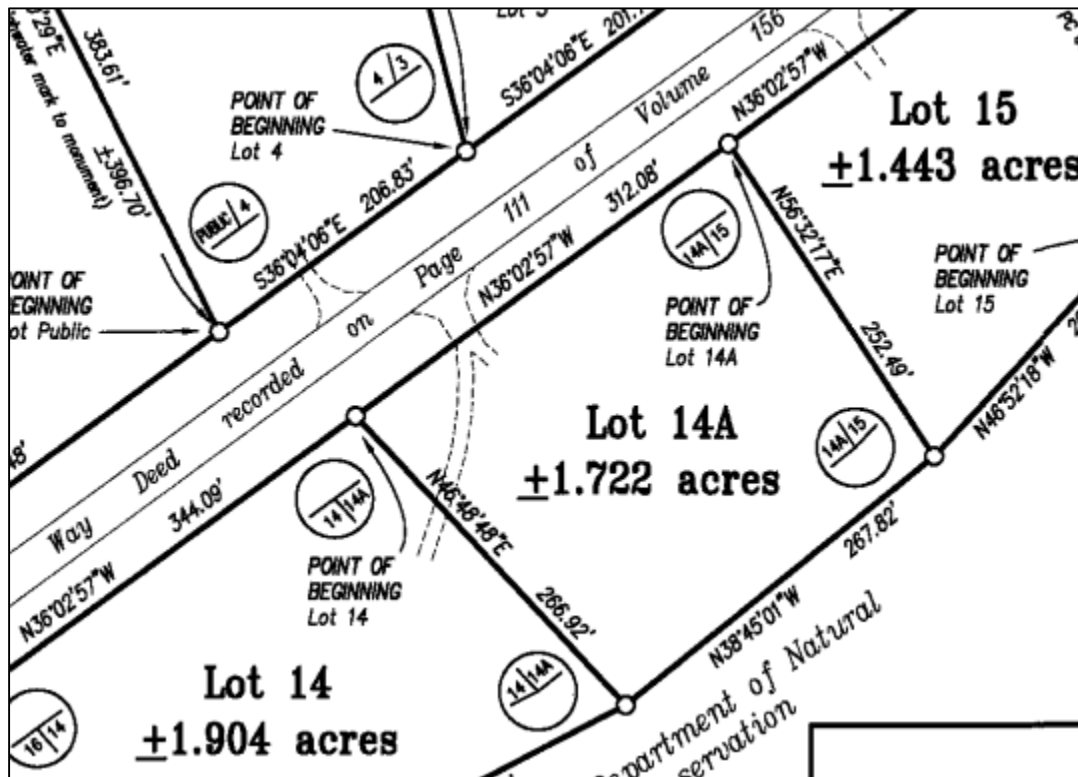
LOT 3

Enlarged View of COS #5840



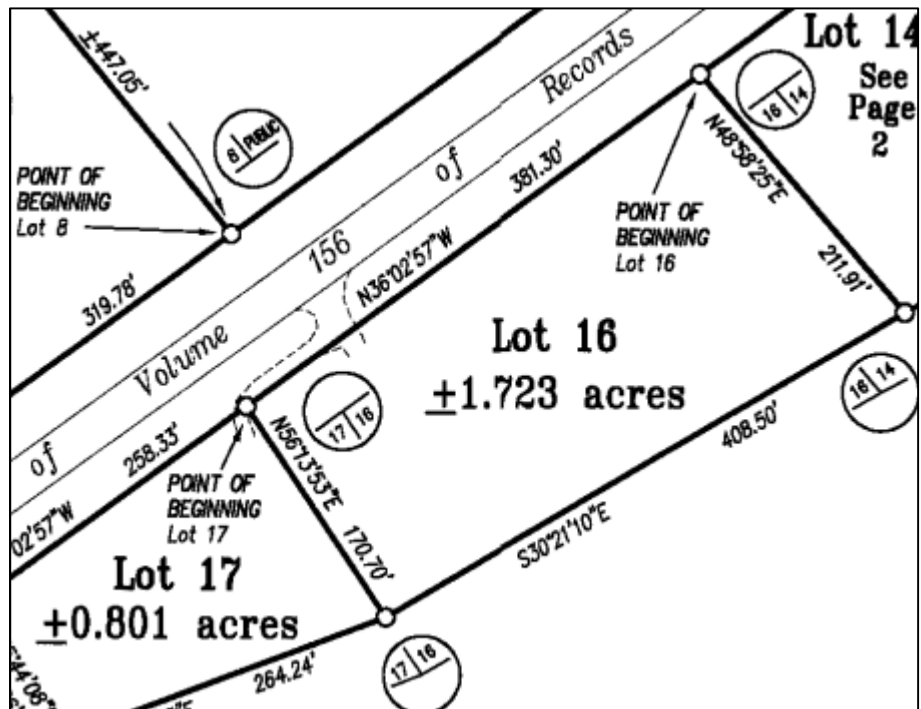
LOT 14A

Enlarged View of COS #5840



LOT 16

Enlarged View of COS #5840



ACCESS AND VIEWS

The subject properties have vehicular access from driveways off of Montana Highway 83 North. Subject Lots 1, 2, and 3 have views of and frontage along Morrell Creek. Subject Lots 14A and 16 have wooded and highway views. Access and water frontage for each site is described on the table below;

Lot #	Sale #	Lessee	Address	Water Frontage	Access
1	1030	Christy Hughes, Michael Hamilton, & Jack Hamilton	NHN Montana Highway 83	231.14 Feet of Frontage Along Morrell Creek	Driveway from Montana Highway 83 (Trunk of Shared Driveway with Lots 2 & 3 on This
2	918	Vacant	NHN Montana Highway 83	356.22 Feet of Frontage Along Morrell Creek	Driveway from Montana Highway 83 (Driveway for Lot 3 Crosses this Site)
3	936	Vacant	NHN Montana Highway 83	190.34 Feet of Frontage Along Morrell Creek	Driveway from Montana Highway 83 (Crosses Lots 1 and 2)
14A	1031	Angela & Ken Miller	2818 Montana Highway 83	None	Driveway from Montana Highway 83 (Trunk of Shared Driveway with Lot 14 on this
16	1032	Angela & Ken Miller	2800 Montana Highway 83	None	Driveway from Montana Highway 83

IMPROVEMENTS

Subject Lots 1 and 14A included improvements. The improvements on these subject lots are described on the table below.

Sale #	1030	1031
Lot #	1	14A
Residence SF	1,064	789
Construction Type	Wood Frame	Wood Frame
Foundation	Post & Pier	Post & Pier
Quality	Average	Fair
Condition	Good	Fair
Year Built	1955 (Renovated)	1917
# of Bedrooms	1	2
# of Bathrooms	1	1
Porches	49 SF Covered Stoop	120 SF Screened Porch
Outbuildings	256 SF Shed, 112 SF Open Storage, & 64 SF Attached Pump House	105 SF Root Cellar, 273 SF Detached Garage, 198 Sf Shed, 195 Sf Pole Building, & 56 SF Outhouse
Well/Septic	Well/Septic	Well/None
Landscaping	Fencing/Lawn	Lawn

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 (as well as descriptions of access easements not yet recorded) are summarized on the table below;

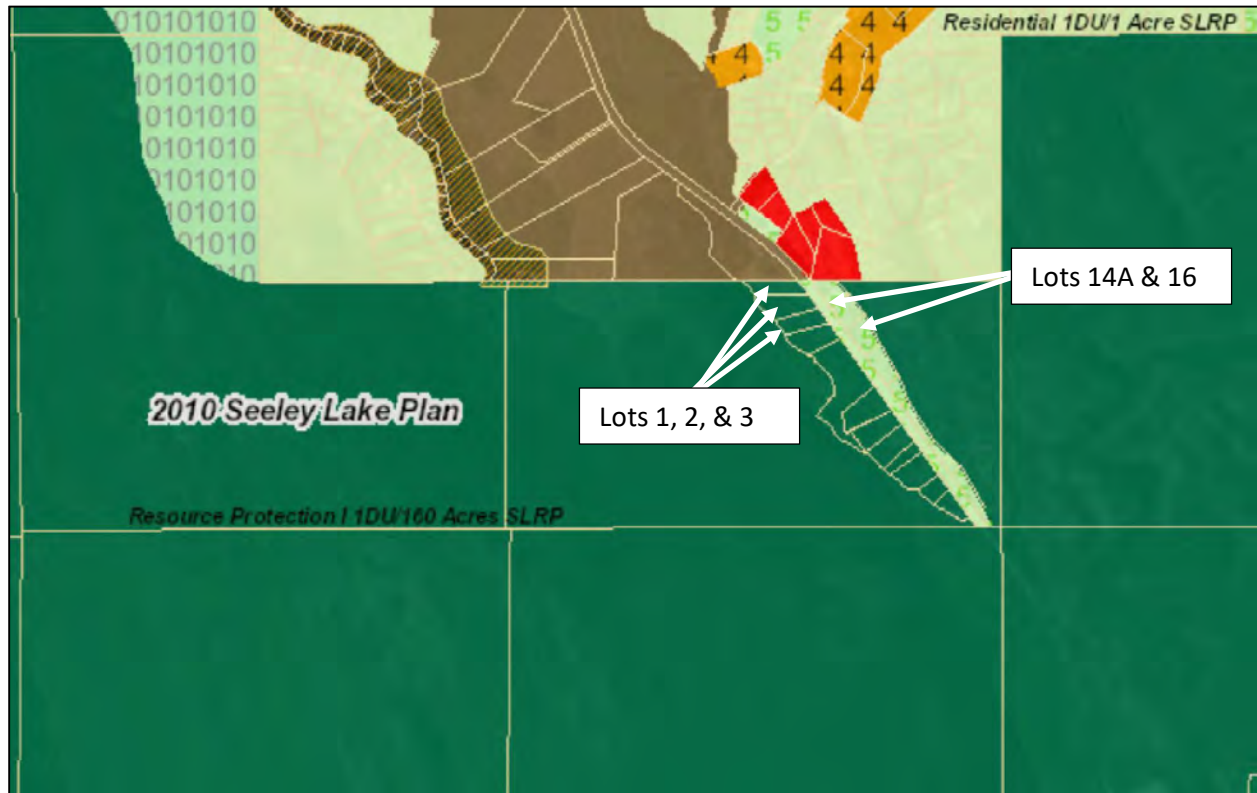
Lot #	Sale #	Lessee	Access	Easement Affecting Property
1	1030	Christy Hughes, Michael Hamilton, & Jack Hamilton	Driveway from Montana Highway 83 (Trunk of Shared Driveway with Lots 2 & 3 on This Site)	Easement to Blackfoot Telephone for Underground Lines, Easement to Missoula County for Public Highway, Easement to Montana Department of Transportation for a State Highway, Easement to Missoula Electric Cooperative Inc. for an Overhead Transmission Line, & Easement to Blackfoot Telephone for Buried Telephone Cable Facilities.
2	918	Vacant	Driveway from Montana Highway 83 (Driveway for Lot 3 Crosses this Site)	Easement to Blackfoot Telephone for Underground Lines, Easement to Missoula County for Public Highway, Easement to Montana Department of Transportation for a State Highway, Easement to Missoula Electric Cooperative Inc. for an Overhead Transmission Line, & Easement to Blackfoot Telephone for Buried Telephone Cable Facilities.
3	936	Vacant	Driveway from Montana Highway 83 (Crosses Lots 1 and 2)	Easement to Blackfoot Telephone for Underground Lines, Easement to Missoula County for Public Highway, Easement to Montana Department of Transportation for a State Highway, Easement to Missoula Electric Cooperative Inc. for an Overhead Transmission Line, & Easement to Blackfoot Telephone for Buried Telephone Cable Facilities.
14A	1031	Angela & Ken Miller	Driveway from Montana Highway 83 (Trunk of Shared Driveway with Lot 14 on this Site)	Easement to Blackfoot Telephone for Underground Lines, Easement to Missoula County for Public Highway, Easement to Montana Department of Transportation for a State Highway, Easement to Missoula Electric Cooperative Inc. for an Overhead Transmission Line, & Easement to Blackfoot Telephone for Buried Telephone Cable Facilities.
16	1032	Angela & Ken Miller	Driveway from Montana Highway 83	Easement to Blackfoot Telephone for Underground Lines, Easement to Missoula County for Public Highway, Easement to Montana Department of Transportation for a State Highway, Easement to Missoula Electric Cooperative Inc. for an Overhead Transmission Line, & Easement to Blackfoot Telephone for Buried Telephone Cable Facilities.

The easements and Rights-of-Way associated with the subject properties are typical for similar area properties and are not considered to have an impact on marketability. If additional easements, restrictions, or encroachments other than those noted in this report are present on the subject properties, the values concluded in this report may be affected.

ZONING

The subject properties are in an area of Missoula County that is not zoned. The subject properties are within the 2010 Seeley Lake Regional Plan area. The plan area is not a regulatory document; however, developers are strongly encouraged to adhere to the development patterns and policies and the land designation map. Subject Lots 1, 2, and 3 are in an area with a density recommendation of 1 dwelling unit per 160 acres. Subject Lots 14A and 16 are in an area with a density recommendation of 1 dwelling unit per 5 acres.

A map depicting the subject properties and surrounding properties with suggested development densities is below.



ASSESSMENT/REAL PROPERTY TAXES

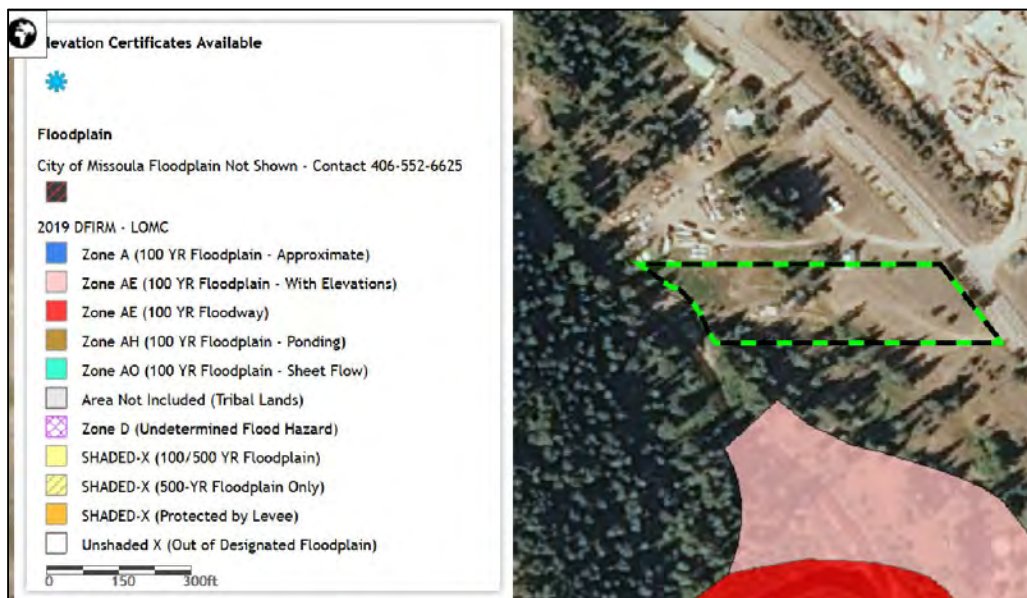
The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 2018 tax bills and taxable market values for the **subject improvements** (as per the Montana Department of Revenue) are included on the table below;

Sale #	Lot #	Lessees	Assessor # for Improvements	2018 Taxable Market Value	2018 Tax Bill Amount
1030	1	Christy Hughes, Michael Hamilton, & Jack Hamilton	0001612509	\$57,550	\$620.00
918	2	Vacant	N/A	N/A	N/A
936	3	Vacant	N/A	N/A	N/A
1031	14A	Angela & Ken Miller	0002041606	\$36,890	\$451.24
1032	16	Angela & Ken Miller	0000305801	\$35,770	\$442.17

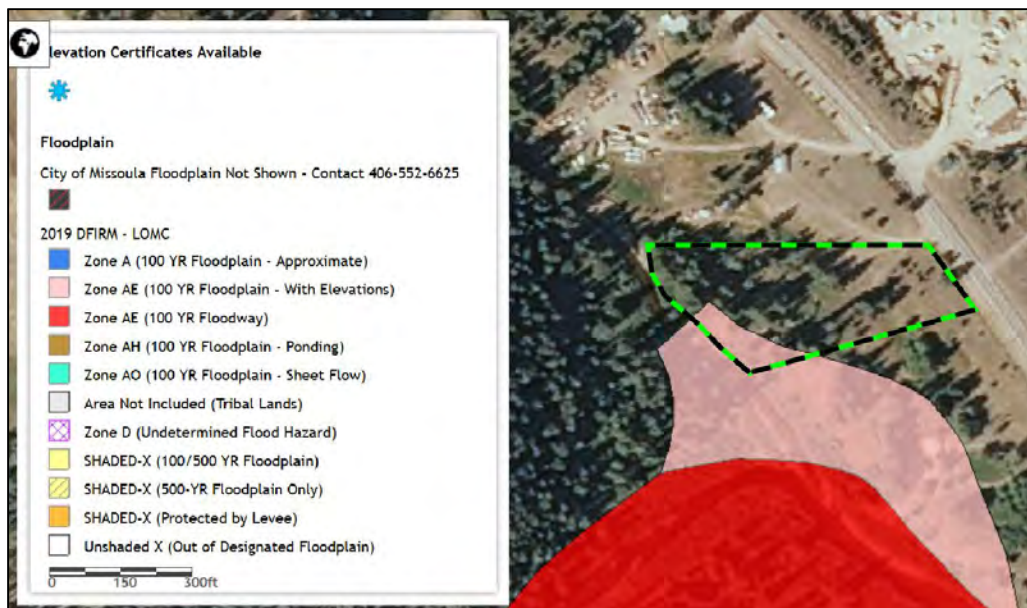
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Missoula County GIS flood mapping feature, Subject Lots 1, 14A, and 16 are in an area of minimal flood hazard and Subject Lots 2 and 3 are partially within the 100 Year Floodplain. Exhibits from the Missoula County GIS flood mapping feature for each subject site are below and on the following pages.

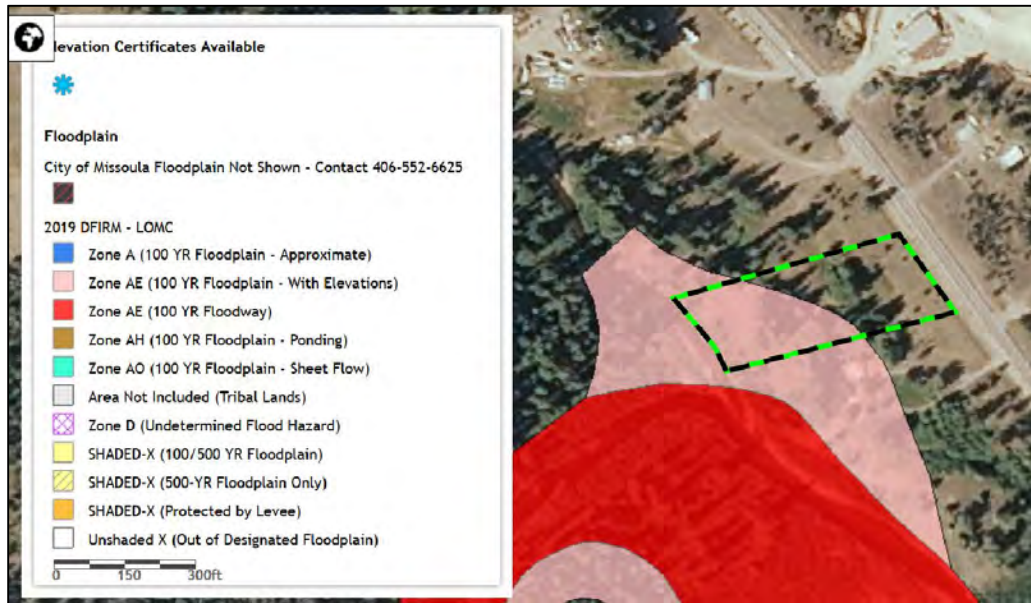
Lot 1



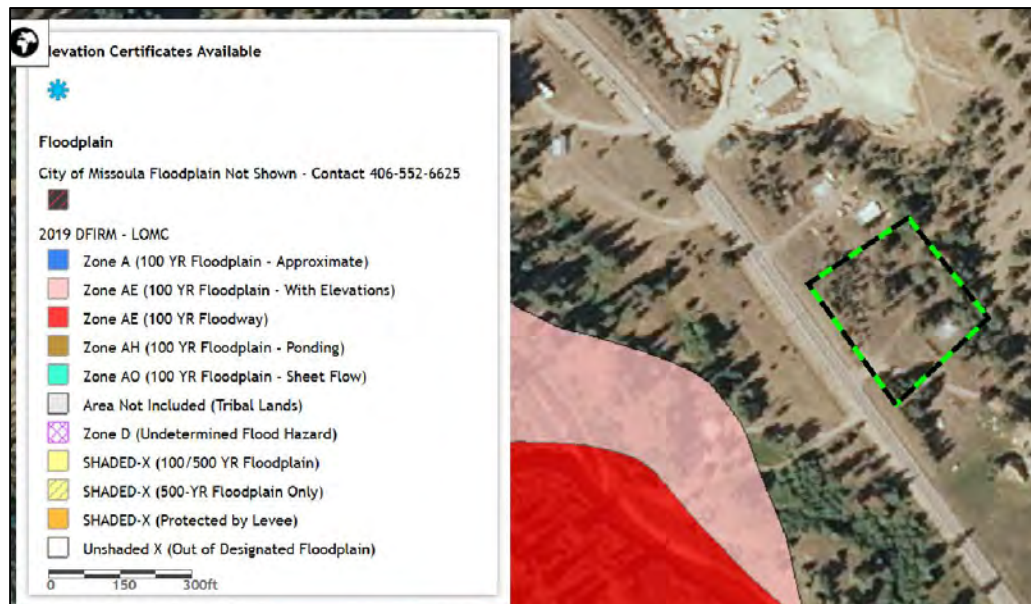
Lot 2



Lot 3



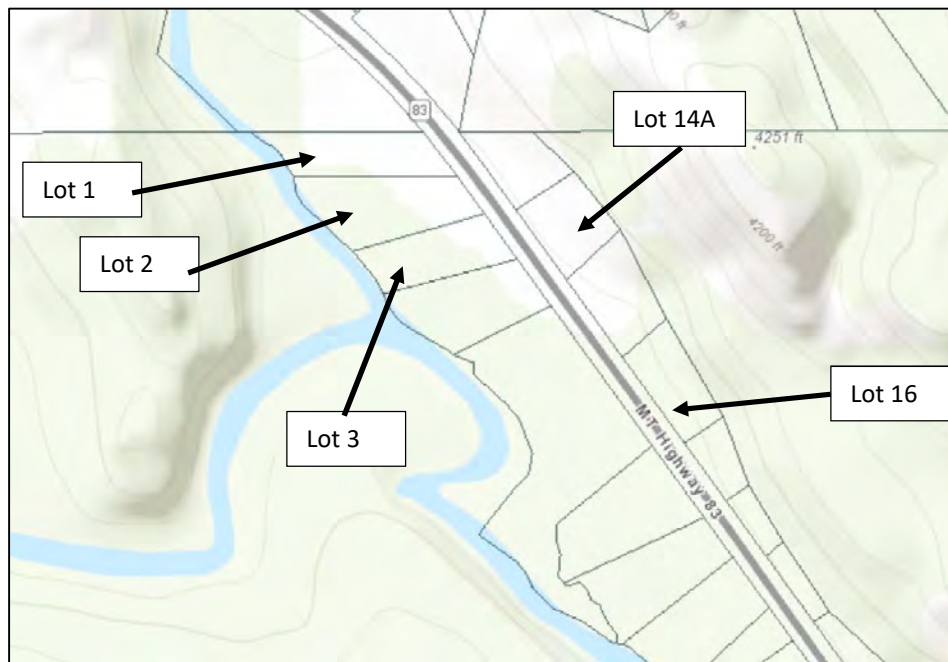
Lot 14A



Lot 16



It appears that drainage and storm water runoff are adequate and/or properly designed and engineered for the subject sites. Lessees reported that there was some standing water in spring. Water was not near the subject residences on Lots 1 or 14A.



The subject lots include native vegetation and/or landscaping.

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

UTILITIES

The subject lots have access to and/or are connected to electricity and phone lines. Information regarding septic systems, wells, and water rights for each subject lot is below;

Sale #	Lot #	Lessees	Septic Tank	Water Source	Water Right	Notes
1030	1	Christy Hughes, Michael Hamilton, & Jack Hamilton	Yes	Well	Yes	2005 Septic Permit on File with Missoula County
918	2	N/A	No	None	No	No Septic Permit on File with Missoula County
936	3	N/A	No	None	Yes	No Septic Permit on File with Missoula County
1031	14A	Angela & Ken Miller	No	Well	Yes	Old Septic Tank on Lot 14 (No Permit on File with Missoula County)
1032	16	Angela & Ken Miller	No	Well	Yes	Older Outhouse

According to Mr. Dan Fultz, Sanitarian with Missoula County, septic systems for Lots 2, 3, 14A, and 16 may not be permissible due to partial location within the 100 year flood plain (Lots 2 and 3) and/or high water in the area (Lots 2, 3, 14A, & 16). Testing would be required to make a final determination.

Due to partial location within the 100 year flood plain (Lots 2 and 3) and high water table in the area (Lots 2, 3, 14A & 16), we have provided two values for these sites in this report. The first value is based upon the **Extraordinary Assumption** that septic systems typical for the area would be permissible for Lots 2, 3, 14A, & 16. The second value is based upon the **Extraordinary Assumption** that no septic systems would be permissible for Lots 2, 3, 14A, & 16.

PUBLIC SAFETY AND SERVICES

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

SITE SUITABILITY

The subject lots are legally and physically suited for residential improvements assuming septic systems are permissible (Lots 2, 3, 14A, & 16).

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 1 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM																	
SUBJECT INFO																	
File No.: 19-022ec		Parcel No.: Lot 1															
Property Address: Morrell Plats Cabin Sites																	
City: Seeley Lake		County:	State: MT	ZipCode: 59868													
Owner:		Client Address:															
Client:		Inspection Date:															
Appraiser Name:																	
SKETCH																	
<p style="text-align: center;">First Floor 1063.8 sf</p> <p style="text-align: right;">Sketch by Apex Sket</p>																	
AREA CALCULATIONS SUMMARY																	
Code	Description	Facto	Net Size	Perimete	Net Total												
GLA1	First Floor	1.0	1063.8	136.0	1063.8												
OTH	Storage	1.0	256.0	64.0													
	Storage	1.0	112.0	46.0													
	Storage	1.0	64.0	32.0	432.0												
P/P	Patio	1.0	49.0	28.0	49.0												
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Net LIVABLE</td> <td style="width: 10%;">cnt</td> <td style="width: 10%;">1 (rounded</td> <td style="width: 10%;">1,064</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td colspan="6">2 total items (rounded 1,064</td> </tr> </table>						Net LIVABLE	cnt	1 (rounded	1,064			2 total items (rounded 1,064					
Net LIVABLE	cnt	1 (rounded	1,064														
2 total items (rounded 1,064																	
AREA CALCULATIONS BREAKDOWN																	
Name	Base x	Height x	Width =	Area													
First Floor	40.5 x	22.5 =		911.3													
	30.5 x	5.0 =		152.5													

LOT 1 - SUBJECT PHOTOGRAPHS



Residence on Lot 1



East Side of Residence



North Side of Residence



South Side of Residence



West Side of Residence



Living Room and Kitchen

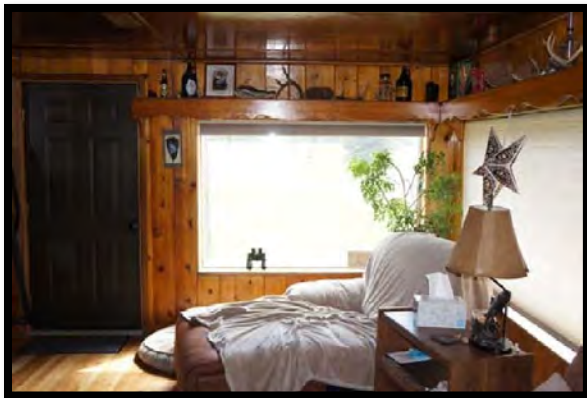
ADDITIONAL PHOTOGRAPHS



Kitchen



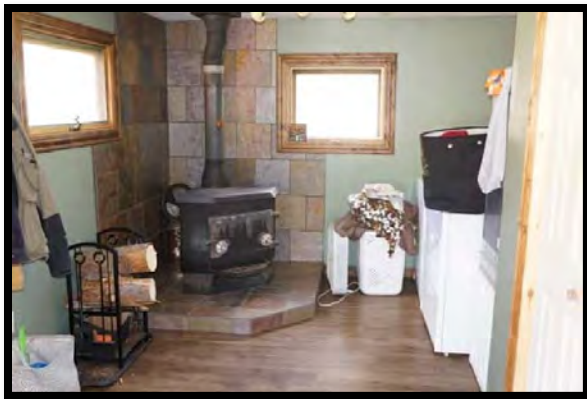
Kitchen



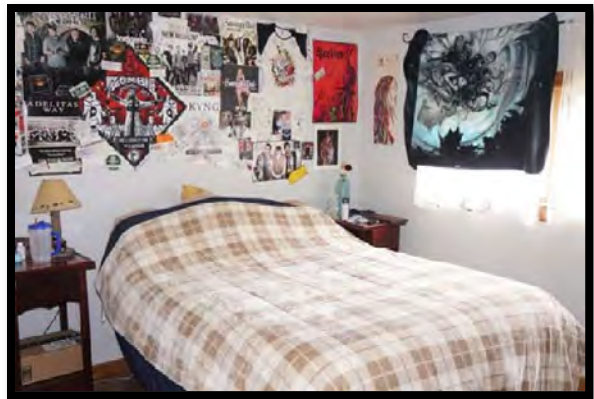
Living Room



Breakfast Room

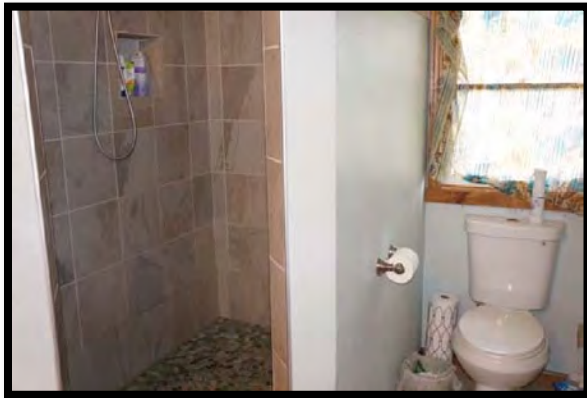


Den/Laundry

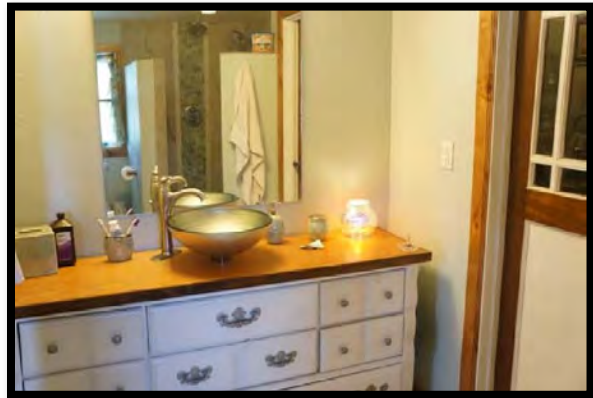


Bedroom

ADDITIONAL PHOTOGRAPHS



Bathroom



Bathroom



Shed



Shed Interior



Fenced Back Yard



Northwest Property Boundary Marker Looking West

ADDITIONAL PHOTOGRAPHS



NW Property Boundary Marker and View East along N. Boundary Boundary



NW Property Boundary Marker and View along West



Morrell Creek Looking North



Morrell Creek Looking South



Southwest Property Boundary Marker Looking North



View North along West Property Boundary and Morrell Creek

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking South



View West along North Property Boundary



Lot 1 Interior Looking West



Southeast Property Boundary Marker Looking North



View West along South Property Boundary



Driveway to Lot 1

ADDITIONAL PHOTOGRAPHS



Montana Highway 83 Looking North



Montana Highway 83 Looking South

LOT 2 - SUBJECT PHOTOGRAPHS



Driveway to Lot 2



Northeast Property Boundary Marker Looking North



View West along North Property Boundary



Southeast Property Boundary Marker Looking North



View West along South Property Boundary



Northwest Property Boundary Marker Looking West

ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker Looking South



Morrell Creek Looking North



Morrell Creek Looking South



Southwest Property Boundary Marker



View North along West Property Boundary and Morrell Creek



Lot 2 Interior Looking West toward Morrell Creek

ADDITIONAL PHOTOGRAPHS



Lot 2 Interior Looking West toward Morrell Creek



Lot 2 Interior Looking East



Lot 2 Interior Looking Northeast



Lot 2 Interior Looking East



Montana Highway 83 Looking North



Montana Highway 83 Looking South

LOT 3 - SUBJECT PHOTOGRAPHS



Lot 3 Interior Looking Southeast



Lot 3 Interior Looking East



Lot 3 Interior Looking West



Lot 3 Interior Looking East



Approximate Northwest Property Boundary Marker Looking North



View of Morrell Creek Looking West

ADDITIONAL PHOTOGRAPHS



View North near Northwest Property Boundary



View South near Northwest Property Boundary



Lot 3 Interior Looking East



Southwest Property Boundary Marker Looking West



View East along South Property Boundary



Confluence of Morrell Creek and The Clearwater River
near Lot 3 Southwest Property Boundary

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking North



Northeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Marker Looking West



Montana Highway 83 Looking North



Montana Highway 83 Looking South

LOT 14A - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.:		Parcel No.: Lot 14A			
Property Address: Morrell Flats		City: Seeley Lake		State: MT	ZipCode: 59868
Owner:		Client Address:			
Client:		Inspection Date:			
Appraiser Name:					
SKETCH					
Sketch by: Apex Sket					
AREA CALCULATIONS SUMMARY					Area
Code	Description	Facto	Net Size	Perimete	Net Total
GLA1	First Floor	1.0	789.3	118.0	789.3
GAR	Garage	1.0	273.0	68.0	273.0
OTH	Outhouse	1.0	56.3	30.0	
	Pole Building	1.0	195.0	56.0	
	Shed	1.0	198.0	58.0	
	Root Cellar	1.0	105.0	41.0	554.3
P/P	Porch	1.0	119.6	52.7	119.6
Net LIVABLE cnt 1 (rounded)					789
AREA CALCULATIONS BREAKDOWN					Area
Name	Base x	Height x	Width =		
First Floor		38.5 x	20.5 =	789.3	
1 total items					(rounded) 789

LOT 14A - SUBJECT PHOTOGRAPHS



Residence on Lot 14A



West Side of Residence



North Side of Residence



East and South Side of Residence



South Side of Residence



Living Room

ADDITIONAL PHOTOGRAPHS



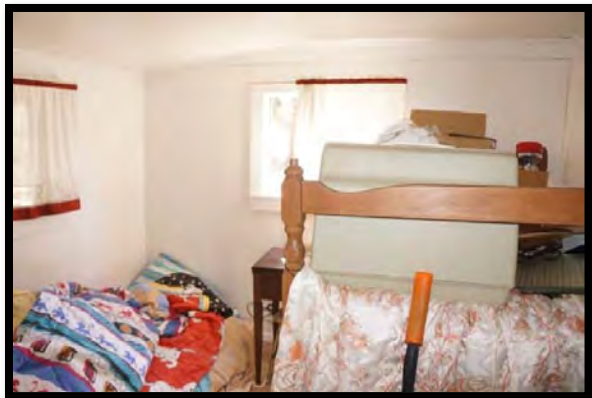
Kitchen



Wood Stove in Living Room



Bedroom



2nd Bedroom



Bathroom/Laundry



Bathroom

ADDITIONAL PHOTOGRAPHS



Pole Building



Outhouse



Garage



Garage Interior



Shed



Shed Interior

ADDITIONAL PHOTOGRAPHS



Root Cellar



Root Cellar Interior



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Marker Looking West



Southwest Property Boundary Marker Looking North



Southwest Property Boundary Looking East

ADDITIONAL PHOTOGRAPHS



Lot 14A Interior Looking East



Shared Driveway on Lot 14A Looking Southeast



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East



Northeast Property Boundary Marker



View South along East Property Boundary

ADDITIONAL PHOTOGRAPHS



Old Septic Tank



View from Driveway toward MT Highway 83



Montana Highway 83 Looking North



Montana Highway 83 Looking South

LOT 16 - SUBJECT PHOTOGRAPHS



Lot 16 Northwest Property Boundary Marker Looking East



Lot 16 Interior Looking Southeast



Lot 16 Northeast Property Boundary Marker Looking South



Lot 16 Interior Looking Southwest



Lot 16 Southeast Property Boundary Marker Looking North



View East along South Property Boundary

ADDITIONAL PHOTOGRAPHS



Lot 16 Southwest Property Boundary Marker Looking East



Lot 16 Southwest Property Boundary Marker Looking North



Shed on Lot 16



Lot 16 Interior Looking Northeast



MT Highway 83 Looking South



MT Highway 83 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 sites range in size from 1.722 up to 2.890 acres in size. Subject Lot 1 includes 231.14 feet of frontage along Morrell Creek and Subject Lots 2 and 3 include 356.22 feet and 190.34 feet respectively along the creek. Subject Lots 14A and 16 do not include water frontage. Subject Lots 1 and 14A include residential improvements. The subject properties are located in the community of Seeley Lake and in Missoula County, Montana.

Area Land Use Trends

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

Potential Users of Subject Property

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

Demand Analysis

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

Vacant Sites with Non-Navigable Water Frontage

Subject Lot 1, 2, and 3 include frontage along Morrell Creek which is considered non-navigable water. Sales of vacant sites with frontage along smaller non-navigable waters in the subject market area with 4.00 acres or less that were marketed via the Montana Regional MLS since 2016 are on the table on the following page.

Sold Date	Sold Price	Lot Acres	Waterfront Name	Days on Market
7/15/2016	\$98,000	3.75	Trail Creek	149
8/18/2016	\$95,000	2.18	Trail Creek	87
8/24/2016	\$90,000	1.99	Trail Creek	135
8/29/2016	\$93,500	2.47	Morrell Creek	52
9/9/2016	\$37,000	2.29	Mountain Creek	38
9/20/2016	\$83,500	2.19	Drew Creek	26
11/1/2016	\$116,500	2.89	Morrell Creek	20
1/31/2017	\$55,000	3.05	Drew Creek	152
5/15/2017	\$60,000	3.43	Trail Creek	244
5/19/2017	\$77,500	3.06	Drew Creek	25
8/14/2017	\$37,000	2.93	Drew Creek	419
11/6/2017	\$45,000	2.34	Mountain Creek	37
5/2/2018	\$80,000	1.37	Morrell Creek	23
6/8/2018	\$55,000	2.16	Drew Creek	37
5/10/2019	\$61,000	3.11	Drew Creek	58

The sites with frontage along Morrell Creek are highlighted on the table above.

Interior Vacant Sites & Non-Navigable Waterfront Vacant Sites

We conducted a search of the area MLS for sales of vacant residential sites (interior sites and sites with non-navigable waterfront) up to 4.00 acres in size. Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the regional MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of this search are below;

Seeley Lake Vacant Lot Market Activity							
Up to 4.00 Acres in Size - Interior				Up to 4.00 Acres in Size - Non-Navigable Waterfront			
Year	# of Sales	Average Sales Price	Average Days on Market	Year	# of Sales	Average Sales Price	Average Days on Market
2016	14	\$46,289	152	2016	7	\$88,357	72
2017	21	\$47,822	432	2017	5	\$54,900	175
2018	15	\$43,893	244	2018	2	\$67,500	138
2019 Year-to-Date	4	\$52,188	305	2019 Year-to-Date	1	\$61,000	58
ACTIVE	42	\$70,336	466	ACTIVE	13	\$88,315	236
Average List Price Shown for Active Listings							

This data indicates that the median sales prices for sites in these search parameters has fluctuated somewhat over the past few years. The average sales prices for interior sites have generally increases since 2016.

The average sales price for sites on non-navigable water have decreased since 2016. It is advisable to utilize caution with statistical analysis of small data sets.

Residential Improved Properties in Seeley Lake

There was sufficient market data regarding improved homes on sites with 3 acres or less in the community of Seeley Lake to prepare a credible analysis. This data is for sales of homes on interior sites. No homes on waterfront or non-navigable waterfront sites were utilized. Although Lot 1 is improved with a residence and includes frontage along Morrell Creek, this home is more similar to area homes not on waterfront sites. Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of our search are below;

Seeley Lake Residential Improved Properties - Market Activity			
Homes on Interior Sites up to 3 Acres in Size			
Year	# of Sales	Average Sales Price	Average Days on Market
2016	30	\$210,795	247
2017	22	\$216,325	174
2018	27	\$253,348	198
2019 Year-to-Date	8	\$188,375	143
ACTIVES	20	\$307,240	112
Average List Price is Shown for Actives			

This data indicates that the average home prices have fluctuated each year.

Competitive Supply

Vacant Home Sites with Non-Navigable Water Frontage

There 13 active listings of sites with 4.00 acres or less on area non-navigable waters. The average list price for these listings was \$88,315.

Interior Vacant Home Sites

There were 42 active listings of interior vacant home sites with 4 acres or less in Seeley Lake as of the report effective date.

Residential Improved Properties in Seeley Lake

There were 20 active listings of homes on interior sites with 3 acres or less in Seeley Lake as of the report effective date.

Interaction of Supply and Demand

Vacant Home Sites with Non-Navigable Water Frontage

Based upon the sales that have closed in 2017 and 2018, there is a greater than 1 year supply of sites with 4.00 acres or less on area non-navigable waters. Supply exceeds annual demand

Interior Vacant Home Sites

Based upon the average sales volume from 2017 through 2018; there is an over 2 year supply of vacant residential lots for sale with 3 acres or less in Seeley Lake. The supply far exceeds annual demand. Downward price pressure is likely for the active listings.

Residential Improved Properties in Seeley Lake

Based upon the average sales volume from 2017 through 2018, there is a less than 1 year supply of homes for sale on lots with 3 acres or less in Seeley Lake.

Subject Marketability Conclusion

Vacant Home Sites with Non-Navigable Water Frontage

Subject Lots 1, 2, and 3 are considered most similar to area lots with less than 4.00 acres in size and frontage along non-navigable waters such as area creeks. These subject lots are considered to have similar marketability compared to recent sales of lots with frontage along Morrell Creek.

Interior Vacant Home Sites

Subject Lots 14A and 16 are considered to have similar marketability compared to other interior residential sites in Seeley Lake.

Residential Improved Properties in Seeley Lake

The subject residences on Lots 1 and 14A are considered to have similar marketability compared to homes in the Seeley Lake area with similar sizes and of similar quality and condition.

Estimated Marketing and Exposure Times

The average days on market for sales of vacant home sites with frontage along non-navigable water averaged 175 days in 2017 and 138 in 2018. Based upon this data, a **marketing time** between 4 to 6 months is appropriate for Subject Lots 1, 2, and 3 as if vacant. If these subject properties had sold as if vacant on the effective date of this report, at the appraised values concluded, 4 to 6 month **exposure times** would have been reasonable.

The average days on market for sales of interior vacant home sites averaged 432 days in 2017 and 244 in 2018. Based upon available market data, **marketing times** between 8 to 14 months are appropriate for the Subject Lots 14A and 16 as if vacant. If these subject properties had sold as if vacant on the effective date of this report, at the appraised values concluded, 8 to 14 month **exposure times** would have been reasonable.

The 22 homes sales in Seeley Lake that closed in 2017 were marketed for an average of 174 days. The 27 home sales in Seeley Lake that closed in 2018 were marketed for 198 days. **Marketing times** between 6 to 8 months are appropriate for the Subject Lots 1 and 14A as improved. If these subject properties as improved had sold on the effective date of this report, at the appraised values concluded in this report, 6 to 8 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 pages.

SUBJECT PROPERTIES - AS IF VACANT

Legally Permissible

The subject properties are in an area of Missoula County that is not zoned. The subject properties are within the 2010 Seeley Lake Regional Plan area. The plan area is not a regulatory document; however, developers are strongly encouraged to adhere to the development patterns and policies and the land designation map. Subject Lots 1, 2, and 3 are in an area with a density recommendation of 1 dwelling unit per 160 acres. Subject Lots 14A and 16 are in an area with a density recommendation of 1 dwelling unit per 5 acres.

The Certificate of Survey which includes the subject lots was recorded in 2006. The subject lots were created prior to the 2010 Seeley Lake Regional Plan. Additionally, the plan is a regulatory document which recommends uses but does not include requirements. Since there is no zoning in the subject area, there are many legally permissible uses for the subject lots as if vacant.

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 most other types of uses.

Due to partial location within the 100 year flood plain (Lots 2 and 3) and high water table in the area (Lots 2, 3, 14A & 16), septic systems may not be allowed for these subject lots. For this reason, we have provided two values for these sites in this report. The first value is based upon the **Extraordinary Assumption** that septic systems typical for the area would be permissible for Lots 2, 3, 14A, & 16. The second value is based upon the **Extraordinary Assumption** that no septic systems would be permissible for Lots 2, 3, 14A, & 16.

Financially Feasible

Most similar lots in the area are improved with single family residences. According to our research, some area residences are occupied year round and some are utilized seasonally for recreational purposes. 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 for recreational and/or residential use. If septic systems are not permissible for subject Lots 2, 3, 14A, & 16, recreational use is the highest and best use as is (Lots 2, 3, & 16) or as if vacant (Lot 14A).

LOTS 1 AND 14A - AS IMPROVED

These subject properties are improved with single family residences and outbuildings. There is market acceptance of many types of residences in Seeley Lake. Alteration of the subject residences for any use other than as single family homes would require large capital expenditures. Continued use as single family residences for these subject properties is the highest and best use as improved.

THE APPRAISAL PROCESS

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

APPROACHES IN THE VALUATION OF REAL PROPERTY

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

Cost Approach

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

Sales Comparison Approach

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

Income Capitalization Approach

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

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

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

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

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

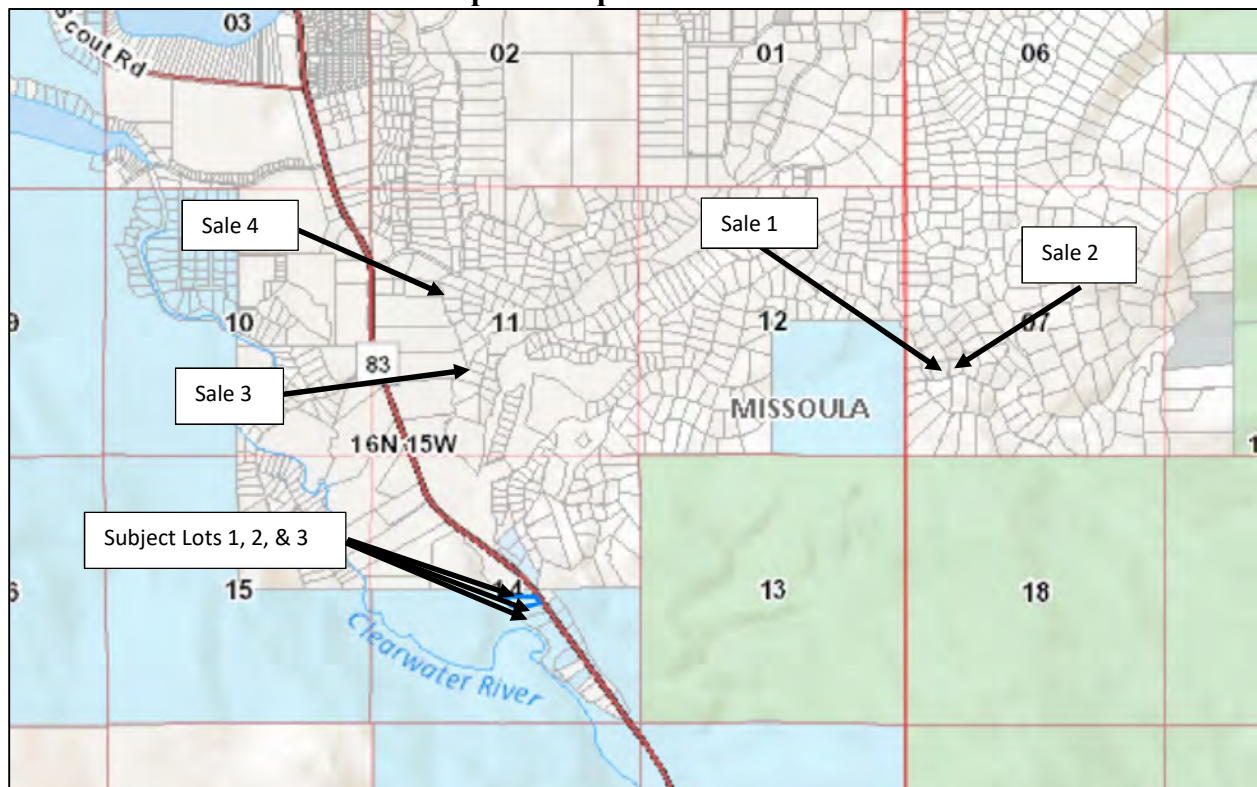
NON-NAVIGABLE WATER FRONTAGE VACANT SITE SALES

We conducted a search for sales of vacant home sites non-navigable water. Such sales were considered the most appropriate comparables for Subject Lots 1, 2, and 3. We located 4 sales that were reasonable comparables for these subject lots. Based upon our analysis, the appropriate unit of comparison is price per site. These comparables are described on the table below;

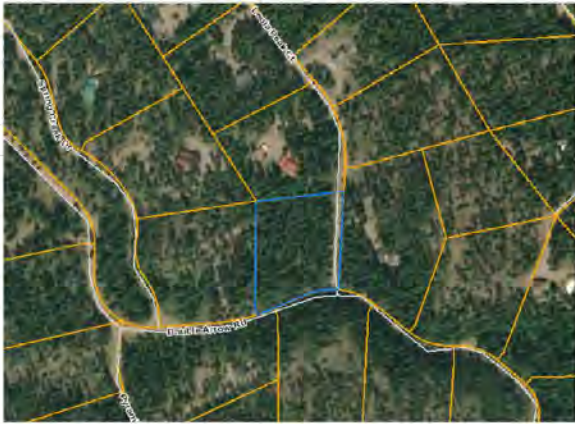
Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price
1	105 Leota Peak Dr	Seeley Lake	2.160	2018	\$55,000
2	533 Rainbow Ct	Seeley Lake	1.370	2018	\$80,000
3	1964 Double Arrow Rd	Seeley Lake	3.060	2017	\$77,500
4	123 Rainbow Ct	Seeley Lake	2.470	2016	\$93,500

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



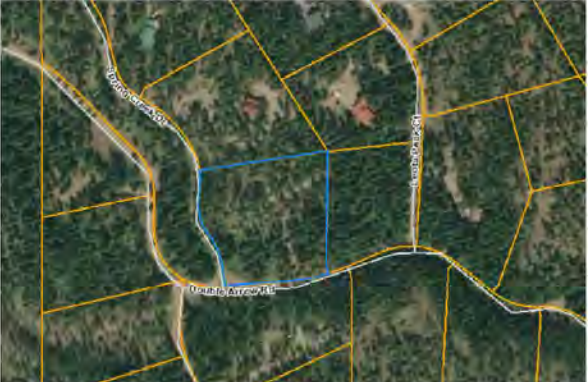
LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location	105 Leota Peak Drive	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0005827039	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	2.160	
	Square Feet	94,090	
	Date of Sale	June 8, 2018	
	Sales Price	\$55,000	
	Less Cost of Improvements*	\$0	
Sales Price Adjusted	\$55,000		
MLS #	21804769		
ANALYSIS OF SALE			
Price per Acre	\$25,463	Price per Square Foot	\$0.58
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Melanie G. Havets & Michael D. Berton Jr.	Grantee	Matthew R. Strizich & Stephanie A. Strizich
Type of Instrument	Warranty Deed	Document #	201809178
		Marketing Time	1164 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 88 of Drew Creek Addition - Phase 7 to the Double Arrow Ranch	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S7/T16N/R14W		
PROPERTY DETAILS			
Access	Gravel Private Rd.	View	Trees, Creek
Topography	Rolling	Lot Dimensions	Lengthy. Included in appraisal workfile.
Flood Plain	The subject property is in an undetermined flood hazard area. It is unlikely that the property is in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	Drew Creek bisects the property	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property is within the Double Arrow Ranch Subdivision and is subject to CC&R's.
Report File # 19-022ec			


LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location	533 Rainbow Court	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0005901758	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	1.370	
	Square Feet	59,677	
	Date of Sale	May 3, 2018	
	Sales Price	\$80,000	
	Less Cost of Improvements*	\$0	
Sales Price Adjusted	\$80,000		
MLS #	21803478		
ANALYSIS OF SALE			
Price per Acre	\$58,394	Price per Square Foot	\$1.34
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Alan Davis & Shizuko Davis	Grantee	Jeffrey S. Sargent
Type of Instrument	Warranty Deed	Document #	201807034
		Marketing Time	733 Days on Market
Financing/Conditions	Cash/Market	Verified By	Scott Kennedy, Listing Agent
Legal Description	Lot 95 of the Amended Plat of Trail Creek Addition - Phase 6 to the Double Arrow Ranch	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S11/T16N/R15W		
PROPERTY DETAILS			
Access	Gravel Private Rd.	View	Trees, Mountains, Creek
Topography	Rolling	Lot Dimensions	Lengthy. In appraisal workfile.
Flood Plain	According to Flood Map #300630740E, the property is in an area of low flood risk.	Improvements	None
Feet of Water Frontage	Property is located along a tributary to Morrell Creek.	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property is within the Double Arrow Ranch Subdivision and is subject to CC&R's. The total cumulative days on market was 2,911 days. However, there was a gap of approximately 1 year when the property was not marketed.
Report File # 19-022ec			

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location	1964 Double Arrow Road	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0005826853	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	3.060	
	Square Feet	133,294	
	Date of Sale	May 19, 2017	
	Sales Price	\$77,500	
	Less Cost of Improvements*	\$0	
	Sales Price Adjusted	\$77,500	
	MLS #	21704092	
ANALYSIS OF SALE			
Price per Acre	\$25,327	Price per Square Foot	\$0.58
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Kevin Wetherell	Grantee	Shawn J. Gleason & Danette L. Gleason
Type of Instrument	Warranty Deed	Document #	201708542
		Marketing Time	25 Days on Market
Financing/Conditions	Owner Financing/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 70 of the Drew Creek Addition - Phase 7 to the Double Arrow Ranch.		Intended Use/Comments
			Purchased for Residential Use
Section/Township/Range	S7/T16N/R14W		
PROPERTY DETAILS			
Access	Gravel Private Rd.	View	Trees, Creek
Topography	Rolling	Lot Dimensions	Lengthy. In appraisal workfile.
Flood Plain	The subject property is in an undetermined flood hazard area. It is unlikely that the property is in an area of elevated flood risk.		Improvements
			None
Feet of Water Frontage	Property is bisected by Drew Creek.	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property is within the Double Arrow Ranch Subdivision and is subject to CC&R's.
Report File # 19-022ec			

LAND SALE 4

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

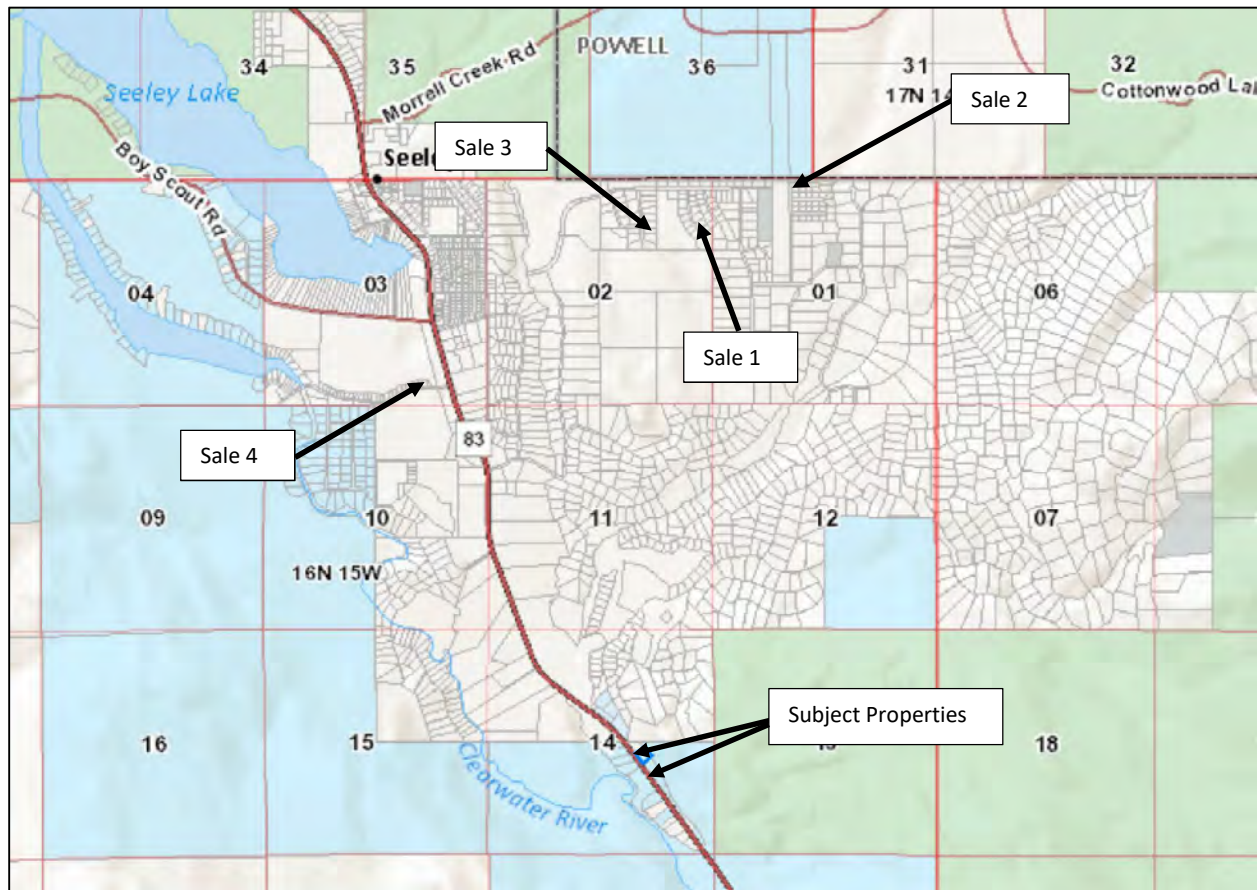
INTERIOR VACANT SITE SALES

We conducted a search for sales of interior sites in Seeley Lake similar in size and overall utility compared to the interior subject sites. We located 4 recent sales that compare well with the interior subject sites. These sales are considered the best and most appropriate comparables available. These comparables are described on the table below;


Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price
1	NHN Riverview Dr	Seeley Lake	0.337	2017	\$33,000
2	Lot 18 Lemar Dr	Seeley Lake	1.070	2018	\$25,000
3	Lot 14 Lemar Dr	Seeley Lake	1.180	2017	\$20,603
4	NHN Eagle Port	Seeley Lake	0.460	2018	\$38,500

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	267 Eagle Drive	
	City/State	Seeley Lake	
	County	Missoula	
	Assessor Number	0000002908	
	Zoning	Unzoned Portion of Missoula Co.	
	Site Size: Acres	0.613	
	Square Feet	26,702	
	Date of Sale	April 25, 2019	
	Sales Price	\$27,750	
	Less Cost of Improvements*	\$0	
Sales Price Adjusted	\$27,750		
MLS #	21803773		
ANALYSIS OF SALE			
Price per Acre	\$45,269	Price per Square Foot	\$1.04
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Ken Grimm	Grantee	Noah Madinger & Dilara Madinger
Type of Instrument	Warranty Deed	Document #	201905624
Financing/Conditions	Cash/Market	Marketing Time Verified By	377 Days on Market Carey Kanavel, Listing Agent
Legal Description	Lot 7, Block 5, Seeley Lake Pines Addition #1	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S2/T16N/R15W		
PROPERTY DETAILS			
Access	Gravel Private Rd.	View	Trees, Interior
Topography	Level	Lot Dimensions	180.65' x 150' x 175' x 144.51'
Flood Plain	According to Flood Map #300630740E, the parcel is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property is located within Seeley Lake Pines Addition #1 Subdivision and is subject to CC&R's.
Report File # 19-022ec			


LAND SALE 2

COMPARABLE SALE INFORMATION																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">Location</td><td>NHN Eagle Port</td></tr> <tr><td>City/State</td><td>Seeley Lake, MT</td></tr> <tr><td>County</td><td>Missoula</td></tr> <tr><td>Assessor Number</td><td>0002398800</td></tr> <tr><td>Zoning</td><td>Unzoned</td></tr> <tr><td>Site Size: Acres</td><td>0.460</td></tr> <tr><td style="text-align: center;">Square Feet</td><td>20,038</td></tr> <tr><td>Date of Sale</td><td>May 24, 2018</td></tr> <tr><td>Sales Price</td><td>\$38,500</td></tr> <tr><td style="text-align: center;">Less Cost of Improvements*</td><td>\$0</td></tr> <tr><td>Sales Price Adjusted</td><td>\$38,500</td></tr> <tr><td>MLS #</td><td>21706599</td></tr> </table>			Location	NHN Eagle Port	City/State	Seeley Lake, MT	County	Missoula	Assessor Number	0002398800	Zoning	Unzoned	Site Size: Acres	0.460	Square Feet	20,038	Date of Sale	May 24, 2018	Sales Price	\$38,500	Less Cost of Improvements*	\$0	Sales Price Adjusted	\$38,500	MLS #	21706599
	Location	NHN Eagle Port																									
	City/State	Seeley Lake, MT																									
	County	Missoula																									
	Assessor Number	0002398800																									
	Zoning	Unzoned																									
	Site Size: Acres	0.460																									
	Square Feet	20,038																									
	Date of Sale	May 24, 2018																									
	Sales Price	\$38,500																									
Less Cost of Improvements*	\$0																										
Sales Price Adjusted	\$38,500																										
MLS #	21706599																										
ANALYSIS OF SALE																											
Price per Acre	\$83,696	Price per Square Foot	\$1.92																								
		Price Per Front Foot	N/A																								
TRANSFER INFORMATION																											
Grantor	Steven G. Lindemer & Jennifer S. Lindemer	Grantee	Robert W. Foley & Mary S. Foley																								
Type of Instrument	Warranty Deed	Document #	201808344																								
Financing/Conditions	Conventional / Market	Marketing Time	355 Days on Market																								
Legal Description	Lot 9 of Block 1, Seeley Lake Sky Park #2	Verified By	Kevin Wetherell, Selling Agent																								
		Intended Use/Comments	Purchased for Residential Use																								
Section/Township/Range	S1/T16N/R15W																										
PROPERTY DETAILS																											
Access	Gravel Road	View	Mountains																								
Topography	Level	Lot Dimensions	154' x 130'																								
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None																								
Water	N/A	Value of Improvements	\$0																								
Water Frontage	N/A																										
Utilities	Underground Electricity & Telephone at road.	Miscellaneous	The property is located in Sky Park Subdivision and had direct access to the Seeley Lake Airport.																								
Report File # 18-021ec																											

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location	Lot 18 Lemar Drive	
	City/State	Seeley Lake, MT	
	County	Missoula	
	Assessor Number	0003884200	
	Zoning	Unzoned	
	Site Size: Acres	1.070	
	Square Feet	46,609	
	Date of Sale	April 4, 2018	
	Sales Price	\$25,000	
	Less Cost of Improvements*	\$0	
Sales Price Adjusted	\$25,000		
MLS #	21802893		
ANALYSIS OF SALE			
Price per Acre	\$23,364	Price per Square Foot	\$0.54
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Smith/Hauser Investments, LLC	Grantee	Bryce Stevenson
Type of Instrument	Warranty Deed	Document #	201805182
		Marketing Time	6 Days on Market
Financing/Conditions	Cash/Market	Verified By	Kim Koppen, Listing Agent
Legal Description	Lot 18 of Hillcrest Heights Phase 2	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S2/T16N/R15W		
PROPERTY DETAILS			
Access	Lemar Drive, Paved County Rd.	View	Woods, Mountains
Topography	Level	Lot Dimensions	299.35' x 155' x 299.41' x 155'
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None
Water	N/A	Value of Improvements	\$0
Water Frontage	N/A		
Utilities	Underground Electricity & Telephone at road.	Miscellaneous	The property is located in Hillcrest Heights Subdivision and is subject to CC&R's.
Report File # 18-021ec			

LAND SALE 4

COMPARABLE SALE INFORMATION			
	Location		NHN Riverview Drive
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		00000591108
	Zoning		Unzoned
	Site Size: Acres		0.337
	Square Feet		14,680
	Date of Sale		November 17, 2017
	Sales Price		\$33,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$33,000
	MLS #		21711574
ANALYSIS OF SALE			
Price per Acre	\$97,923	Price per Square Foot	\$2.25
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Rodney J. Flake & Joyce A. Flake	Grantee	Dwight H. Kelley
Type of Instrument	Warranty Deed	Document #	201723314
		Marketing Time	424 Days on Market
Financing/Conditions	Cash/Market	Verified By	Scott Kennedy, Listing Agent
Legal Description	Lot 25 of J&M Suburban Homesites #2	Intended Use/Comments	Purchaser constructed a large storage building on the property.
Section/Township/Range	S3/T16N/R15W		
PROPERTY DETAILS			
Access	Riverview Drive, Paved County Rd.	View	Lake, Mountains
Topography	Level	Lot Dimensions	98.34' x 147.24' x 100.07' x 150.13'
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	None
Water	N/A	Value of Improvements	\$0
Water Frontage	N/A		
Utilities	Underground Electricity & Telephone at road. Access to City Water. Septic was approved.	Miscellaneous	According to the listing agent, the buyer purchased the lot for storage purposes.
Report File # 18-021ec			

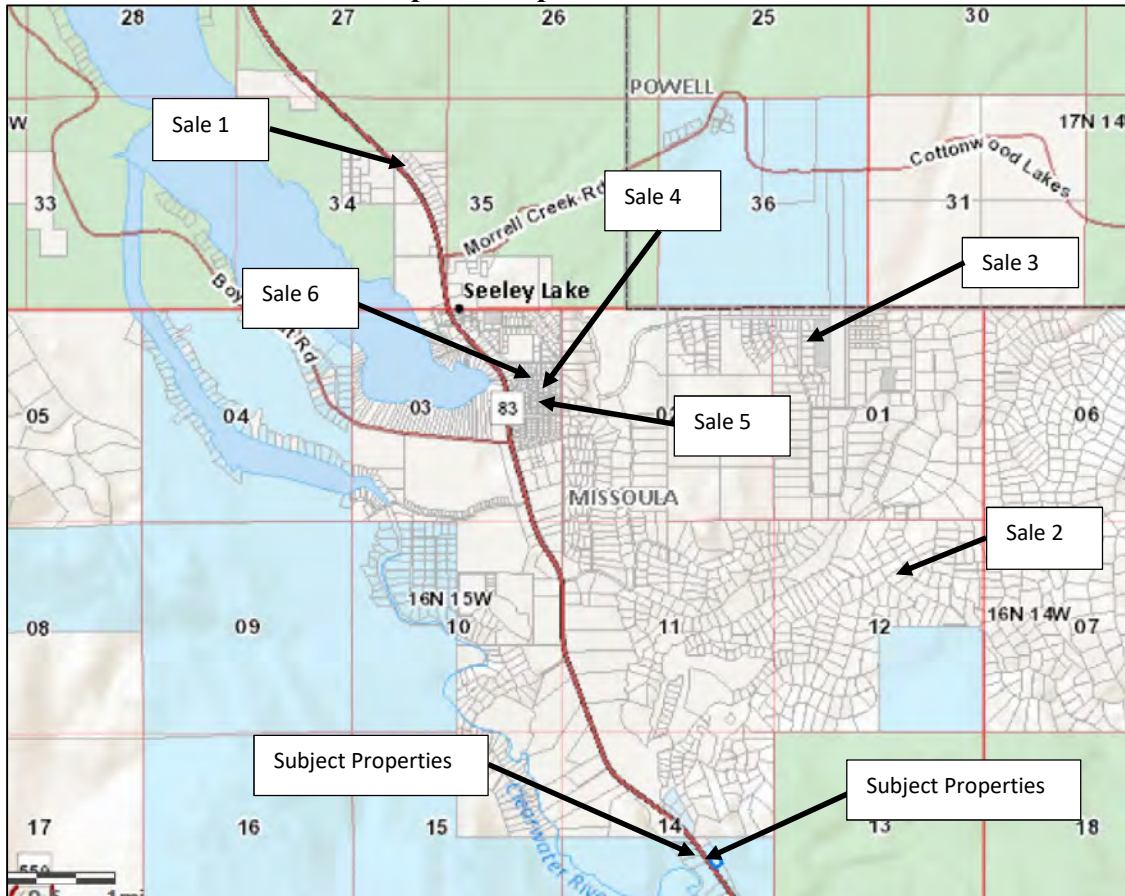
HOME SALES

Subject Lots 1 and 14A include residences. We conducted a search for sales of homes in Seeley Lake similar to the subject properties as improved. The contributory site value for each comparable home sale was concluded based upon recent sales of vacant sites near each sale. The most applicable and recent sales located are described on the table below;



Home Sales						
Sale #	Address	City	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	3280 Hwy 83 N	Seeley Lake	2019	\$181,000	\$30,000	\$151,000
2	269 S Grayling Ct	Seeley Lake	2019	\$129,000	\$32,000	\$97,000
3	232 Frontier Dr	Seeley Lake	2019	\$220,000	\$30,000	\$190,000
4	700 Spruce Dr	Seeley Lake	2017	\$148,000	\$35,000	\$113,000
5	656 Juniper Ln	Seeley Lake	2017	\$140,000	\$25,000	\$115,000
6	193 Larch Ln	Seeley Lake	2017	\$144,000	\$25,000	\$119,000

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

Map of Comparable Lot Sales





HOME SALE 1

COMPARABLE SALE INFORMATION			
	Location		3280 Hwy 83 N.
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		0000279803
	Zoning		Unzoned
	Site Size: Acres		0.910
	Square Feet		39,640
	Date of Sale		April 10, 2019
	Sales Price		\$181,000
	Adjustment to Sales Price		\$0
	Adjusted Sales Price		\$181,000
	MLS #		21902212
	TRANSFER INFORMATION		
Grantor	Matthew D. Pitman	Grantee	Gwen E. Busby
Recording Data	Warranty Deed #201904729	Marketing Time	41 Days on Market
Financing/Conditions	Cash/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Tract 13A of Garlich Seeley Community Tracts #14	Intended Use	Residential
Section/Township/Range	S34/T17N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$181,000
Access	MT Highway 83, Paved	Estimated Site Value	\$30,000
House Square Feet	1,040	Sales Price of Improvements	\$151,000
Bedroom/Bathrooms	2BR/2BA	Improvement Price/SF	\$145
Year Built or Renovated	1993		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Average		
Condition	Good		
Water/Sewer	City Water/Septic		
Utilities	Electricity/Telephone		
Topography	Sloping		
Garage	2-Car Detached		
Outbuildings	Storage Shed		
Miscellaneous			

Report File # 19-022ec


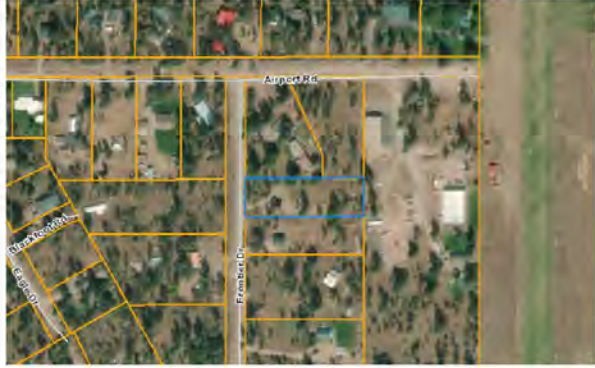
Report File # 19-022ec

HOME SALE 2

COMPARABLE SALE INFORMATION			
	Location	269 S. Grayling Court	
	City/State	Seeley Lake, MT	
	County	Missoula	
	Assessor Number	0005825460	
	Zoning	Unzoned	
	Site Size: Acres	3.420	
	Square Feet	148,975	
	Date of Sale	March 21, 2019	
	Sales Price	\$129,000	
	Adjustment to Sales Price	\$0	
	Adjusted Sales Price	\$129,000	
MLS #	21901313		
TRANSFER INFORMATION			
Grantor	Sayre White	Grantee	Karl Wygant & Terry Fisher
Recording Data	Warranty Deed #201903726	Marketing Time	44 Days on Market
Financing/Conditions	Cash/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 13 of Trail Creek Addition - Phase 8 to the Double Arrow Ranch	Intended Use	Residential
Section/Township/Range	S12/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$129,000
Access	S. Grayling Court, Private Gravel Rd.	Estimated Site Value	\$32,000
House Square Feet	634	Sales Price of Improvements	\$97,000
Bedroom/Bathrooms	1BR/1BA	Improvement Price/SF	\$153
Year Built or Renovated	1987		
Basement	Post & Pier		
Construction	Wood Frame		
Quality	Average		
Condition	Good		
Water/Sewer	Well/Septic		
Utilities	Electricity/Telephone		
Topography	Rolling		
Garage	N/A		
Outbuildings	Storage Shed, Wood Shed		
Miscellaneous			

Report File # 19-022ec

HOME SALE 3

COMPARABLE SALE INFORMATION			
		Location	232 Frontier Drive
		City/State	Seeley Lake, MT
		County	Missoula
		Assessor Number	0003385707
		Zoning	Unzoned
		Site Size: Acres	1.010
		Square Feet	43,996
		Date of Sale	February 28, 2019
		Sales Price	\$220,000
		Adjustment to Sales Price	\$0
		Adjusted Sales Price	\$220,000
		MLS #	21811864
TRANSFER INFORMATION			
Grantor	David Y. McQuigg & Cynthia L. McQuigg	Grantee	Henry Dwight Galbraith
Recording Data	Warranty Deed #201902688	Marketing Time	168 Days on Market
Financing/Conditions	VA Financing / Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 3 of Winterrowd Addition	Intended Use	Residential
Section/Township/Range	S1/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$220,000
Access	Frontier Drive, Public Gravel Rd.	Estimated Site Value	\$30,000
House Square Feet	933	Sales Price of Improvements	\$190,000
Bedroom/Bathrooms	2BR/2BA	Improvement Price/SF	\$204
Year Built or Renovated	1987		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Good		
Condition	Good		
Water/Sewer	Well/Septic		
Utilities	Electricity/Telephone		
Topography	Level		
Garage	N/A		
Outbuildings	Storage Shed		
Miscellaneous			

Report File # 19-022ec

HOME SALE 4

COMPARABLE SALE INFORMATION			
		Location	700 Spruce Drive
		City/State	Seeley Lake
		County	Missoula
		Assessor Number	0336603
		Zoning	Unzoned Portion of Missoula Co.
		Site Size: Acres	0.425
		Square Feet	18,513
		Date of Sale	May 12, 2017
		Sales Price	\$148,000
		Adjustment to Sales Price	\$0
		Adjusted Sales Price	\$148,000
		MLS #	21603859
TRANSFER INFORMATION			
Grantor	George R. Blendermann & Pamela C. Blendermann	Grantee	Brenda M. Flanagan
Recording Data	Warranty Deed #201708012	Marketing Time	382 Days on Market
Financing/Conditions	Cash/Market	Verified By	Kim Koppen, Listing Agent
Legal Description	Lots 10 & 11 of Block 6, Seeley Lake Homesites #2	Intended Use	Residential
Section/Township/Range	S03/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$148,000
Access	Locust Ln, Paved/Spruce Dr, Gravel	Estimated Site Value	\$35,000
House Square Feet	1,260	Sales Price of Improvements	\$113,000
Bedroom/Bathrooms	3BR/1.5BA	Improvement Price/SF	\$90
Year Built or Renovated	1980		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Average		
Condition	Average		
Water/Sewer	City Water/Septic		
Utilities	Electricity/Telephone/Gas		
Topography	Level		
Garage	None		
Outbuildings	Sheds		
Miscellaneous	Property consists of 2 city lots.		

Report File # 17-028ec

HOME SALE 5

[illegible]

HOME SALE 6

[illegible]

PROPERTY VALUATIONS

LOT 1

Site Value Estimate

The non-navigable waterfront 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 1, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		105 Leota Peak Dr	533 Rainbow Ct	1964 Double Arrow Rd	123 Rainbow Ct
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$55,000	\$80,000	\$77,500	\$98,500
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/08/18	05/03/18	05/19/17	09/01/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500
SITE SIZE/ACRES	2.200	2.160	1.370	3.060	2.470
ADJUSTED SALES PRICE		\$55,000	\$80,000	\$77,500	\$93,500
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Double Arrow SD	Double Arrow SD	Double Arrow SD	Double Arrow SD
		0%	0%	0%	0%
WATER FRONTAGE	Morrell Creek	Drew Creek	Off Morrell Creek	Drew Creek	Morrell Creek
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	Highway	SD Road	SD Road	SD Road	SD Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	2.200	2.160	1.370	3.060	2.470
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500

Discussion of Adjustments

Adjustments for Improvements: Land Sale 4 included a well. Based upon information from the verifying party, a downward adjustment of \$5,000 was considered reasonable and appropriate in this category for Land Sale 4. The remaining comparables did not include improvements and required no adjustment in this category.

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

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

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

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

Market Conditions: The comparable sales closed in 2016, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made. Date of sale is addressed in the Reconciliation.

Location: The subject site is located in the greater Seeley Lake area. The comparables selected were the best and most similar available; however, all are within the Double Arrow Subdivision. According to the American Community Survey 2012-2016, there were 1,114 housing units in Seeley Lake during the survey period. According to the Double Arrow Landowners Association, there are 740 lots in the Double Arrow Subdivision. The Double Arrow Subdivision comprises a significant portion of Seeley Lake. We did not locate any sales with creek frontage outside of the Double Arrow Subdivision. For these reasons, use of comparable sales within the Double Arrow Subdivision was necessary for a credible appraisal report. The locations of the comparables are superior compared to the subject due to access to subdivision amenities. There is not sufficient market data on which to credibly base an adjustment in this category. Location differences are addressed in the Reconciliation portion of this section of this report.

Water Frontage: The subject site includes frontage along Morrell Creek. The comparables include frontage along Drew Creek, a seasonal creek off of Morrell Creek, or Morrell Creek. The frontage of Land Sales 1, 2, and 3 is considered inferior compared to the subject; however, there is not sufficient market data on which to credibly base an adjustment in this category. Differences in water frontage are addressed in the Reconciliation portion of this section of this report.

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

Topography: The subject site and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category. The subject lessee reported seasonal flooding due to high ground water but did not report flooding extending into the residence.

Frontage/Access: The subject site includes highway frontage and the comparables have frontage along subdivision roads. No adjustment was necessary in this category.

Zoning: The subject sites and comparables are in areas with no zoning and no adjustment was necessary in this category.

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables 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 subject site size is bracketed by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size range of the subject and comparables.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$55,000, \$80,000, \$77,500, and \$93,500. The comparables are all superior to the subject in location. Land Sale 4 is most similar in water frontage. Overall Land Sale 4 is considered superior to the subject and is at the high end of the range of market value indications. Additionally, Land Sale 4 sold over 3 years prior to the report effective date and may not represent current market conditions. Overall Land Sales 1 and 3 are considered inferior compared to the subject and represent the low end of market value indications. The superior location of Land Sale 2 is considered to be offset by the inferior water frontage. For this reason, Land Sale 2 is considered most similar to the subject site and is accorded all weight.

A value of \$80,000 for the subject lot is well supported by this analysis. Consequently;

Subject Site Value

\$80,000

Improvement Value Estimate

House Sales 1, 2, and 3 are appropriate comparables for the subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 1, COS #5840, MORRELL CREEK, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		3280 Hyw 83 N	269 S Grayling Ct	232 Frontier Dr
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$220,000	\$129,000	\$220,000
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		04/10/19	03/21/19	02/28/19
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$181,000	\$129,000	\$220,000
LESS SITE VALUE		(\$30,000)	(\$32,000)	(\$30,000)
ADJUSTED IMPROVEMENT PRICE		\$151,000	\$97,000	\$190,000
ADJUSTMENT FOR:				
LOCATION/SITE	Morrell Creek	Interior Site	Interior Site	Interior Site
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Good
		\$0	\$0	-\$38,000
CONDITION	Good	Good	Good	Good
		\$0	\$0	\$0
BATHROOMS	1	2	1	2
		-\$2,000	\$0	-\$2,000
HOUSE SIZE/SF	1,064	1,040	634	933
		\$1,920	\$34,400	\$10,480
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Shed, Open Storage, Attached Pump House, & Fencing	Superior	Superior	Superior
		\$6,000	\$3,500	\$6,000
TOTAL ADJUSTMENT		\$5,920	\$37,900	-\$23,520
NET ADJUSTMENT PERCENTAGE		4%	39%	-12%
ADJUSTED PRICE INDICATION		\$156,920	\$134,900	\$166,480

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 the first half of 2019. No adjustments were considered necessary in this category.

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

Quality: The subject residence and Home Sales 1 and 2 are similar in overall quality of construction. No adjustment was necessary in this category for these sales. Home Sale 3 was considered to be of superior quality of construction. Based upon comparison of this sale to Home Sales 1 and 2 a downward adjustment of 20% was reasonable and appropriate in this category for Home Sale 3.

Condition: The subject residence and comparables are similar in overall condition. No adjustment was necessary in this category.

Bathrooms: The subject residence and Home Sale 2 include the same number of bathrooms and no adjustment was necessary in this category for this sale. Home Sales 1 and 3 include 2 bathrooms. A downward adjustment of \$2,000 for an additional bathroom was made to Home Sales 1 and 3. This adjustment is considered reasonable and representative of the actions of market participants with regard to additional bathrooms in the subject market area.

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 \$80 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 for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

Finished 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 and fencing were estimated based upon depreciated costs calculated on the table on the following page.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Shed	256	Section 17/Page 12	\$12.90	\$3,302
Open Shed	240	Section 17/Page 12	\$7.95	\$1,908
Pump House	156	Section 17/Page 12	\$12.90	\$2,012
Fencing	Lump Sum			\$2,000
Total Cost New				\$9,223
Less Depreciation - Age/Life - 5/20 Years = 25%				-\$2,306
Depreciated Cost Estimate				\$6,917
Rounded To				\$7,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$156,920, \$134,900, and \$166,480. All weight is accorded Improved Sale 1 as it required the least adjustment. A market value of \$157,000 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	\$ 80,000
Subject Improvements Value	<u>\$157,000</u>
Total Value Indication	\$237,000

LOT 2

Site Value Estimate

The non-navigable waterfront 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 2, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		105 Leota Peak Dr	533 Rainbow Ct	1964 Double Arrow Rd	123 Rainbow Ct
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$55,000	\$80,000	\$77,500	\$98,500
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/08/18	05/03/18	05/19/17	09/01/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500
SITE SIZE/ACRES	2.890	2.160	1.370	3.060	2.470
ADJUSTED SALES PRICE		\$55,000	\$80,000	\$77,500	\$93,500
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Double Arrow SD	Double Arrow SD	Double Arrow SD	Double Arrow SD
		0%	0%	0%	0%
WATER FRONTAGE	Morrell Creek	Drew Creek	Off Morrell Creek	Drew Creek	Morrell Creek
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	Highway	SD Road	SD Road	SD Road	SD Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	2.890	2.160	1.370	3.060	2.470
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500

Discussion of Adjustments

Adjustments for Improvements: Land Sale 4 included a well. Based upon information from the verifying party, a downward adjustment of \$5,000 was considered reasonable and appropriate in this category for Land Sale 4. The remaining comparables did not include improvements and required no adjustment in this category.

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

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

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

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

Market Conditions: The comparable sales closed in 2016, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made. Date of sale is addressed in the Reconciliation.

Location: The subject site is located in the greater Seeley Lake area. The comparables selected were the best and most similar available; however, all are within the Double Arrow Subdivision. According to the American Community Survey 2012-2016, there were 1,114 housing units in Seeley Lake during the survey period. According to the Double Arrow Landowners Association, there are 740 lots in the Double Arrow Subdivision. The Double Arrow Subdivision comprises a significant portion of Seeley Lake. We did not locate any sales with creek frontage outside of the Double Arrow Subdivision. For these reasons, use of comparable sales within the Double Arrow Subdivision was necessary for a credible appraisal report. The locations of the comparables are superior compared to the subject due to access to subdivision amenities. There is not sufficient market data on which to credibly base an adjustment in this category. Location differences are addressed in the Reconciliation portion of this section of this report.

Water Frontage: The subject site includes frontage along Morrell Creek. The comparables include frontage along Drew Creek, a seasonal creek off of Morrell Creek, or Morrell Creek. The frontage of Land Sales 1, 2, and 3 is considered inferior compared to the subject; however, there is not sufficient market data on which to credibly base an adjustment in this category. Differences in water frontage are addressed in the Reconciliation portion of this section of this report.

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

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

Frontage/Access: The subject site includes highway frontage and the comparables have frontage along subdivision roads. No adjustment was necessary in this category.

Zoning: The subject sites and comparables are in areas with no zoning and no adjustment was necessary in this category.

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables 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 subject site size is bracketed by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size range of the subject and comparables.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$55,000, \$80,000, \$77,500, and \$93,500. The comparables are all superior to the subject in location. Land Sale 4 is most similar in water frontage. Overall Land Sale 4 is considered superior to the subject and is at the high end of the range of market value indications. Additionally, Land Sale 4 sold over 3 years prior to the report effective date and may not represent current market conditions. Overall Land Sales 1 and 3 are considered inferior compared to the subject and represent the low end of market value indications. The superior location of Land Sale 2 is considered to be offset by the inferior water frontage. For this reason, Land Sale 2 is considered most similar to the subject site and is accorded all weight.

A value of \$80,000 for the subject lot is well supported by this analysis. Consequently;

Subject Site Value

\$80,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area would be permissible for this lot.

Adjustment for Limited Utility Due to High Water Table and/or Flood Zone

In order to determine an appropriate adjustment for the potential that a septic system would not be permitted on this subject lot, we located sales of vacant residential sites along area rivers and lakes which have development issues due to flooding, size, or topography. We paired these sales with sales of similar area properties that do not have development issues. The riverfront paired sales are compared on a total lot price basis since this is the recognized unit of comparison for similar riverfront lots. The recognized unit of comparison for lakefront home sites is the price per front footage along the lake.

These were the best and most appropriate paired sales located. The search for paired sale data included interior and waterfront lots in Missoula and Flathead Counties.

This paired sale data located is below;

Analysis of Riverfront/Lakefront Sales with Utility Limitations								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/Lot
1611 Grove St	Columbia Falls	Flathead River	1.58	178.05	8/28/2018	\$280,000	None Known (Septic Approval)	\$280,000
626 Zephyr Ct	Columbia Falls	Flathead River	0.91	100.61	2/15/2019	\$147,500	Potential High Groundwater & Limitations on Lot Use	\$147,500
							Indicated Adjustment for Limited Utility	-47%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
861 Angel Point Rd	Lakeside	Flathead Lake	1.04	186.00	2/22/2018	\$375,000	None Known	\$2,016
743 Hughes Bay Rd	Lakeside	Flathead Lake	1.00	600.00	6/28/2018	\$500,000	No Septic Allowed	\$833
							Indicated Adjustment for Limited Utility	-59%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
5400 N Ashley Lake Rd	Kila	Ashley Lake	1.89	145.00	4/2/2018	\$440,000	None Known	\$3,034
4521 Ashley Lake Rd	Kalispell	Ashley Lake	0.23	95.00	7/30/2018	\$169,500	No Septic Allowed	\$1,784
							Indicated Adjustment for Limited Utility	-41%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
128 Bitterroot Cove Ct	Marion	Bitterroot Lake	2.49	115.00	5/7/2015	\$271,500	None Known	\$2,361
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-36%
Paired Sale Set 5								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
134 Kelly Ct	Marion	Bitterroot Lake	1.24	150.85	8/31/2015	\$330,000	None Known	\$2,188
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-31%

All of the paired sales suggest downward adjustments due to utility limitations. A synopsis of the suggested adjustments from the paired sales analyses is below;

Synopsis of Paired Sales Analyses			
Paired Sale #	Suggested Adjustment for Utility Limitations	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-47%	Sales include additional differences in front footage and acreage amounts.	Relatively Applicable to Subject Properties
2	-59%	Sales include additional differences in front footage amounts.	Relatively Applicable to Subject Properties
3	-41%	Sales include additional differences of site sizes and front footage amounts.	Relatively Applicable to Subject Properties
4	-36%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties
5	-31%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties

Most weight is accorded Paired Sales Sets 1, 2, and 3 as they most accurately represent the limitations of the subject site. It is our opinion that a downward adjustment between these suggested adjustment indications is most appropriate for the subject lot. **A downward adjustment of 50% for the value of the subject site as if a septic system was permissible is appropriate to determine the value of the subject site as if a septic system was not permissible.**

A downward adjustment of 50% is applied to the value conclusion for the subject site as if vacant. The final value calculations are below;

Site Value Indication (with Septic Allowed)	\$80,000
Less 50% Adjustment for Limited Utility	<u>\$40,000</u>
Adjusted Site Value as if Vacant	\$40,000
Site Value as if Vacant	\$40,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area **would not** be permissible for this lot.

LOT 3

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 3, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		105 Leota Peak Dr	533 Rainbow Ct	1964 Double Arrow Rd	123 Rainbow Ct
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$55,000	\$80,000	\$77,500	\$98,500
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$5,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/08/18	05/03/18	05/19/17	09/01/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500
SITE SIZE/ACRES	2.074	2.160	1.370	3.060	2.470
ADJUSTED SALES PRICE		\$55,000	\$80,000	\$77,500	\$93,500
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Double Arrow SD	Double Arrow SD	Double Arrow SD	Double Arrow SD
		0%	0%	0%	0%
WATER FRONTAGE	Morrell Creek	Drew Creek	Off Morrell Creek	Drew Creek	Morrell Creek
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	Highway	SD Road	SD Road	SD Road	SD Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	2.074	2.160	1.370	3.060	2.470
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$55,000	\$80,000	\$77,500	\$93,500

Discussion of Adjustments

Adjustments for Improvements: Land Sale 4 included a well. Based upon information from the verifying party, a downward adjustment of \$5,000 was considered reasonable and appropriate in this category for Land Sale 4. The remaining comparables did not include improvements and required no adjustment in this category.

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

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

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

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

Market Conditions: The comparable sales closed in 2016, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made. Date of sale is addressed in the Reconciliation.

Location: The subject site is located in the greater Seeley Lake area. The comparables selected were the best and most similar available; however, all are within the Double Arrow Subdivision. According to the American Community Survey 2012-2016, there were 1,114 housing units in Seeley Lake during the survey period. According to the Double Arrow Landowners Association, there are 740 lots in the Double Arrow Subdivision. The Double Arrow Subdivision comprises a significant portion of Seeley Lake. We did not locate any sales with creek frontage outside of the Double Arrow Subdivision. For these reasons, use of comparable sales within the Double Arrow Subdivision was necessary for a credible appraisal report. The locations of the comparables are superior compared to the subject due to access to subdivision amenities. There is not sufficient market data on which to credibly base an adjustment in this category. Location differences are addressed in the Reconciliation portion of this section of this report.

Water Frontage: The subject site includes frontage along Morrell Creek. The comparables include frontage along Drew Creek, a seasonal creek off of Morrell Creek, or Morrell Creek. The frontage of Land Sales 1, 2, and 3 is considered inferior compared to the subject; however, there is not sufficient market data on which to credibly base an adjustment in this category. Differences in water frontage are addressed in the Reconciliation portion of this section of this report.

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

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

Frontage/Access: The subject site includes highway frontage and the comparables have frontage along subdivision roads. No adjustment was necessary in this category.

Zoning: The subject sites and comparables are in areas with no zoning and no adjustment was necessary in this category.

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables 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 subject site size is bracketed by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size range of the subject and comparables.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$55,000, \$80,000, \$77,500, and \$93,500. The comparables are all superior to the subject in location. Land Sale 4 is most similar in water frontage. Overall Land Sale 4 is considered superior to the subject and is at the high end of the range of market value indications. Additionally, Land Sale 4 sold over 3 years prior to the report effective date and may not represent current market conditions. Overall Land Sales 1 and 3 are considered inferior compared to the subject and represent the low end of market value indications. The superior location of Land Sale 2 is considered to be offset by the inferior water frontage. For this reason, Land Sale 2 is considered most similar to the subject site and is accorded all weight.

A value of \$80,000 for the subject lot is well supported by this analysis. Consequently;

Subject Site Value

\$80,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area would be permissible for this lot.

Adjustment for Limited Utility Due to High Water Table and/or Flood Zone

In order to determine an appropriate adjustment for the potential that a septic system would not be permitted on this subject lot, we located sales of vacant residential sites along area rivers and lakes which have development issues due to flooding, size, or topography. We paired these sales with sales of similar area properties that do not have development issues. The riverfront paired sales are compared on a total lot price basis since this is the recognized unit of comparison for similar riverfront lots. The recognized unit of comparison for lakefront home sites is the price per front footage along the lake.

These were the best and most appropriate paired sales located. The search for paired sale data included interior and waterfront lots in Missoula and Flathead Counties.

This paired sale data located is below;

Analysis of Riverfront/Lakefront Sales with Utility Limitations								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/Lot
1611 Grove St	Columbia Falls	Flathead River	1.58	178.05	8/28/2018	\$280,000	None Known (Septic Approval)	\$280,000
626 Zephyr Ct	Columbia Falls	Flathead River	0.91	100.61	2/15/2019	\$147,500	Potential High Groundwater & Limitations on Lot Use	\$147,500
							Indicated Adjustment for Limited Utility	-47%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
861 Angel Point Rd	Lakeside	Flathead Lake	1.04	186.00	2/22/2018	\$375,000	None Known	\$2,016
743 Hughes Bay Rd	Lakeside	Flathead Lake	1.00	600.00	6/28/2018	\$500,000	No Septic Allowed	\$833
							Indicated Adjustment for Limited Utility	-59%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
5400 N Ashley Lake Rd	Kila	Ashley Lake	1.89	145.00	4/2/2018	\$440,000	None Known	\$3,034
4521 Ashley Lake Rd	Kalispell	Ashley Lake	0.23	95.00	7/30/2018	\$169,500	No Septic Allowed	\$1,784
							Indicated Adjustment for Limited Utility	-41%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
128 Bitterroot Cove Ct	Marion	Bitterroot Lake	2.49	115.00	5/7/2015	\$271,500	None Known	\$2,361
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-36%
Paired Sale Set 5								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
134 Kelly Ct	Marion	Bitterroot Lake	1.24	150.85	8/31/2015	\$330,000	None Known	\$2,188
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-31%

All of the paired sales suggest downward adjustments due to utility limitations. A synopsis of the suggested adjustments from the paired sales analyses is below;

Synopsis of Paired Sales Analyses			
Paired Sale #	Suggested Adjustment for Utility Limitations	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-47%	Sales include additional differences in front footage and acreage amounts.	Relatively Applicable to Subject Properties
2	-59%	Sales include additional differences in front footage amounts.	Relatively Applicable to Subject Properties
3	-41%	Sales include additional differences of site sizes and front footage amounts.	Relatively Applicable to Subject Properties
4	-36%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties
5	-31%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties

Most weight is accorded Paired Sales Sets 1, 2, and 3 as they most accurately represent the limitations of the subject site. It is our opinion that a downward adjustment between these suggested adjustment indications is most appropriate for the subject lot. **A downward adjustment of 50% for the value of the subject site as if a septic system was permissible is appropriate to determine the value of the subject site as if a septic system was not permissible.**

A downward adjustment of 50% is applied to the value conclusion for the subject site as if vacant. The final value calculations are below;

Site Value Indication (with Septic Allowed)	\$80,000
Less 50% Adjustment for Limited Utility	<u>\$40,000</u>
Adjusted Site Value as if Vacant	\$40,000
Site Value as if Vacant	\$40,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area **would not** be permissible for this lot.

LOT 14A

Site Value Estimate

The interior 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 14A, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		267 Eagle Dr	NHN Eagle Port	Lot 18, Lemar Dr	NHN Riverview Dr
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$27,750	\$38,500	\$25,000	\$33,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/25/19	05/24/18	04/04/18	11/17/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$27,750	\$38,500	\$25,000	\$33,000
SITE SIZE/ACRES	1.722	0.613	0.460	1.070	0.337
ADJUSTED SALES PRICE		\$27,750	\$38,500	\$25,000	\$33,000
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		0%	0%	0%	0%
WATER FRONTAGE	None	None	None	None	None
		0%	0%	0%	0%
SHAPE	Irregular	Rectangular	Rectangular	Rectangular	Rectangular
		0%	0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	Highway	County Road	County Road	County Road	County Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.722	0.613	0.460	1.070	0.337
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$27,750	\$38,500	\$25,000	\$33,000

Discussion of Adjustments

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

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

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

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

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

Market Conditions: The comparable sales closed in 2017, 2018, and 2019. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

Location: The locations of the subject and comparables are similar and no adjustment was necessary in this category.

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

Topography: The subject lot and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category. The subject lessee reported seasonal flooding but did not report flooding extending into the residence.

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

Zoning: The subject sites and comparables are in areas with no zoning and no adjustment was necessary in this category.

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables 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 subject site is larger than the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size range of the subject and comparables.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$27,750, \$38,500, \$25,000, and \$33,000. The verifying party for Land Sale 3 indicated that this sales price may not be indicative of a market value for similar lots in Seeley Lake. Land Sale 3 was purchased by a builder who had purchased another lot in the subdivision the year before. It was the opinion of the listing/selling agent for this property that the seller accepted a lower price as an incentive for the purchaser to buy a second lot.

The comparables bracket the subject site in overall marketability. It is our opinion that all four comparables, considered together, provide a credible market value indication for the subject lot. A value of \$30,000 for the subject lot is well supported by this analysis. Consequently;

Subject Site Value

\$30,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area would be permissible for this lot.

Adjustment for Limited Utility Due to High Water Table and/or Flood Zone

In order to determine an appropriate adjustment for the potential that a septic system would not be permitted on this subject lot, we located sales of vacant residential sites along area rivers and lakes which have development issues due to flooding, size, or topography. We paired these sales with sales of similar area properties that do not have development issues. The riverfront paired sales are compared on a total lot price basis since this is the recognized unit of comparison for similar riverfront lots. The recognized unit of comparison for lakefront home sites is the price per front footage along the lake.

These were the best and most appropriate paired sales located. The search for paired sale data included interior and waterfront lots in Missoula and Flathead Counties.

This paired sale data located is included on the following page.

Analysis of Riverfront/Lakefront Sales with Utility Limitations								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/Lot
1611 Grove St	Columbia Falls	Flathead River	1.58	178.05	8/28/2018	\$280,000	None Known (Septic Approval)	\$280,000
626 Zephyr Ct	Columbia Falls	Flathead River	0.91	100.61	2/15/2019	\$147,500	Potential High Groundwater & Limitations on Lot Use	\$147,500
							Indicated Adjustment for Limited Utility	-47%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
861 Angel Point Rd	Lakeside	Flathead Lake	1.04	186.00	2/22/2018	\$375,000	None Known	\$2,016
743 Hughes Bay Rd	Lakeside	Flathead Lake	1.00	600.00	6/28/2018	\$500,000	No Septic Allowed	\$833
							Indicated Adjustment for Limited Utility	-59%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
5400 N Ashley Lake Rd	Kila	Ashley Lake	1.89	145.00	4/2/2018	\$440,000	None Known	\$3,034
4521 Ashley Lake Rd	Kalispell	Ashley Lake	0.23	95.00	7/30/2018	\$169,500	No Septic Allowed	\$1,784
							Indicated Adjustment for Limited Utility	-41%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
128 Bitterroot Cove Ct	Marion	Bitterroot Lake	2.49	115.00	5/7/2015	\$271,500	None Known	\$2,361
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-36%
Paired Sale Set 5								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
134 Kelly Ct	Marion	Bitterroot Lake	1.24	150.85	8/31/2015	\$330,000	None Known	\$2,188
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-31%

All of the paired sales suggest downward adjustments due to utility limitations. A synopsis of the suggested adjustments from the paired sales analyses is below;

Synopsis of Paired Sales Analyses			
Paired Sale #	Suggested Adjustment for Utility Limitations	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-47%	Sales include additional differences in front footage and acreage amounts.	Relatively Applicable to Subject Properties
2	-59%	Sales include additional differences in front footage amounts.	Relatively Applicable to Subject Properties
3	-41%	Sales include additional differences of site sizes and front footage amounts.	Relatively Applicable to Subject Properties
4	-36%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties
5	-31%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties

Most weight is accorded Paired Sales Sets 1, 2, and 3 as they most accurately represent the limitations of the subject site. It is our opinion that a downward adjustment between these suggested adjustment indications is most appropriate for the subject lot. **A downward adjustment of 50% for the value of the subject site as if a septic system was permissible is appropriate to determine the value of the subject site as if a septic system was not permissible.**

A downward adjustment of 50% is applied to the value conclusion for the subject site as if vacant. The final value calculations are below;

Site Value Indication (with Septic Allowed)	\$30,000
Less 50% Adjustment for Limited Utility	<u>\$15,000</u>
Adjusted Site Value as if Vacant	\$15,000
Site Value as if Vacant	\$15,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area **would not** be permissible for this lot.

Improvement Value Estimate

House Sales 4, 5, and 6 are appropriate comparables for the subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 14A, COS #5840, MORRELL CREEK, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 4	SALE 5	SALE 6
IDENTIFICATION		700 Spruce Dr	656 Juniper Ln	193 Larch Ln
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$148,000	\$140,000	\$144,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		05/12/17	05/01/17	02/07/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$148,000	\$129,000	\$144,000
LESS SITE VALUE		(\$35,000)	(\$25,000)	(\$25,000)
ADJUSTED IMPROVEMENT PRICE		\$113,000	\$104,000	\$119,000
ADJUSTMENT FOR:				
LOCATION/SITE	Interior Site	Interior Site	Interior Site	Interior Site
		\$0	\$0	\$0
QUALITY	Fair	Average	Average	Average
		-\$16,950	-\$15,600	-\$17,850
CONDITION	Fair	Average	Average	Average
		-\$16,950	-\$15,600	-\$17,850
BATHROOMS	0	1.5	1	2
		-\$3,000	-\$2,000	-\$4,000
HOUSE SIZE/SF	789	1,260	1,398	1,456
		-\$18,840	-\$24,360	-\$26,680
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Root Cellar, Garage, Shed, Pole Building, & Outhouse	Superior	Inferior	Inferior
		\$4,000	-\$6,000	-\$15,000
TOTAL ADJUSTMENT		-\$51,740	-\$63,560	-\$81,380
NET ADJUSTMENT PERCENTAGE		-46%	-61%	-68%
ADJUSTED PRICE INDICATION		\$61,260	\$40,440	\$37,620

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. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent comparables 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 contributory site values for the improved sales are retained in the appraisal work file.

Quality: The subject residence is considered to be of overall Fair quality construction. The comparables are considered to be of overall Average quality construction. A downward adjustment of 15% was made to the comparables in this category. This adjustment is based upon the cost per square foot difference noted by Marshall Valuation (a cost estimating service) between a single family residence of Fair and Average quality of construction.

Condition: The subject residence is in inferior condition compared to the comparables. Most market participants would consider renovations necessary to the subject residence prior to occupancy. Downward adjustments of 15% were made to the comparables in this category. This percentage adjustment is considered reasonable and representative of the actions of market participants.

Bathrooms: The subject residence does not include a functioning bathroom. Adjustments of \$2,000 per full bath and \$1,000 per half bath were made to the comparables in this category. The resulting adjustments are considered reasonable and representative of the actions of market participants.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$40 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 for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

Finished 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 table on the following page.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Root Cellar	105	Section 17/Page 12	\$12.90	\$1,355
Detached Garage	273	Section 12/Page 35	\$34.50	\$9,419
Shed	198	Section 17/Page 12	\$12.90	\$2,554
Pole Building	195	Section 17/Page 17	\$16.10	\$3,140
Outhouse	56	Lump Sum		\$2,000
Total Cost New				\$18,467
Less Depreciation - Age/Life - 15/20 Years = 75%				<u>-\$13,850</u>
Depreciated Cost Estimate				\$4,617
Rounded To				\$5,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$61,260, \$40,440, and \$37,620. The comparables all are of superior quality and in superior condition compared to the subject residence. The comparables all required a large total adjustment. The comparables selected were the most appropriate located. The comparables considered together provide a reasonable indication of the market value of the subject improvements. A market value of \$46,000 is the approximate average of the adjusted indications from the comparables. A market value of \$46,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

The total value conclusions are derived by adding the subject site values to the estimated value of improvements. The calculations assuming a septic system is permissible are below;

Subject Site Value	\$30,000
Subject Improvements Value	<u>\$46,000</u>
Total Value Indication	\$76,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area would be permissible for this lot.

The calculations assuming a septic system is not permissible are below;

Subject Site Value	\$15,000
Subject Improvements Value	<u>\$46,000</u>
Total Value Indication	\$61,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area **would not** be permissible for this lot.

LOT 16

Site Value Estimate

The interior 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 16, COS #5840, MORRELL FLATS, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		267 Eagle Dr	NHN Eagle Port	Lot 18, Lemar Dr	NHN Riverview Dr
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$27,750	\$38,500	\$25,000	\$33,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/25/19	05/24/18	04/04/18	11/17/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$27,750	\$38,500	\$25,000	\$33,000
SITE SIZE/ACRES	1.723	0.613	0.460	1.070	0.337
ADJUSTED SALES PRICE		\$27,750	\$38,500	\$25,000	\$33,000
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		0%	0%	0%	0%
WATER FRONTAGE	None	None	None	None	None
		0%	0%	0%	0%
SHAPE	Irregular	Rectangular	Rectangular	Rectangular	Rectangular
		0%	0%	0%	0%
TOPOGRAPHY	Level	Level	Level	Level	Level
		0%	0%	0%	0%
FRONTAGE/ACCESS	Highway	County Road	County Road	County Road	County Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.723	0.613	0.460	1.070	0.337
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$27,750	\$38,500	\$25,000	\$33,000

Discussion of Adjustments

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

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

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

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

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

Market Conditions: The comparable sales closed in 2017, 2018, and 2019. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made.

Location: The locations of the subject and comparables are similar and no adjustment was necessary in this category.

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

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

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

Zoning: The subject sites and comparables are in areas with no zoning and no adjustment was necessary in this category.

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables 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 subject site is larger than the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size range of the subject and comparables.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$27,750, \$38,500, \$25,000, and \$33,000. The verifying party for Land Sale 3 indicated that this sales price may not be indicative of a market value for similar lots in Seeley Lake. Land Sale 3 was purchased by a builder who had purchased another lot in the subdivision the year before. It was the opinion of the listing/selling agent for this property that the seller accepted a lower price as an incentive for the purchaser to buy a second lot.

The comparables bracket the subject site in overall marketability. It is our opinion that all four comparables, considered together, provide a credible market value indication for the subject lot. A value of \$30,000 for the subject lot is well supported by this analysis. Consequently;

Subject Site Value

\$30,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area would be permissible for this lot.

Adjustment for Limited Utility Due to High Water Table and/or Flood Zone

In order to determine an appropriate adjustment for the potential that a septic system would not be permitted on this subject lot, we located sales of vacant residential sites along area rivers and lakes which have development issues due to flooding, size, or topography. We paired these sales with sales of similar area properties that do not have development issues. The riverfront paired sales are compared on a total lot price basis since this is the recognized unit of comparison for similar riverfront lots. The recognized unit of comparison for lakefront home sites is the price per front footage along the lake.

These were the best and most appropriate paired sales located. The search for paired sale data included interior and waterfront lots in Missoula and Flathead Counties.

This paired sale data located is included on the following page.

Analysis of Riverfront/Lakefront Sales with Utility Limitations								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/Lot
1611 Grove St	Columbia Falls	Flathead River	1.58	178.05	8/28/2018	\$280,000	None Known (Septic Approval)	\$280,000
626 Zephyr Ct	Columbia Falls	Flathead River	0.91	100.61	2/15/2019	\$147,500	Potential High Groundwater & Limitations on Lot Use	\$147,500
							Indicated Adjustment for Limited Utility	-47%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
861 Angel Point Rd	Lakeside	Flathead Lake	1.04	186.00	2/22/2018	\$375,000	None Known	\$2,016
743 Hughes Bay Rd	Lakeside	Flathead Lake	1.00	600.00	6/28/2018	\$500,000	No Septic Allowed	\$833
							Indicated Adjustment for Limited Utility	-59%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
5400 N Ashley Lake Rd	Kila	Ashley Lake	1.89	145.00	4/2/2018	\$440,000	None Known	\$3,034
4521 Ashley Lake Rd	Kalispell	Ashley Lake	0.23	95.00	7/30/2018	\$169,500	No Septic Allowed	\$1,784
							Indicated Adjustment for Limited Utility	-41%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
128 Bitterroot Cove Ct	Marion	Bitterroot Lake	2.49	115.00	5/7/2015	\$271,500	None Known	\$2,361
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-36%
Paired Sale Set 5								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Utility Limitations	Price/FF
134 Kelly Ct	Marion	Bitterroot Lake	1.24	150.85	8/31/2015	\$330,000	None Known	\$2,188
727 Lodgepole Dr	Marion	Bitterroot Lake	0.28	60.00	3/4/2014	\$90,000	Small Site/1 Br Septic	\$1,500
							Indicated Adjustment for Limited Utility	-31%

All of the paired sales suggest downward adjustments due to utility limitations. A synopsis of the suggested adjustments from the paired sales analyses is below;

Synopsis of Paired Sales Analyses			
Paired Sale #	Suggested Adjustment for Utility Limitations	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-47%	Sales include additional differences in front footage and acreage amounts.	Relatively Applicable to Subject Properties
2	-59%	Sales include additional differences in front footage amounts.	Relatively Applicable to Subject Properties
3	-41%	Sales include additional differences of site sizes and front footage amounts.	Relatively Applicable to Subject Properties
4	-36%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties
5	-31%	Sales include additional differences of site sizes and front footage amounts.	2nd Sale Limitations not as Significant as Subject Properties

Most weight is accorded Paired Sales Sets 1, 2, and 3 as they most accurately represent the limitations of the subject site. It is our opinion that a downward adjustment between these suggested adjustment indications is most appropriate for the subject lot. **A downward adjustment of 50% for the value of the subject site as if a septic system was permissible is appropriate to determine the value of the subject site as if a septic system was not permissible.**

A downward adjustment of 50% is applied to the value conclusion for the subject site as if vacant. The final value calculations are below;

Site Value Indication (with Septic Allowed)	\$30,000
Less 50% Adjustment for Limited Utility	<u>\$15,000</u>
Adjusted Site Value as if Vacant	\$15,000
Site Value as if Vacant	\$15,000

The value concluded above is based upon the **Extraordinary Assumption** that a septic system similar to those found in the subject area **would not** be permissible for this lot.

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	Site Values After Adjustment for Potential Septic Limitations	Total Values After Adjustment for Potential Septic Limitations	Effective Date of Market Values
1	\$80,000	\$157,000	\$237,000	N/A	N/A	4/30/2019
2	\$80,000	\$0	\$80,000	\$40,000	\$40,000	4/30/2019
3	\$80,000	\$0	\$80,000	\$40,000	\$40,000	4/30/2019
14A	\$30,000	\$46,000	\$76,000	\$15,000	\$61,000	4/30/2019
16	\$30,000	\$0	\$30,000	\$15,000	\$15,000	4/30/2019

The values above 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.

Due to partial location within the 100 year flood plain (Lots 2 and 3) and high water table in the area (Lots 2, 3, 14A & 16), septic systems may not be allowed for these subject lots. For this reason, we have provided two values for these sites in this report. The first value is based upon the **Extraordinary Assumption** that septic systems typical for the area would be permissible for Lots 2, 3, 14A, & 16. The second value is based upon the **Extraordinary Assumption** that no septic systems would be permissible for Lots 2, 3, 14A, & 16.

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
American Bank
Rocky Mountain Bank
Freedom Bank
Whitefish Credit Union
Parkside Credit Union
First Interstate Bank
Three Rivers 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

APPRAISER'S LICENSES



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-683

Status: **Active**
Expires: **03/31/2020**

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

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER

With endorsements of:
* **REAL ESTATE APPRAISER MENTOR**



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



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAL-LIC-841

Status: **Active**
Expires: **03/31/2020**

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

This certificate verifies licensure as:
LICENSED APPRAISER

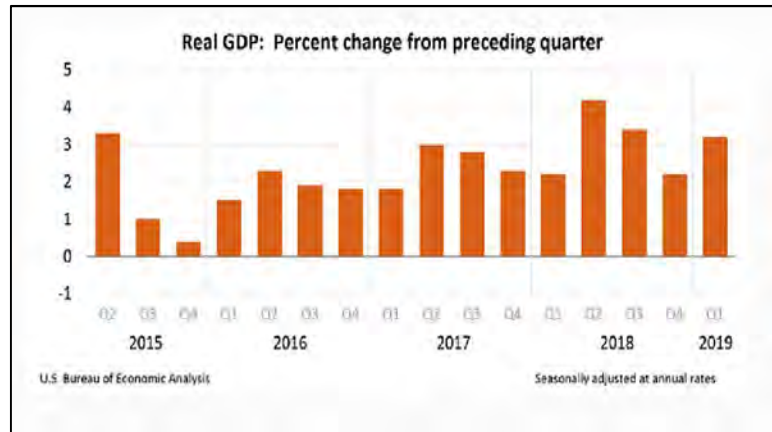


Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
<https://elbiz.mt.gov/pol>

ADDENDUM

NATIONAL ECONOMIC DATA

Real GDP increased by an annual rate of 3.2% in the first quarter of 2019 after increasing 2.2% in the fourth quarter of 2018 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, exports, state and local government spending, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased. These contributions were partly offset by a decrease in residential investment. The acceleration in real GDP growth in the first quarter reflected an upturn in state and local government spending, accelerations in private inventory investment and in exports, and a smaller decrease in residential investment.



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;

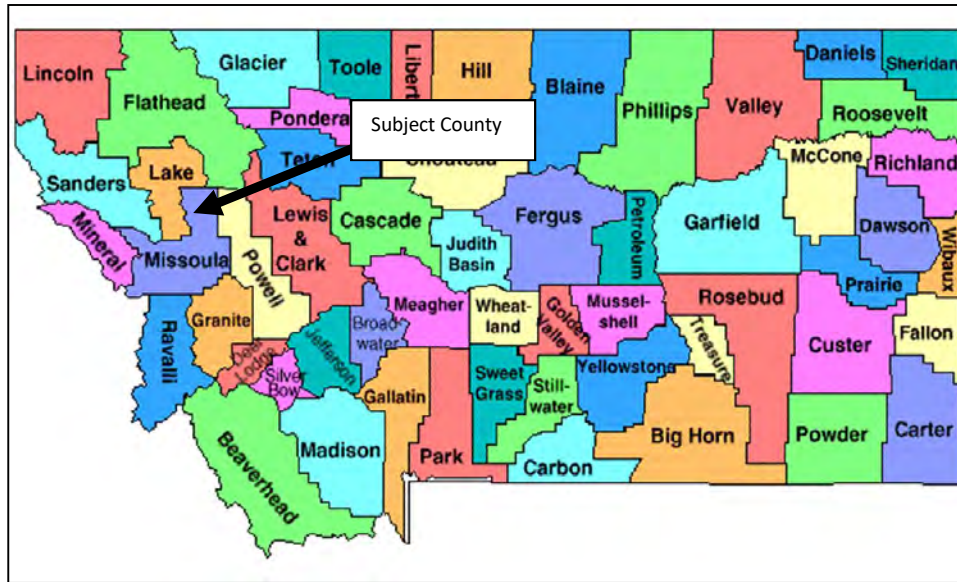
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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.

MISSOULA COUNTY DATA

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



Geographical Information

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

City and Communities

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

Population

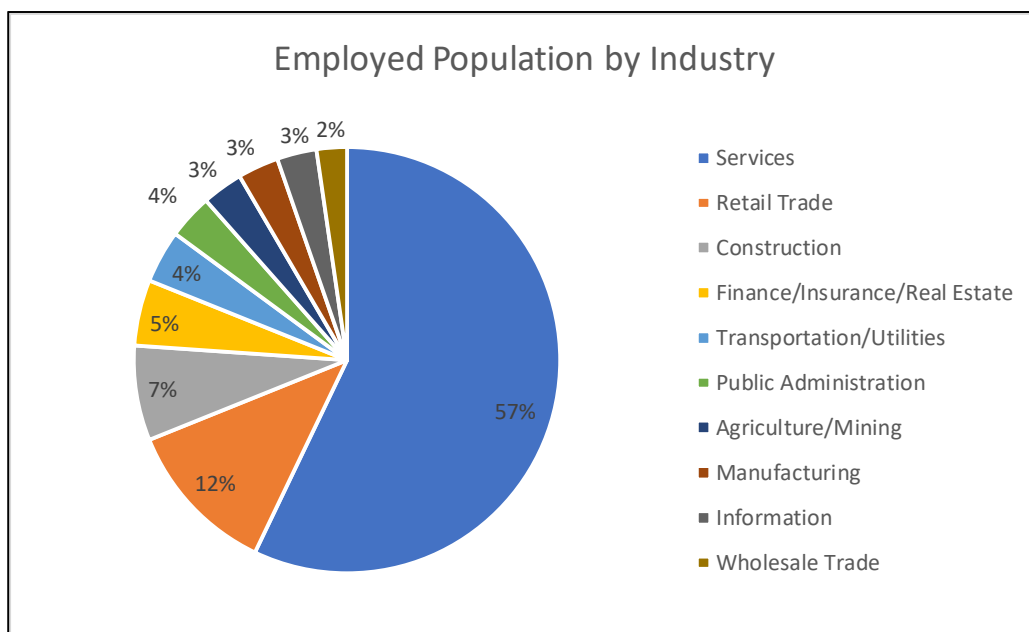
Missoula County is the 2nd most populous county in Montana. The 2018 county population estimate from ESRI based upon US Census Bureau data was 119,907. The population is projected to increase to 124,573 by 2023 or 1.26% per year.

Income

According to data from the US Census the median household income for Missoula County was approximately \$50,017 in 2018. This is 1.6% less than the median household income for the same period for the state of Montana. Approximately 17.0% of the population of Missoula County was below the poverty level between 2012 and 2016. This is higher than the percentage below the poverty level for the state of Montana for the same period of 14.4%.

Employment

According to ESRI there were 62,791 people over 16 years of age in the workforce in Missoula County in 2018. The workforce percentages by industry for 2018 are included on the chart below;



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

Real Estate

According to ESRI estimates based upon US Census data there were 55,109 housing units in Missoula County in 2018. The home ownership rate was estimated at 50.9% in 2018. The median home value was estimated to be \$272,851 in 2018. It is expected to increase by approximately 2.34% per year to \$304,791 in 2023.

Education & Healthcare

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

Linkages & Transportation

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

County Data Conclusion

Missoula County is one of the most populous counties in Montana. The population is slated to increase approximately 1.26% per year through 2023. Missoula County is the home of the University of Montana. The location of the university provides some stability in employment. The county unemployment rate is similar to that of the state but lower than of the nation. The economy and the real estate market have remained relatively stable for the past several years. Missoula County did experience the most recent real estate “bubble”; however, the market appears to have stabilized. The economy of Missoula County is considered stable with growth likely in the foreseeable future

SEELEY LAKE DATA

General Information

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

For report purposes the neighborhood boundaries consist of zip code area 59868 which includes the community of Seeley Lake. Montana Highway 83 runs north to south through the area. The zip code is approximately 1 hour drive from Missoula and approximately 1.5 hour drive from Kalispell.



Much of the land off of Montana Highway 83 (between Bigfork and Montana Highway 200) is protected. A recent cooperative project that involved a large amount of acreage in the greater area is known as “The Montana Legacy Project.” It is a cooperative project of The Nature Conservancy, The Trust for Public Land and state, federal and private partners. The Nature Conservancy and The Trust for Public Land have acquired approximately 310,000 acres of land formerly owned by Plum Creek since 2009. The land will eventually be conveyed to a mix of public and private owners. Under this partnership, actual land ownership and management responsibilities rest with The Nature Conservancy.

Geography

The subject area is generally bounded by the Swan Mountains on the east and the Mission Mountains on the west. Mountain peaks extend as high as 9,000 feet. Portions of two national forests are in the greater area. They are the Lolo and Flathead National Forests. There are number

of lakes, rivers and creeks in the area. Seeley Lake is the nearest relatively large lake to the subject properties.

Population

According to ESRI 2018 estimates based upon US Census data the population of the 59868 zip code area (depicted by the map presented) was 2,173. According to ESRI forecasts the population is expected to increase to 2,311 by 2023. This equates to an increase of approximately 1.24% per year.

Economy/Income

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2018 median household income for the zip code area was indicated to be \$45,528. The median household income is projected to increase to \$55,879 or by approximately 4.11% per year through 2023.

Housing & Real Estate

According to the ESRI there were 2,064 housing units in the identified in the zip code area in 2018. Approximately 37.7% of the housing units were identified as owner occupied, approximately 11.2% were identified as renter occupied, and approximately 51.0% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for the zip code area in 2018 was \$281,510. The home value is projected to increase to \$332,927 or approximately 3.65% per year by 2023. The most expensive homes are typically on navigable water or on large acreage tracts.

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

Recreation

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

Conclusion

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

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

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:
2019 Morrell Flats 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 Christy Hughes, Michael & Jack Hamilton; and Angela & Ken Miller. 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. (12 C.F.R. § 34.42 (h)) Market value means the most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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 five (5) 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.

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

Supplemental Appraisal Instructions: 2019 Morrell Flats Appraisals

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

Subject Property Located in Morrell Flats in Missoula County:

Sale #	Acres	Legal Description
918	2.890 ±	Lot 2, Morrell Flats T16N-R15W, Sec. 14, Missoula County
936	2.074 ±	Lot 3, Morrell Flats T16N-R15W, Sec. 14, Missoula County
1030	2.200 ±	Lot 1, Morrell Flats T16N-R15W, Sec. 14, Missoula County
1031	1.722 ±	Lot 14A, Morrell Flats T16N-R15W, Sec. 14, Missoula County
1032	1.723 ±	Lot 16, Morrell Flats T16N-R15W, Sec. 14, Missoula County

DNRC Contact Information:

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

Lessees:

(see DNRC contact for lessee information)

Sale 016 DNRC (vacant)	Sale 036 DNRC (vacant)	
Sale 1030 Christy Hughes, Michael & Jack Hamilton	Sale 1031 Angela & Ken Miller	Sale 1032 Angela & Ken Miller

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.

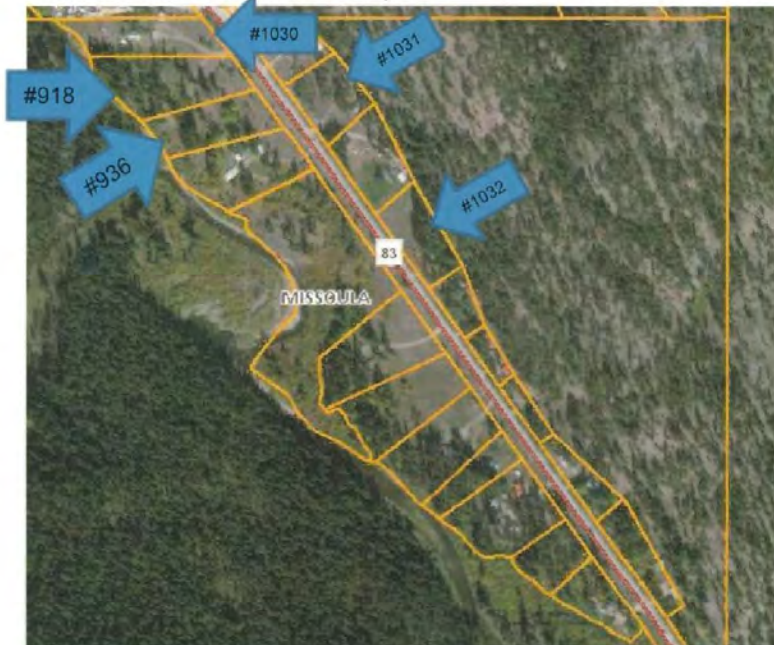
The definition of market value is that as defined in 70-30-313 MCA.

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.

MISSOULA COUNTY SALE LOCATION MAP



Morrell Flats
T16N-R15W, Sec. 14, Missoula County



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SALE PARCELS SURVEYS

