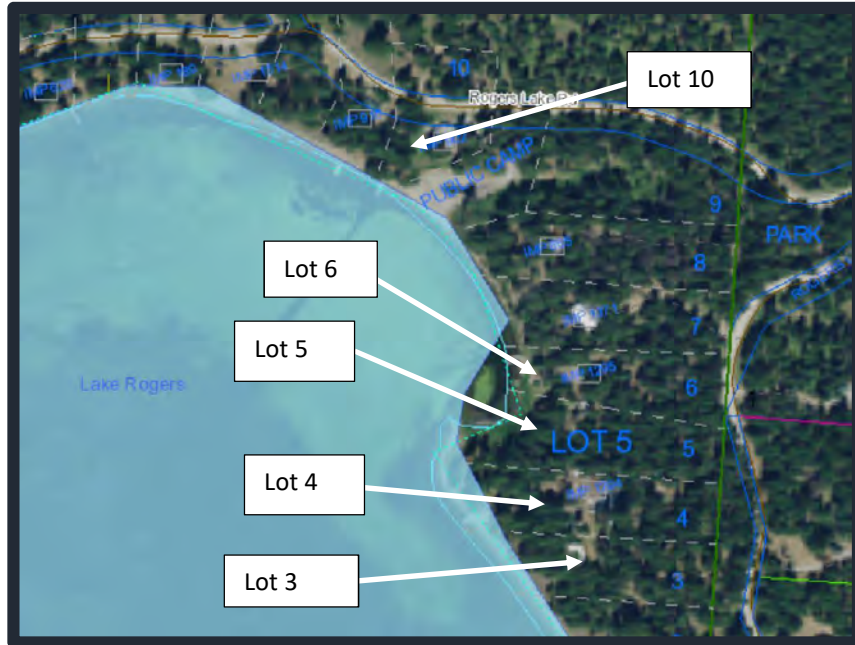


*APPRAISAL REPORT OF:*

**LOTS 3, 4, 5, & 6 OF COS # 20991 &  
LOT 10 OF COS #18526  
ROGERS LAKE, FLATHEAD 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:*

**June 27, 2019**

*PREPARED BY:*

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



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

---

## LETTER OF TRANSMITTAL

August 14, 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 3, 4, 5, & 6 of COS #20991 & Lot10 of COS #18526, Section 30, Township 27 North,  
Range 23 West, Rogers Lake, Flathead County, Montana

Dear Ms. Motichka:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on June 27, 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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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

19-028c

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lots 3, 4, 5, & 6 of COS#20991 and Lot 10 of COS #18526, Section 30, Township 27 North, Range 23 West, Flathead County, Montana
<b>Site Sizes</b>	See Property Description
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	See Property Description
<b>Census Tract</b>	30-029-0017.00
<b>Flood Zone</b>	Zone X FEMA Map Panels 30029C2225G (Dated 9/28/2007)
<b>Zoning</b>	RL, Rogers Lake Zoning District of Flathead County

### HIGHEST AND BEST USE(S)

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

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

<b>Report Date</b>	August 14, 2019
<b>Inspection Date(s)</b>	June 27, 2019
<b>Effective Date of Value(s)</b>	June 27, 2019
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Values</b>	Property Valuation Section of Report & Page 109 of Report
<b>Individual Improvement Values</b>	Property Valuation Section of Report & Page 109 of Report
<b>Individual Total Market Values</b>	Property Valuation Section of Report & Page 109 of Report

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

### MARKETING & EXPOSURE TIME

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

### APPRAISER INFORMATION

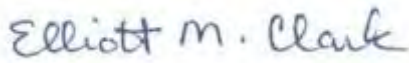
<b>Appraiser(s)</b>	Elliott M. Clark, MAI & Christopher D. Clark
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## **CERTIFICATION OF APPRAISAL**

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

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

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



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Dated Signed: August 14, 2019  
Elliott M. Clark, MAI  
MT REA-RAG-LIC-683



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Date Signed: August 14, 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 3, 4, 5, & 6 of COS #20991 and Lot 10 of COS #18526, Rogers Lake, Kila, Flathead County, Montana.

The appraisers were asked to provide opinions of the market values of the fee simple interests in the sites and improvements for the subject 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 June 27, 2019. We measured the improvements and walked the subject sites.

### **Scope of Research**

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

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

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

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

An **Extraordinary Assumption** is defined in 2018-2019 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusions.*”

There are no **Extraordinary Assumptions** associated with this appraisal report.

### **Hypothetical Conditions**

A **Hypothetical Condition** is defined in 2018-2019 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for purpose of analysis.*”

The values concluded in this report for the subject properties are based upon the **Hypothetical Conditions** that the properties were legal parcels as of the report effective date and that there was legal and adequate access (as described in this report) to the properties.

### **Highest & Best Use**

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

### **Appraisal Process**

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

All three approaches to value were considered for the valuation of the subject properties as improved. Most market participants interested in purchasing waterfront 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:

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

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

## IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County
3	949	20991	S30/T27N/R23W	Flathead
4	951	20991	S30/T27N/R23W	Flathead
5	950	20991	S30/T27N/R23W	Flathead
6	952	20991	S30/T27N/R23W	Flathead
10	953	18309	S30/T27N/R23W	Flathead

## INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Lot #	Sale #	Lessee
3	949	DNRC
4	951	Tom Larson & Katherine Folck
5	950	DNRC
6	952	Linda Garstang
10	953	Jessica Thompson

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 conclude the market values of the fee simple interests in the subject properties for possible sale purposes.

## DATE OF PROPERTY VIEWINGS

June 27, 2019

## EFFECTIVE DATE OF MARKET VALUES

June 27, 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

Market value is defined in the following manner:

*"The most probable 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, knowledgeably and assuming the price is not affected by undue stimulus."*<sup>1</sup>

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 each acting in what he considers his own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and

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.

---

<sup>1</sup> Office of the Comptroller of the Currency - Comptroller's Manual for National Banks, March 1990, 12CFR, parts 34.

## 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
3	949	DNRC	N/A
4	951	Tom Larson & Katherine Folck	N/A
5	950	DNRC	N/A
6	952	Linda Garstang	Quitclaim Deed (Document #201100019012) Recorded 9/19/2011
10	953	Jessica Thompson	Quitclaim Deed (Document #201600011267) Recorded 6/10/2016, Paid \$37,000 for Improvements in 2012 Per Lessee

## 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 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
3	949	DNRC	N/A	N/A
4	951	Tom Larson & Katherine Folck	1991 (with Renovations & Additions)	N/A
5	950	DNRC	1980	N/A
6	952	Linda Garstang	2007	Leasehold improvements transferred via MLS for \$23,000 3/27/2006, MLS #25613, 235 Days on Market
10	953	Jessica Thompson	2003	N/A

According to our research, the improvements on Subject Lot 6 were available for sale via the area MLS as List #21908769 as of the report effective date. The list price was \$150,000 and the list date was June 5, 2019. None of the other subject lots were listed on the area MLS.

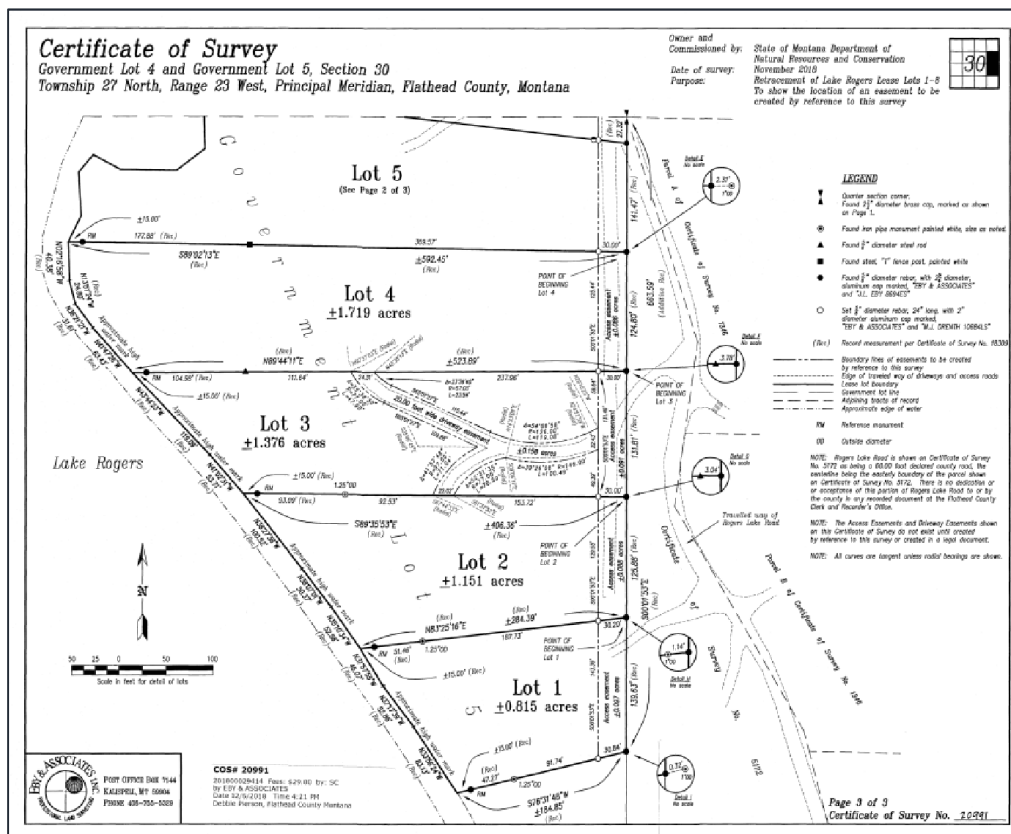
# PROPERTY DESCRIPTIONS

## GENERAL DESCRIPTIONS

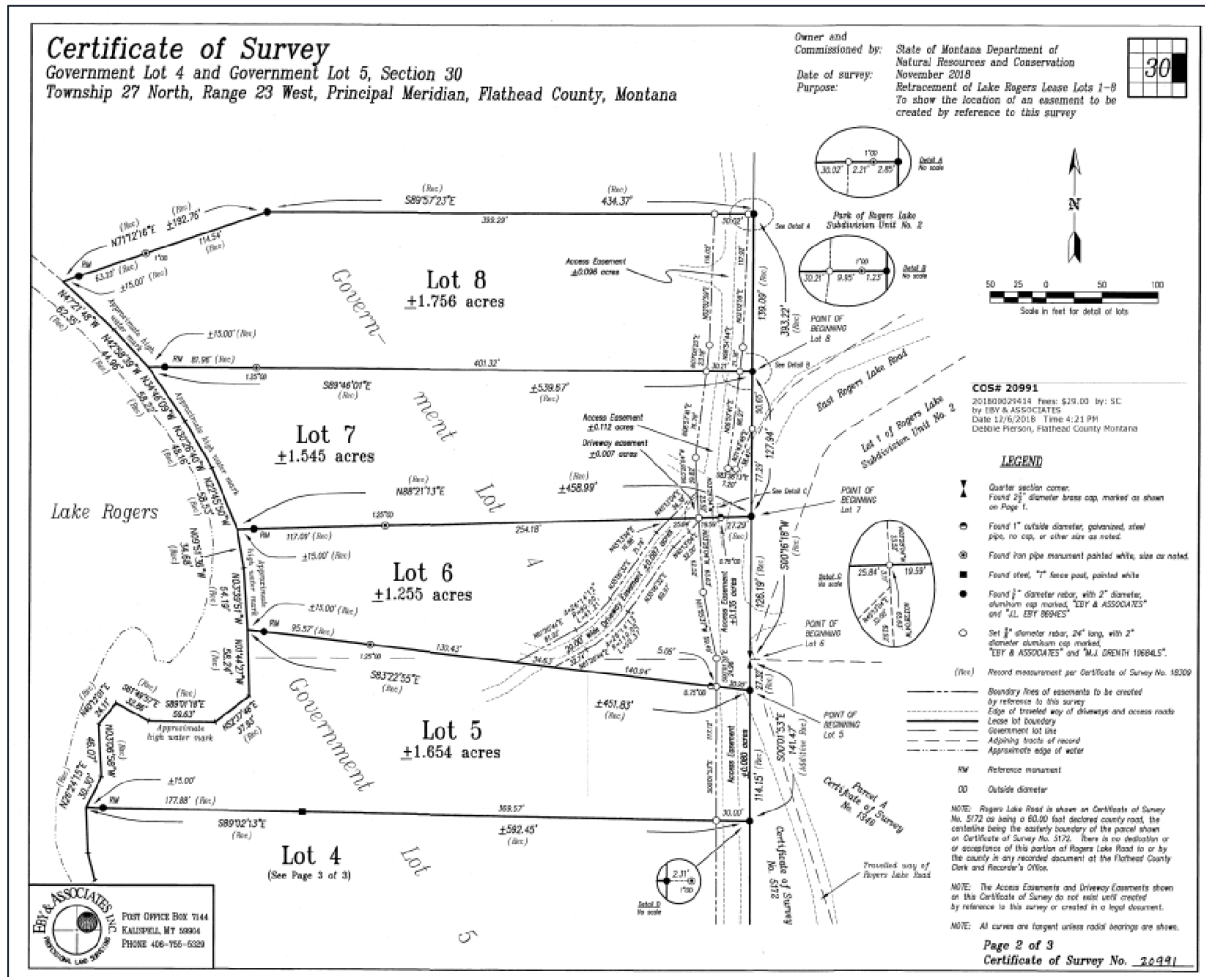
The subject properties are Lots 3, 4, 5, and 6 of Certificate of Survey #20991 and Lot10 of Certificate of Survey #18526 in Section 30, Township 27 North, Range 23 West, in Flathead County, Montana. The subject site sizes are below;

Lot #	Sale #	Gross Acres	Net Acres
3	949	1.376	1.309
4	951	1.719	1.633
5	950	1.654	1.574
6	952	1.255	1.033
10	953	1.245	0.965

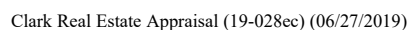
Subject Lots 3, 4, and 5 are on Page 3 of COS#20991 below;

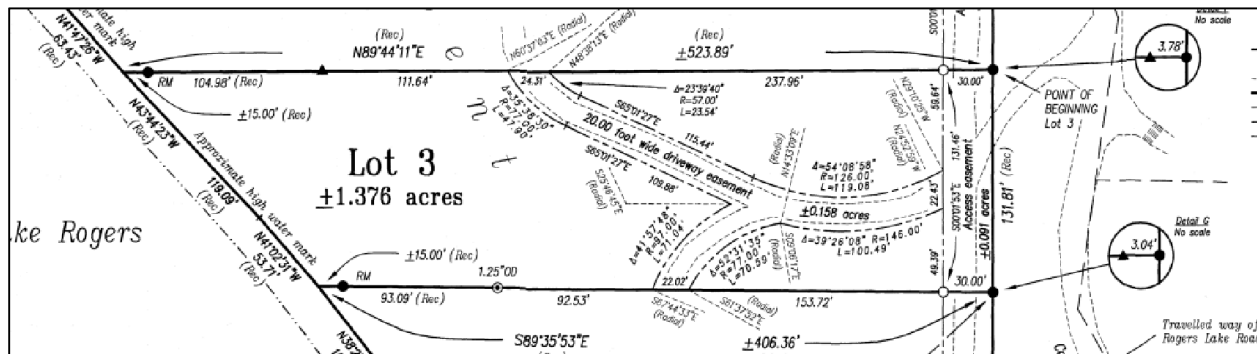


Subject Lots 4, 5, and 6 are on Page 2 of COS#20991 below;

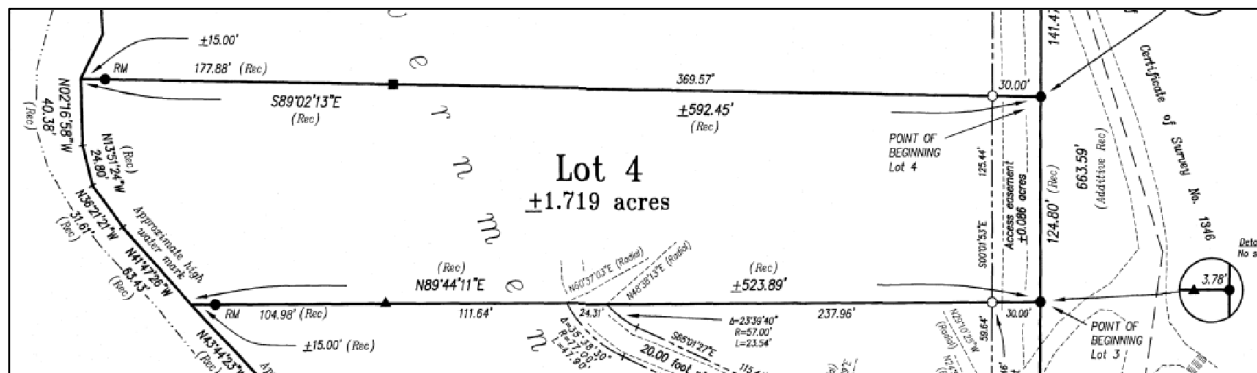


Enlarged views of each site as part of COS #20991 or COS #18526 are included on the following pages.



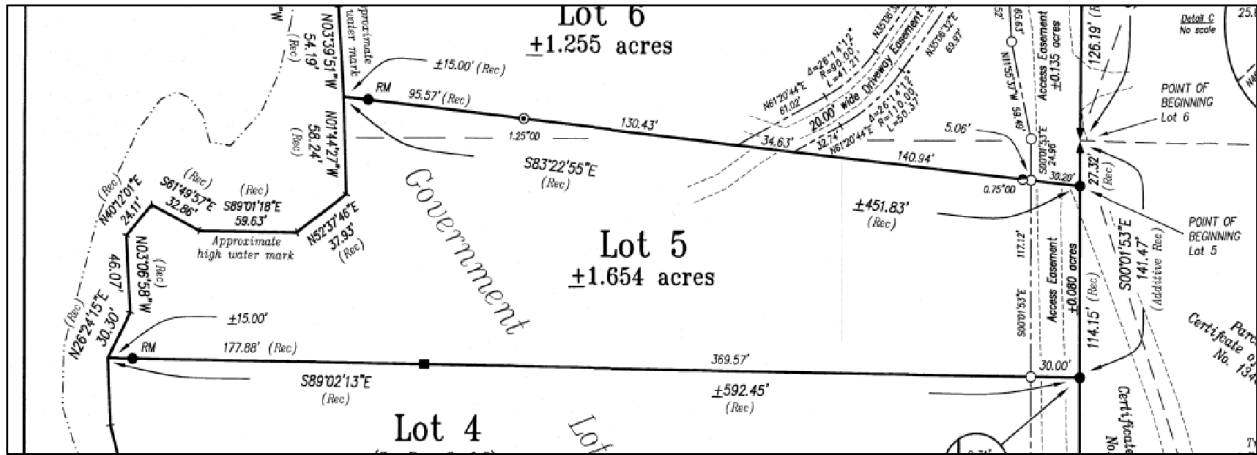
**Enlarged View of Page 3 COS #20991**

**Enlarged View of Page 3 of COS #20991**



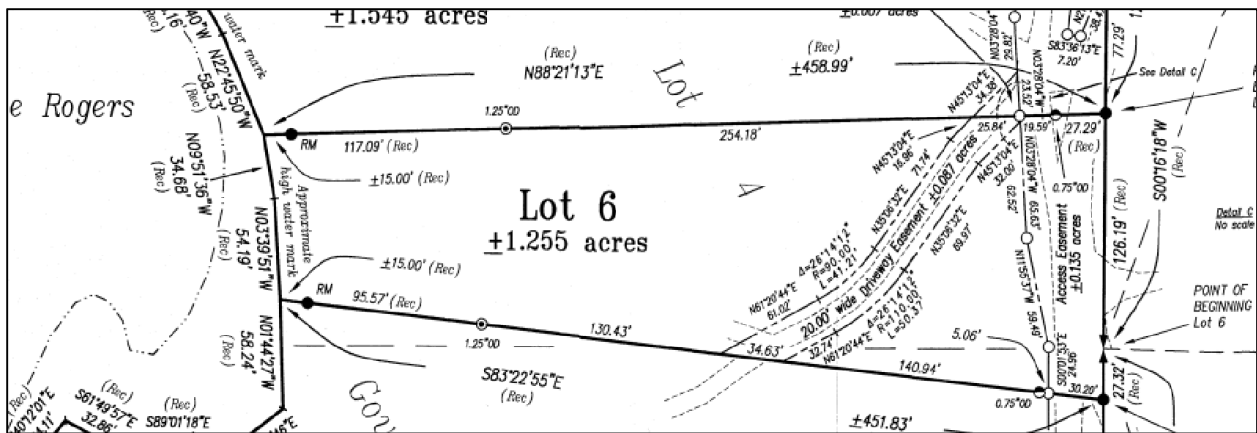
## LOT 5

### Enlarged View of Page 2 of COS #20991

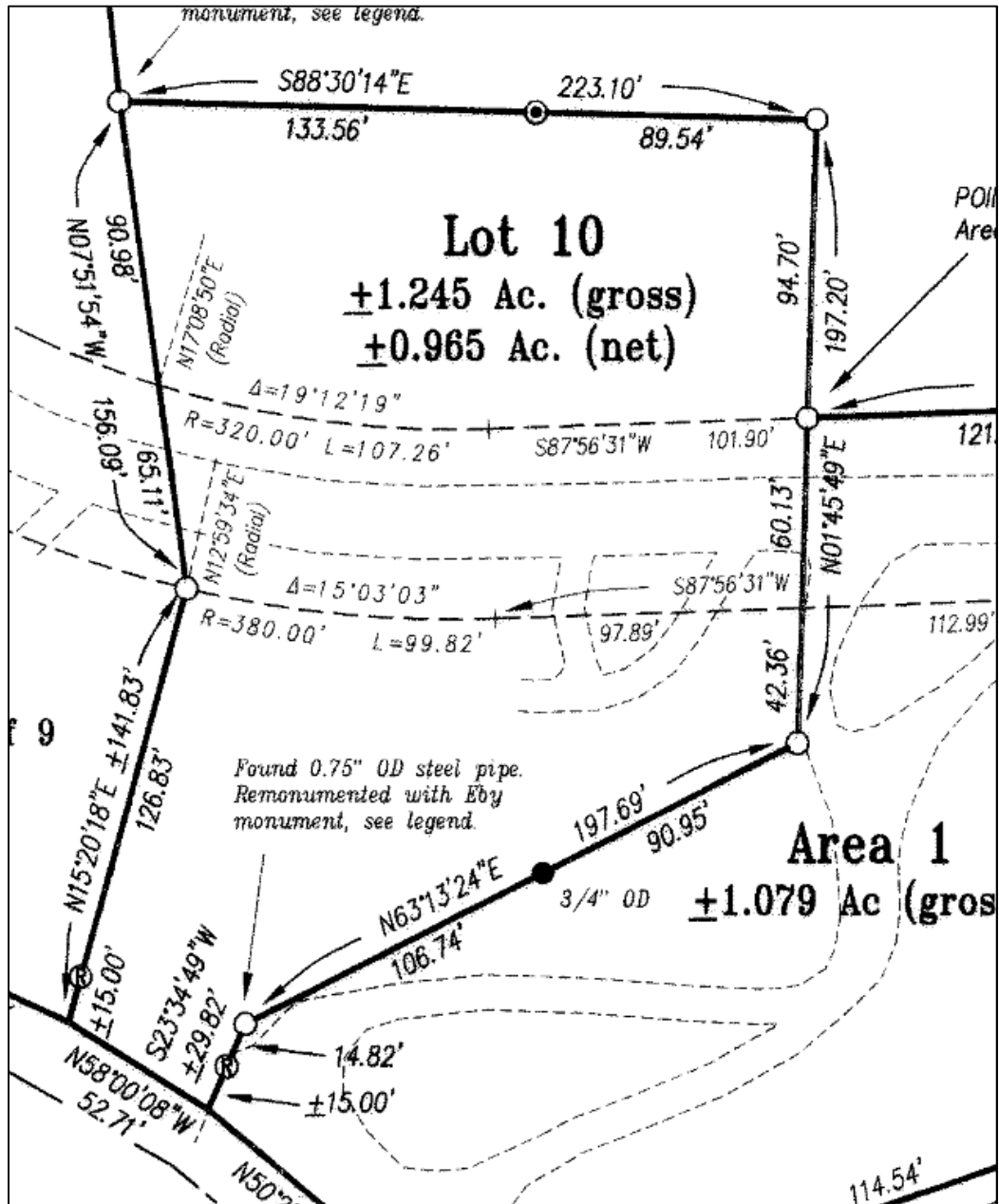


## LOT 6

### Enlarged View of Page 2 of COS #20991



**LOT 10**  
**Enlarged View of COS #18526**



## ACCESS AND VIEWS

The subject properties have vehicular access from driveways off of Rogers Lane or Rogers Lake Road. The subject lots all have frontage along Rogers Lake. Access and water frontage for each site is described on the table below;

Lot #	Sale #	Lessee	Address	Water Frontage	Access
3	949	DNRC	1416 Rogers Lake Rd	172.80 Feet of Frontage Along Rogers Lake	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot and Driveway Accessing Lots 2 and 4 Within this Lot)
4	951	Tom Larson & Katherine Folck	1414 Rogers Lake Rd	160.22 Feet of Frontage Along Rogers Lake	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot)
5	950	DNRC	1413 Rogers Lake Rd	289.14 Feet of Frontage Along Rogers Lake	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot)
6	952	Linda Garstang	1409 Rogers Lake Rd	88.87 Feet of Frontage Along Rogers Lake	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot and Driveway Accessing Lot 5 Within this Lot)
10	953	Jessica Thompson	1431 Rogers Lake Rd	52.71 Feet of Frontage Along Rogers Lake	Driveway from Rogers Lake Road (Lot Bisected by Rogers Lake Road)

## IMPROVEMENTS

Subject Lots 4, 5, 6, and 10 included improvements. The improvements on these subject lots are described on the tables below and on the following page.

Lot #	4	5
<b>Residence SF</b>	2,075	396
<b>Construction Type</b>	Mobile Home & Wood Frame	Wood Frame
<b>Foundation</b>	Pier	Pier
<b>Quality</b>	Average	Fair
<b>Condition</b>	Good	Fair
<b>Year Built</b>	1991 (Renovated & Added To)	1980
<b># of Bedrooms</b>	3	0
<b># of Bathrooms</b>	2.5	0
<b>Porches</b>	345 SF Covered Porch, 104 SF Covered Porch, & 192 SF Deck	144 SF Deck
<b>Outbuildings</b>	1,228 SF Garage, 120 SF Mezzanine Over Garage, 342 SF Mezzanine Over Garage, 96 SF Storage Building, 96 SF Storage Building, 243 SF Open Storage Building, 230 SF Lean-to, 72 SF Lean-to, 168 SF Lean-to, & 25 SF Outhouse	None
<b>Well/Septic</b>	Well/Septic	None/None
<b>Landscaping</b>	Lawn/Native Vegetation	Native Vegetation

Lot #	6	10
Residence SF	768	1,077
Construction Type	Wood Frame	Wood Frame
Foundation	Crawl Space	994 SF Finished Basement Area
Quality	Average	Average
Condition	Good	Average
Year Built	2007	2003
# of Bedrooms	2	1
# of Bathrooms	1	1
Porches	144 SF Covered Deck & 372 SF Deck	500 SF Deck
Outbuildings	224 SF Bunk House & 96 SF Storage Building	96 SF Storage Building, 119 SF Storage Building, 288 SF Garage, 144 SF Greenhouse, 160 SF Shed, & 242 SF Shed
Well/Septic	Lake Water/Septic	None/None
Landscaping	Lawn/Native Vegetation	Lawn/Native Vegetation

## EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

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

Lot #	Sale #	Lessee	Access	Easement Affecting Property
3	949	DNRC	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot and Driveway Accessing Lots 2 and 4 Within this Lot)	Easements for road and/or buried utilities to Plum Creek Timberlands, L.P., Flathead Electric, Burlington Northern Railroad Company, & Private Property Owners.
4	951	Tom Larson & Katherine Folck	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot)	Easements for road and/or buried utilities to Plum Creek Timberlands, L.P., Flathead Electric, Burlington Northern Railroad Company, & Private Property Owners.
5	950	DNRC	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot)	Easements for road and/or buried utilities to Plum Creek Timberlands, L.P., Flathead Electric, Burlington Northern Railroad Company, & Private Property Owners.
6	952	Linda Garstang	Driveway from Rogers Lane (Portion of Rogers Lane Within Lot and Driveway Accessing Lot 5 Within this Lot)	Easements for road and/or buried utilities to Plum Creek Timberlands, L.P., Flathead Electric, Burlington Northern Railroad Company, & Private Property Owners.
10	953	Jessica Thompson	Driveway from Rogers Lake Road (Lot Bisected by Rogers Lake Road)	Easements for road and/or buried utilities to Plum Creek Timberlands, L.P., Flathead Electric, Burlington Northern Railroad Company, & Private Property Owners.

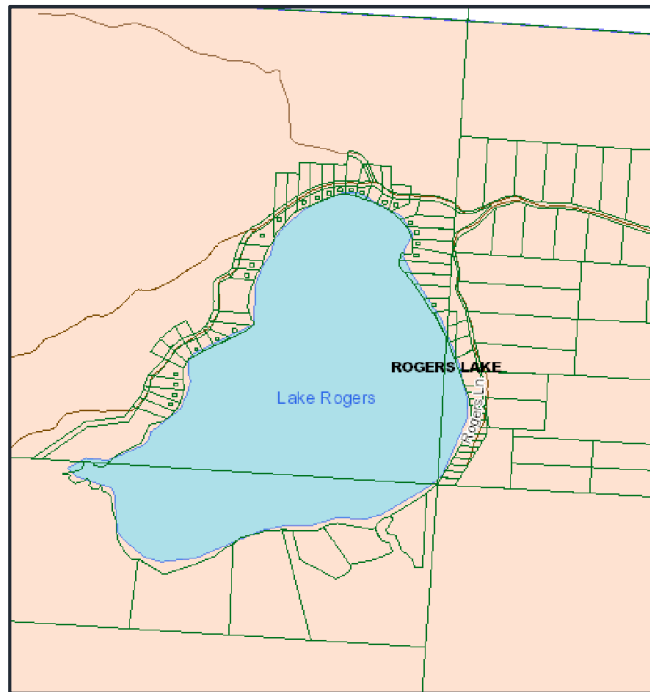
The easements and Rights-of-Way associated with Lots 4 and 5 are typical for similar area properties and are not considered to have an impact on marketability. The driveway easements and/or road bisections associated with Lots 3, 6, and 10 are considered to have impacts on marketability. If additional 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 the RL, Rogers Lake zoning district of Flathead County which is designed to

*“implement the Rogers Lake Neighborhood Plan by protecting the quality, character and openness of Rogers Lake and the surrounding neighborhood and by providing guidance for future development.”*

A map depicting the zoning district for the subject properties and surrounding properties is below.



Allowable uses in this zoning district are; agricultural/silvicultural, Class A and Class B manufactured home, single family residence, and temporary recreational vehicle or camping.

Permitted accessory uses are; agricultural/silvicultural, guest house or caretakers facility, home occupation, garages or other similar structures, public utility installations, and temporary recreational vehicle or camping.

Uses which may be permitted with a conditional use permit are; bed and breakfast, cellular tower, Homeowners Park, publicly owned park and recreational facility, and small guest ranch.

The minimum lot area is 1 acre. The maximum density for lakefront lots is 1 lot/residence per 5 acres. Lakefront lots shall have an average lake frontage of 200 feet per lot as measured at the average high water line. The minimum lakeshore frontage is 100 feet measured at the average high water line. The maximum building height is 35 feet. Building setbacks are 20 feet along the front, 10 feet along the side, 20 feet along the side corner and rear, and 50 feet landward of the average high water line. There are specific open space requirements that vary according to lake frontage.

The subject lots all exceed 1.00 acre in size and conform to the minimum lot area for the zoning district. Subject Lots 6 and 10 include less than 100 feet along the lake. It is assumed for report purposes that the subject lots are legal in spite of possible nonconformance with the requirements of the zoning district.

## ASSESSMENT/REAL PROPERTY TAXES

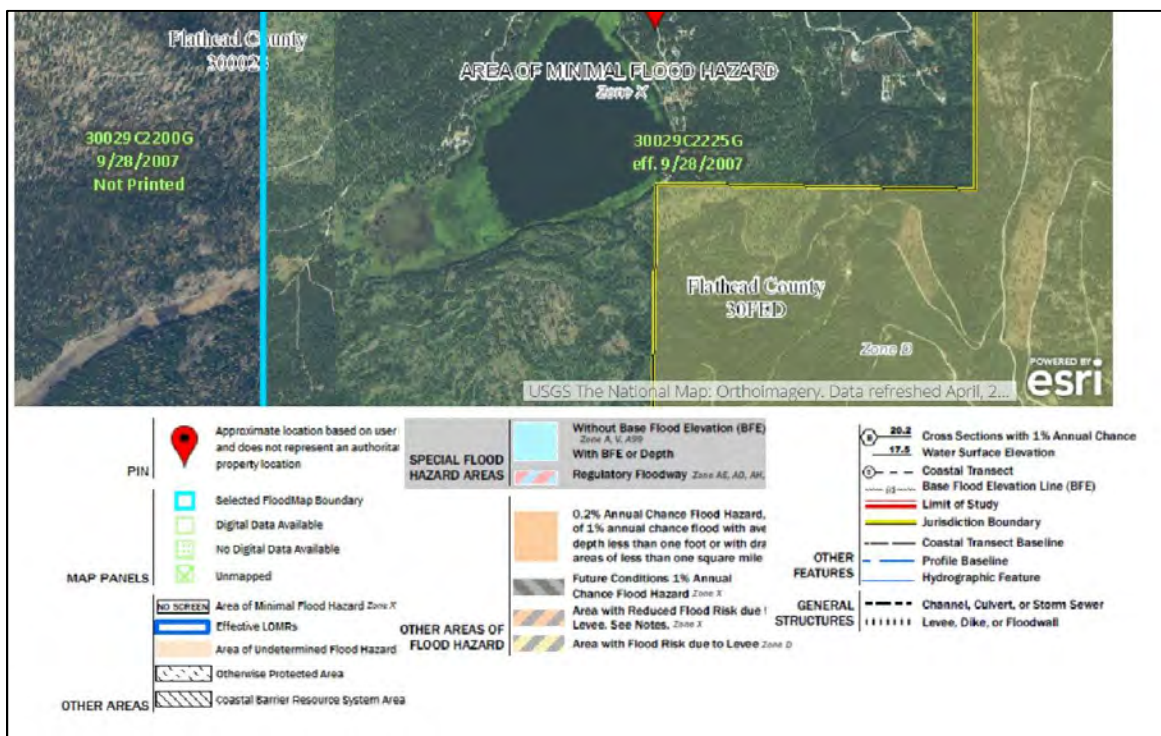
The subject lots are tax exempt; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 2018 tax bills (2019 tax bill for Lot 4) and taxable market values for the **subject improvements** (as per the Montana Department of Revenue) are included on the table below;

Taxable Market Value and Tax Bills for Improvements					
Sale #	Lot #	Lessees	Assessor # for Improvements	2018 Taxable Market Value	2018 Tax Bill Amount
3	949	DNRC	N/A	N/A	N/A
4	951	Tom Larson & Katherine Folck	T300998*	\$41,130	\$384.55
5	950	DNRC	E001386	N/A	N/A
6	952	Linda Garstang	0000517	\$129,160	\$1,128.38
10	953	Jessica Thompson	0812751	\$104,190	\$943.33

\*Taxable Market Value & Tax Bill for Lot 4 is for 2019

## TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Flathead County GIS flood mapping feature for the area, the subject lots are not in areas of flood hazard. According to FEMA map panel (30029C2225G), none of the subject lots include any area within the 100 Year Floodplain. We recommend verifying floodplain location prior to construction on the subject lots. An exhibit depicting the FEMA map panel is below;



The subject lots all slope down relatively gently toward Rogers Lake. An image created from the USGS topography maps for the subject lots from the Flathead County GIS is below.



It appears that drainage and storm water runoff are adequate and/or properly designed and engineered for the subject sites.

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 soils can accommodate the type of construction, which is typically seen in the subject area. We have not been provided with environmental audits for the subject sites and assume there are no toxic or hazardous materials 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 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
3	949	DNRC	No	None	None Filed	
4	951	Tom Larson & Katherine Folck	Yes	Well	Water Right 76L-80233-00 & 76L-85741-00	Septic Permit #89-406-1175 on File with Flathead County
5	950	DNRC	No	None	None Filed	
6	952	Linda Garstang	Yes	Lake Water	None Filed	Septic Permit #06-3751-N on File with Flathead County
10	953	Jessica Thompson	Yes	Artesian Well	Water Right 76L-30006789	Septic Permit #03-1459-N on File with Flathead County

**PUBLIC SAFETY AND SERVICES**

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

**SITE SUITABILITY**

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

## SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

### LOT 3 - SUBJECT PHOTOGRAPHS



View East of Lot 3 Interior from Rogers Lakefront



View of Rogers Lake from Lot 3 Looking West



Lot 3 Interior and Rogers Lake View



Abandoned Foundation on Lot 3 and View toward Rogers Lake



Outhouse



Old Electric Meter

## ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker Looking East



Northwest Property Boundary Marker Looking South



Southwest Property Boundary Marker Looking North



Southwest Property Boundary Marker Looking East



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South

## ADDITIONAL PHOTOGRAPHS



View of Lot 3 Looking West from Rogers Lane



Southeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking North



Rogers Lane Looking North

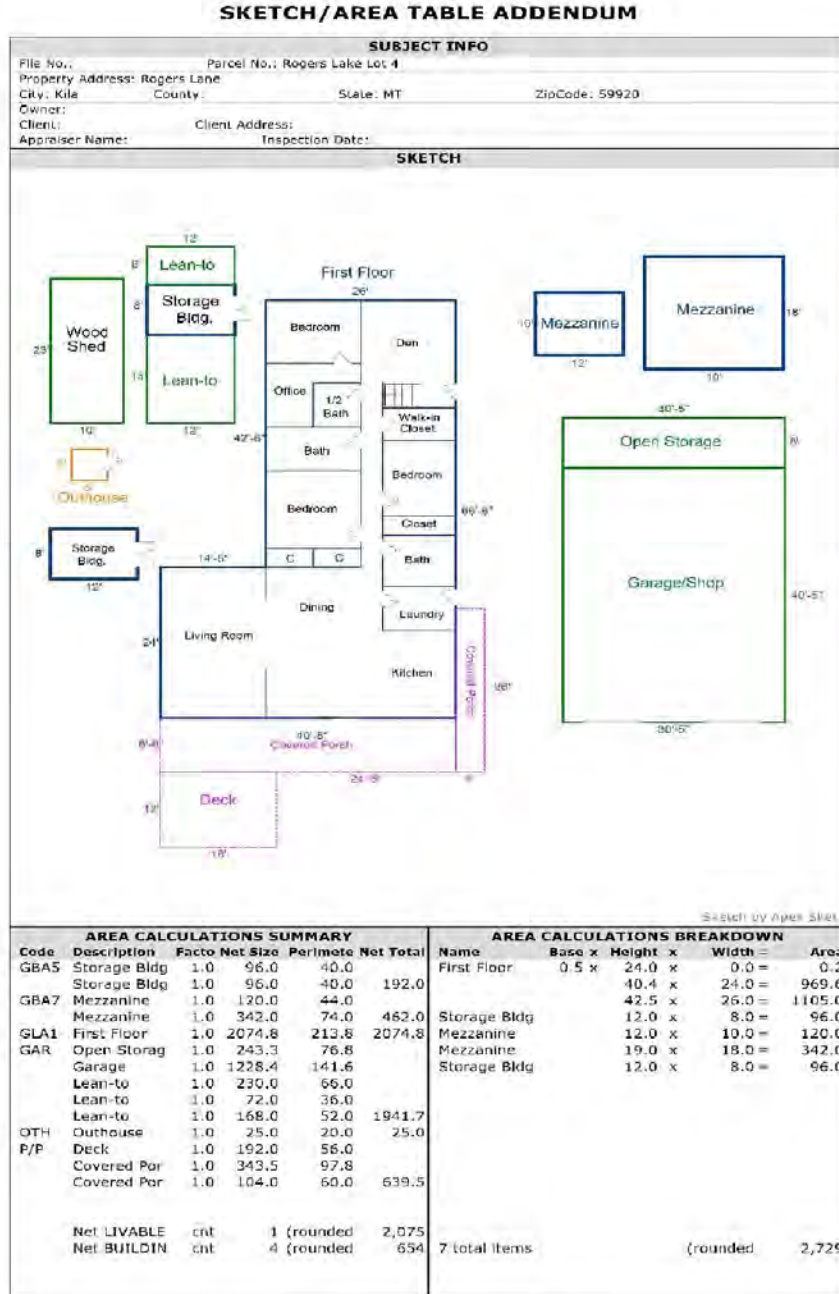


Rogers Lane Looking South



Driveway to Lot 3

## LOT 4 - BUILDING SKETCH



## LOT 4 - SUBJECT PHOTOGRAPHS



Improvements on Lot 4



West Side of Residence



View along North Side of Residence Looking West



View along North Side of Residence Looking East

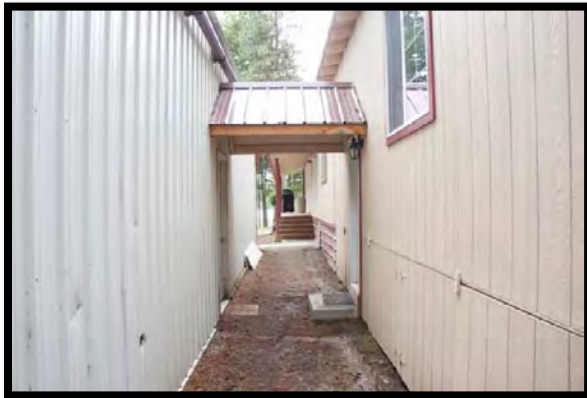


East Side of Residence



View along South Side of Residence Looking East

## ADDITIONAL PHOTOGRAPHS



View between Residence and Garage/Shop Looking West



Living Room



Kitchen



Dining Area

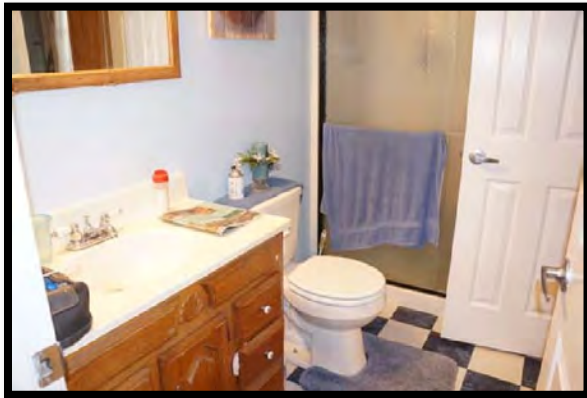


Bedroom

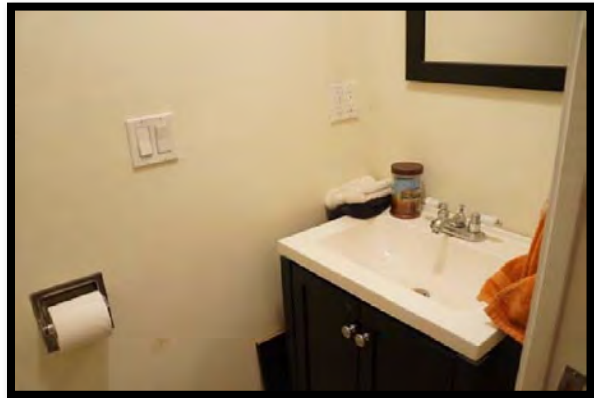


Bedroom

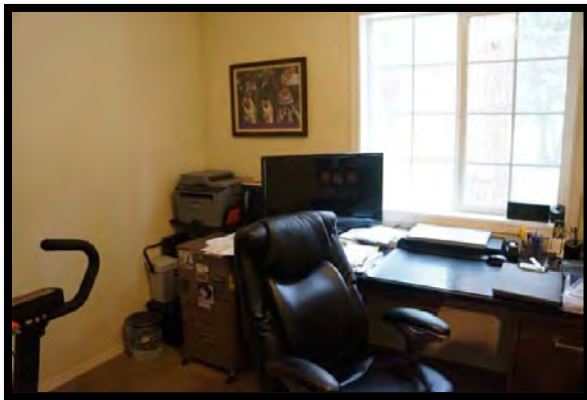
## ADDITIONAL PHOTOGRAPHS



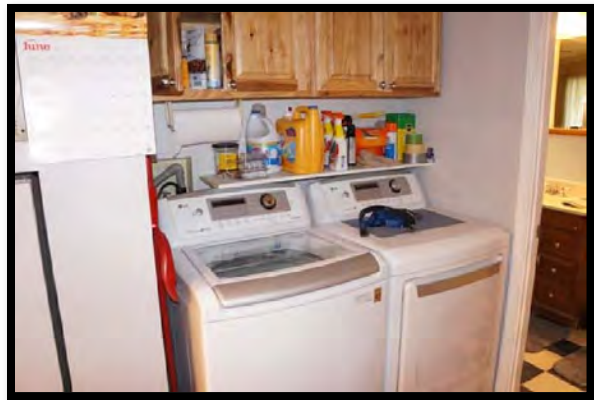
Bathroom



Bathroom



Office



Laundry Room



Walk-in Closet



Bedroom

## ADDITIONAL PHOTOGRAPHS



Bedroom



Garage/Shop Building



Garage/Shop Interior



Open Storage on East End of Garage/Shop Building



Wood Storage Building



Outhouse

## ADDITIONAL PHOTOGRAPHS



Lean-to / Storage Building



Storage Interior



Storage Shed



View of Rogers Lake from Deck



Lot 4 Interior Looking West



Lot 4 from Rogers Lake Waterfront

## ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker Looking East



Southwest Property Boundary Marker Looking North



Pier and Floating Dock



View of Lot 4 from Dock



View East along North Property Boundary



View South along Approximate West Property Boundary

## ADDITIONAL PHOTOGRAPHS



Lot 4 Interior and Improvements Looking West



Northeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking West



Southeast Property Boundary Market Looking North



Shared Driveway to Lot 4



Rogers Lane Looking South

## ADDITIONAL PHOTOGRAPHS



Rogers Lane Looking North

## LOT 5 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.:		Parcel No.: Rogers Lake Lot 5			
Property Address: 1413 Rogers Lane					
City: Kila	County:	State: MT	ZipCode: 59920		
Owner:					
Client:		Client Address:			
Appraiser Name:		Inspection Date:			
SKETCH					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GLA1	First Floor	1.0	396.0	81.0	396.0
P/P	Deck	1.0	144.0	60.0	144.0
			COMMENT TABLE 1		
			COMMENT TABLE 2	COMMENT TABLE 3	
Net LIVABLE		cnt	1 (rounded)	396	

## LOT 5 - SUBJECT PHOTOGRAPHS



East Side of Cabin on Lot 5



South Side of Cabin



West Side of Cabin



North Side of Cabin



View toward Rogers Lake from Cabin Looking West



Lot 5 Interior Looking East from Cabin

## ADDITIONAL PHOTOGRAPHS



View of Rogers Lake Frontage



Approximate Northwest Property Corner Looking East



View Southwest along Rogers Lake Frontage



Cabin Looking East from Lakefront Area



View West of Rogers Lake near Southwest Property Corner



View East along Approximate South Property Boundary

## ADDITIONAL PHOTOGRAPHS



View North along Approximate West Property Boundary



View Looking NE toward Cabin from SW Portion of Property



View South along Rogers Lane and East Portion of Lot 5



View West along South Property Boundary



Lot 5 Looking West from Rogers Lane



View West along North Property Boundary

## ADDITIONAL PHOTOGRAPHS



Driveway to Lot 5



Rogers Lane Looking South

## LOT 6 - BUILDING SKETCH

<b>SUBJECT INFO</b>				
File No.:	Parcel No.: Rogers Lake Lot 6			
Property Address: 1409 Rogers Lane				
City: Kila	County:	State: MT	Zip Code: 59920	
Owner:				
Client:	Client Address:			
Appraiser Name:		Inspection Date:		
<b>SKETCH</b>				
<p>The sketch shows a property layout with several buildings and outdoor areas. On the left, there's a Loft (24' wide by 9' 6" deep) above a Storage Bldg (12' wide by 8' deep). To the right of the Storage Bldg is a Bunk House (16' wide by 14' deep) with a Covered Porch (13' wide by 6' deep) attached to its top side. Further right is a larger building complex containing a Living Room, Dining area, Kitchen, Bath, and two Bedrooms, along with three Closets. This complex has a Deck (30' wide by 8' deep) and a Covered Deck (30' wide by 8' deep) at the top. Various other dimensions like 30', 8', 24', and 32' are indicated for different sections.</p>				
<b>AREA CALCULATIONS SUMMARY</b>				
Code	Description	Facto	Net Size	Perimete Net Total
GBA5	Storage Bldg	1.0	96.0	40.0 96.0
GLA1	First Floor	1.0	768.0	112.0 768.0
GLA3	Bunk House	1.0	224.0	60.0 224.0
GLA4	Loft	1.0	228.0	67.0 228.0
P/P	Covered Dec	1.0	144.0	60.0
	Deck	1.0	372.0	120.0
	Covered Por	1.0	78.0	38.0 594.0
<b>AREA CALCULATIONS BREAKDOWN</b>				
Name	Base x	Height x	Width =	Area
Loft		24.0 x	9.5 =	228.0
First Floor		32.0 x	24.0 =	768.0
Bunk House		16.0 x	14.0 =	224.0
Storage Bldg		12.0 x	8.0 =	96.0
<div style="float: left; width: 30%;"> <b>Net LIVABLE</b>    cnt    3 (rounded)    1,220  <b>Net BUILDIN</b>    cnt    1 (rounded)         96         </div> <div style="float: right; width: 30%; text-align: right;">           4 total items             (rounded)    1,316         </div> <div style="clear: both;"></div>				

## LOT 6 - SUBJECT PHOTOGRAPHS



Cabin Looking East from Rogers Lake Waterfront Area



West Side of Cabin and Deck



West and South Sides of Cabin



East and South Sides of Cabin



East and North Sides of Cabin



Deck

## ADDITIONAL PHOTOGRAPHS



Kitchen



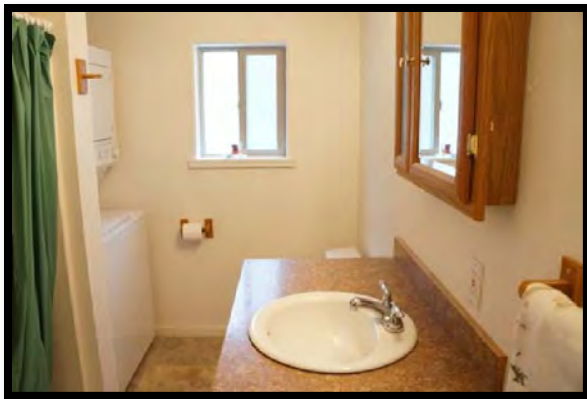
Living Area



Bedroom



Bedroom



Bathroom



East Side of Bunk House

## ADDITIONAL PHOTOGRAPHS



North Side of Bunk House



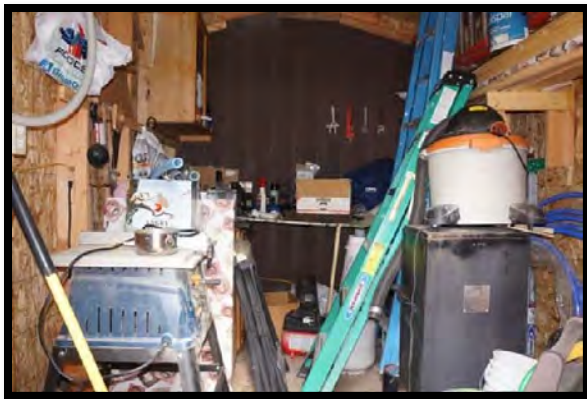
West Side of Bunk House



South Side of Bunk House and Storage Room



Bunk House Interior



Storage Room Interior



View of Lot 6 and Rogers Lake from Deck

## ADDITIONAL PHOTOGRAPHS



Floating Pier to Rogers Lake



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East



View South along West Property Boundary



View East near Southwest Property Corner



View North along Approximate West Property Boundary

## ADDITIONAL PHOTOGRAPHS



View East along Approximate North Property Boundary



Driveway Easement Marker near Northeast Property Corner



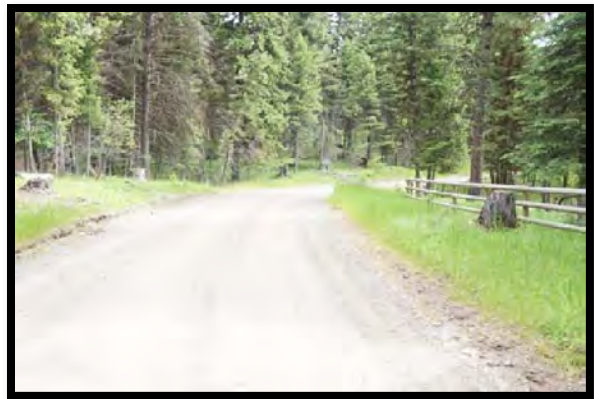
View West along Approximate South Property Boundary



Driveway to Lot 6

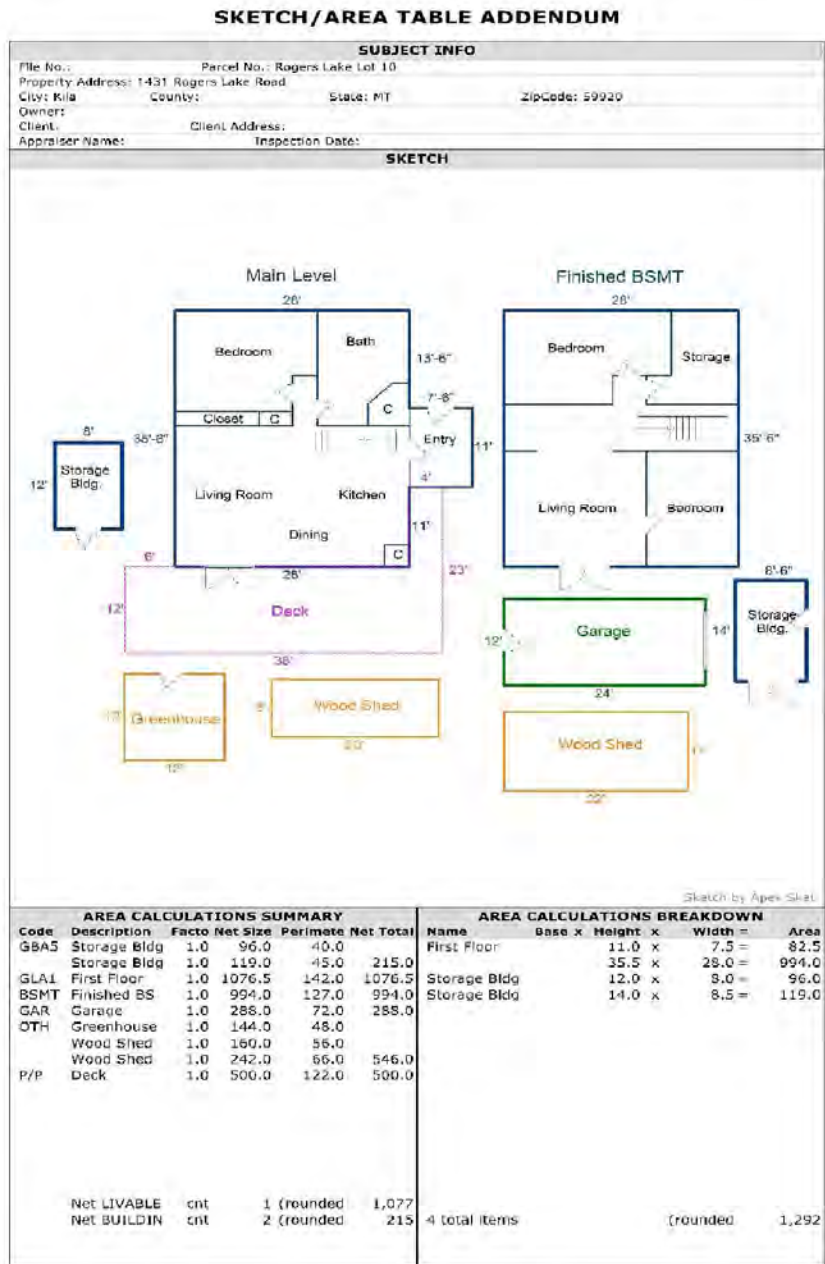


Rogers Lane Looking South



Rogers Lane Looking Northeast

## LOT 10 - BUILDING SKETCH



## LOT 10 - SUBJECT PHOTOGRAPHS



Residence on Lot 10 Looking South from Rogers Lake Rd.



Garage on East Side of Residence



West Side of Residence



Lot 10 and Residence Looking NE from SW Portion of Property



Deck and South Side of Residence



Garage and Lot 10 Interior Looking West

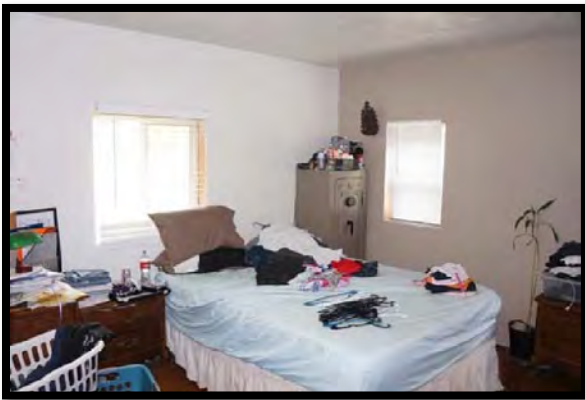
## ADDITIONAL PHOTOGRAPHS



Living Room



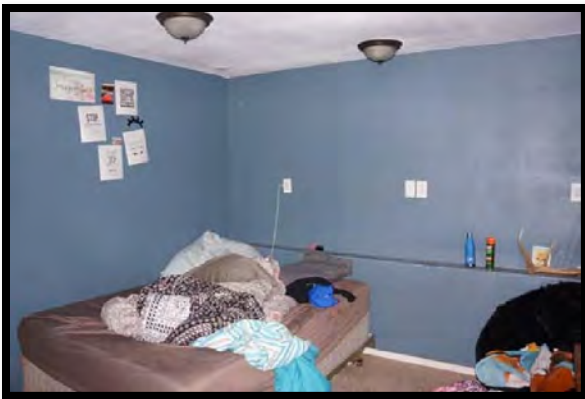
Kitchen



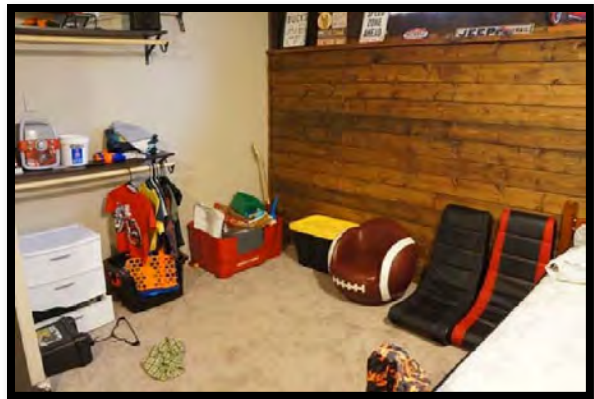
Bedroom in Walk-out Basement



Living Area in Basement



Bedroom in Basement

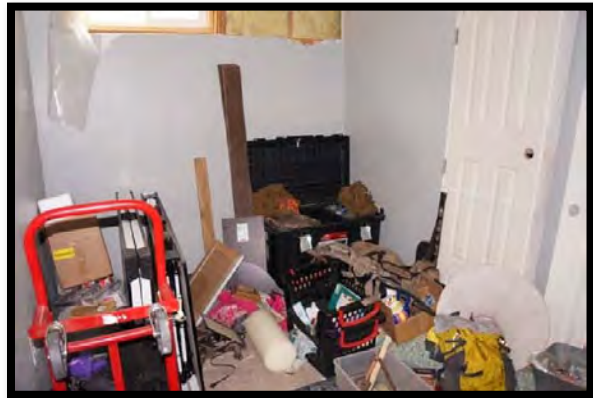


Bedroom in Basement

## ADDITIONAL PHOTOGRAPHS



Utility Area



Storage Room in Basement



Storage Building



Storage Building Interior



Wood Storage Building



Open Storage

## ADDITIONAL PHOTOGRAPHS



Storage Building on West Side of Residence



Lawn Area and Greenhouse Looking South toward Rogers Lake



Floating Dock



Lot 10 from Rogers Lakefront Area Looking Northeast



Rogers Lake View from Deck



Rogers Lake Looking Southwest from Lakefront

## ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking South



Northeast Property Boundary Marker Looking West



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East



Southeast Property Boundary Marker Looking Northeast



View West along South Property Boundary and Rogers Lake

## ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker



View North along West Property Boundary



View East along South Property Boundary and Rogers Lake



View South along West Property Boundary from Rogers Lake Rd.



View Southwest along Portion of East Property Boundary



Portion of Lot 10 North of Rogers Lake Road

## ADDITIONAL PHOTOGRAPHS



Rogers Lake Road Looking East



Rogers Lake Road Looking West



Rogers Lake Road Looking West



Rogers Lake Road Looking East

## SUBJECT MARKET ANALYSIS

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

### Subject Productivity Analysis

#### General Property Description

The subject properties were described in detail in prior sections of this report. The subject sites range in size from 1.245 up to 1.719 gross acres. All have frontage along Rogers Lake. The subject lot front footages range from 52.71 up to 289.14. Rogers Lake is a relatively small artesian lake which does not allow motorized watercraft. Lots 4, 5, 6, and 10 include residences. Lot 3 was vacant as of the report effective date.

#### Area Land Use Trends

Many surrounding properties with frontage along and/or views of Rogers Lake include residential improvements. Surrounding properties are utilized for recreational/residential purposes.

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

Flathead Valley Area Lakes		
Lake Name	Size/Acres	Elevation/Feet
Abbott Lake	41	3,012
Spoon Lake	60	3,241
Blanchard Lake	143	3,178
Beaver Lake	144	3,257
Lake Five	235	3,261
Rogers Lake	239	3,998
Foys Lake	241	3,300
Lake Blaine	382	2,998
Echo Lake	695	2,998
McGregor Lake	1,522	3,998
Ashley Lake	2,850	3,998
Bitterroot Lake	2,970	3,998
Whitefish Lake	3,315	2,988
Flathead Lake	122,885	2,890

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

frontage along Whitefish Lake. Privately owned home sites with frontage on the remaining lakes would be considered part of the competitive set for the subject sites.

### **Potential Users of Subject Property**

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

### **Demand Analysis**

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

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

### **Lakefront Lot Sales**

Sales of sites (or sites with minimal improvements) with frontage along similar lakes in Flathead County that closed since 2016 are included on the table on the following page.

Lakefront Lot Sales Analysis										
Address	City	Lake	Front Feet	Site Acres	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvement Value	Price/FF	Days on Market
804 Abbot Village	Kalispell	Abbot Lake	96.00	0.77	2018	\$270,000	\$10,000	\$260,000	\$2,708	214
828 Abbott Village	Kalispell	Abbot Lake	95.97	0.57	2018	\$210,000	\$0	\$210,000	\$2,188	76
4050 N Ashley Lake Rd	Kalispell	Ashley Lake	225.20	6.10	2016	\$375,000	\$0	\$375,000	\$1,665	356
5622 N Ashley Lake Rd	Kila	Ashley Lake	100.00	1.14	2016	\$216,000	\$0	\$216,000	\$2,160	134
3527 N Ashley Lake Rd	Kalispell	Ashley Lake	40.00	2.00	2016	\$105,000	\$0	\$105,000	\$2,625	170
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	132.00	1.65	2016	\$340,000	\$0	\$340,000	\$2,576	53
4018 N Ashley Lake Rd	Kalispell	Ashley Lake	135.00	1.35	2017	\$295,000	\$0	\$295,000	\$2,185	139
3145 N Ashley Lake Rd	Kalispell	Ashley Lake	211.00	0.94	2017	\$115,000	\$0	\$115,000	\$545	1,241
4022 N Ashley Lake Rd	Kalispell	Ashley Lake	140.00	1.30	2017	\$485,000	\$150,000	\$335,000	\$2,393	580
3918 N Ashley Lake Rd	Kalispell	Ashley Lake	160.00	0.61	2017	\$315,000	\$0	\$315,000	\$1,969	106
4569 Ashley Lake Rd	Kalispell	Ashley Lake	118.00	3.49	2017	\$399,000	\$0	\$399,000	\$3,381	445
4885 Ashley Lake Rd	Kalispell	Ashley Lake	101.00	0.60	2018	\$192,000	\$0	\$192,000	\$1,901	56
5400 N Ashley Lake Rd	Kalispell	Ashley Lake	145.00	1.89	2018	\$440,000	\$0	\$440,000	\$3,034	280
4521 N Ashley Lake Rd	Kalispell	Ashley Lake	95.00	0.23	2018	\$169,500	\$0	\$169,500	\$1,784	31
122 Kelly Ct	Marion	Bitterroot Lake	150.00	1.24	2016	\$330,000	\$0	\$330,000	\$2,200	80
68 Bitterroot Cover Ct	Marion	Bitterroot Lake	131.61	1.08	2016	\$330,000	\$5,000	\$325,000	\$2,469	100
1524 Pleasant Valley Rd	Marion	Bitterroot Lake	129.00	1.01	2017	\$285,000	\$0	\$285,000	\$2,209	144
1030 N Bitterroot Rd	Marion	Bitterroot Lake	155.15	1.45	2018	\$340,000	\$0	\$340,000	\$2,191	692
1524 Pleasant Valley Rd	Marion	Bitterroot Lake	129.00	1.01	2018	\$309,000	\$0	\$309,000	\$2,395	96
NHN Cattail	Whitefish	Blanchard Lake	380.00	9.72	2016	\$175,000	\$0	\$175,000	\$461	176
638 Leksand Trail	Whitefish	Blanchard Lake	51.40	0.75	2018	\$120,000	\$0	\$120,000	\$2,335	48
636 Echo Chalet Dr	Bigfork	Echo Lake	125.00	1.00	2016	\$371,000	\$0	\$371,000	\$2,968	409
1170 Echo Lake Rd	Bigfork	Echo Lake	100.00	0.47	2018	\$295,000	\$0	\$295,000	\$2,950	361
185 Weaver Ln	Kalispell	Lake Blaine	150.00	2.04	2018	\$362,500	\$0	\$362,500	\$2,417	292
634 Belton Stage Rd	West Glacier	Lake Five	242.00	196.00	2016	\$790,000	\$0	\$790,000	\$3,264	59
810 Ross Point	West Glacier	Lake Five	215.00	0.79	2017	\$310,000	\$0	\$310,000	\$1,442	616
NHN Paradise Loop	Marion	McGregor Lake	192.44	2.05	2016	\$350,000	\$5,000	\$345,000	\$1,793	30
12710 US Hwy 2	Marion	McGregor Lake	200.00	1.22	2016	\$229,000	\$0	\$229,000	\$1,145	168
930 McGregor Ln	Marion	McGregor Lake	139.00	1.34	2018	\$337,000	\$0	\$337,000	\$2,424	111
1060 Lake Dr	Columbia Falls	Spoon Lake	237.03	1.09	2018	\$165,000	\$0	\$165,000	\$696	280
1100 Lake Dr	Columbia Falls	Spoon Lake	110.57	1.07	2019	\$165,000	\$30,000	\$135,000	\$1,221	28

Of the lakes included, there were 11 lakefront lot sales in 2016, 7 in 2017, and 12 in 2018, and 1 in 2019 Year-to-Date. None of the sales located included frontage along Rogers Lake.

Based upon analysis of available data, once the front footage exceeds the normal or typical range for an area, the price per front generally decreases to some degree.

### **Lakefront Home Sales**

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

Lakefront Home Sales Analysis				
Smaller Recreational Lakes - Flathead County				
Year	# Home Sales	Days on Market	Low Sales Price*	High Sales Price*
2016	15	237	\$200,000	\$975,000
2017	20	269	\$285,000	\$1,800,000
2018	22	253	\$200,000	\$1,300,000
2019 Year-to-Date	7	120	\$165,000	\$675,000
Actives	30	30	\$309,000	\$1,800,000
*Prices Noted for Actives are List Prices				

### **Competitive Supply**

There were 16 active listings of lots with less than 10 acres and frontage along smaller lakes in Flathead County as of the report effective date. The average list price was \$2,313 per front foot. The marketing time for the active listings was approximately 272 days.

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

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

Based upon the average sales volume for 2016, 2017, and 2018, there is an approximately 1.6 year supply of vacant lots on smaller area lakes for sale. Downward price pressure is likely for the active listings to sell within typical historical marketing times.

Based upon sales volumes per year in 2016, 2017 and 2018, there is an approximate 1.4 year supply of homes for sale on smaller area lakes in the search parameters identified.

### **Subject Marketability Conclusion**

The subject sites have frontage along Rogers Lake. Overall, the subject sites (as if vacant) are considered to have similar marketability compared to other properties with frontage along small area lakes.

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

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

The 12 sales of vacant sites on similar area lakes that sold during 2018 were marketed for an average of 211 days. **Marketing times** of approximately 6 to 12 months are appropriate for the subject sites, as if vacant. If the subject sites, as if vacant, had sold on the effective date of this

report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

The 22 sales of homes on similar area lakes that sold during 2018 were marketed for an average of 253 days. **Marketing times** of approximately 6 to 12 months are appropriate for the subject properties as improved. If the properties, as improved, had sold on the effective date of this report, at the appraised values concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

## HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

## **SUBJECT PROPERTIES - AS IF VACANT**

### *Legally Permissible*

The subject lots are in the RL, Rogers Lake zoning district of Flathead County. There are four permitted uses which are listed in the Property Description portion of this report. Single family dwellings and Class A or B manufactured homes are two of the permitted uses.

### *Physically Possible*

There is sufficient space on each subject site for a single family residence and/or a manufactured home, and related outbuildings. There is not sufficient space on each site for most significant agricultural/sivicultural uses. All necessary utilities are available to each site.

### *Financially Feasible*

Many area lots are improved with single family residences. Use of the subject lots for construction of single family residences and/or Class A or B manufactured homes are financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED**

Subject Lot 3 does not include improvements that contribute value. A highest and best use conclusion for this lot as improved is not applicable.

Subject Lots 4, 5, 6, and 10 are improved with single family residences and outbuildings. There is market acceptance of many types of residences on lots with frontage on similar area lakes. Alteration of the subject residences on these sites for any use other than as single family homes would require large capital expenditures. Continued use as single family residences for residential/recreational use 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 (as applicable).

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.

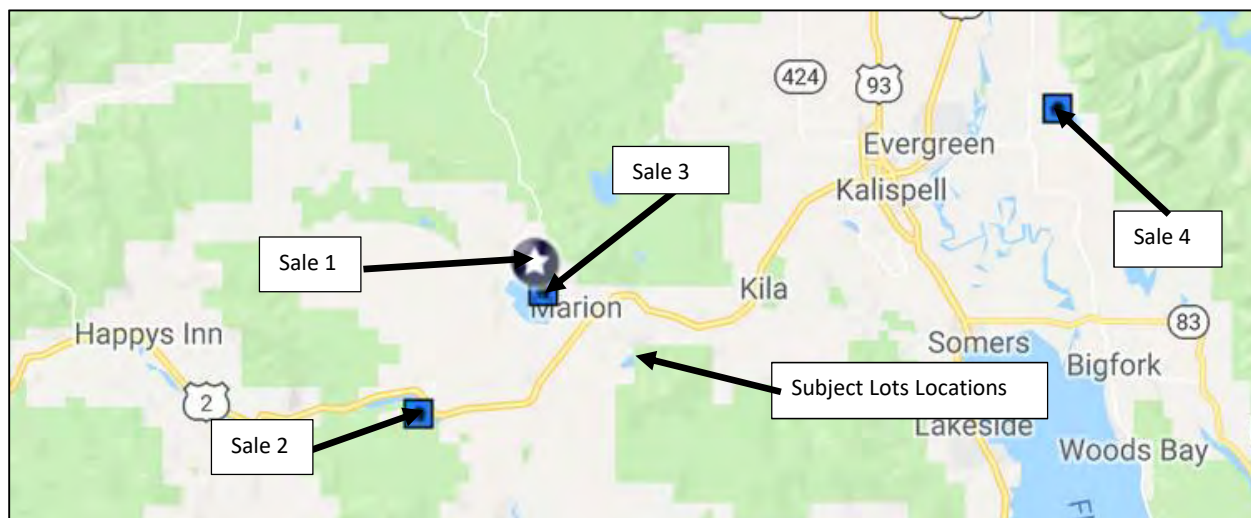
## LOT SALES

We conducted a search for sales of sites with frontage along Rogers Lake. No sales (other than one that transferred from MT DNRC to the Lessee – and included leasehold improvements) of vacant sites or sites with minimal improvements were located. Due to the limited market data located, it was necessary to expand the search to other lakes in Flathead County. A table with sales of lots on smaller lakes in Flathead County is included in the Subject Market Analysis section of this report. The four most similar and recent sales from this data were selected as comparables for the subject lots. We analyzed price per lot, price per acre, and price per front footage for the sales presented in the Subject Market Analysis. The price per front foot resulted in a closer statistical relationship than the other units of comparison. The comparables selected are described on the table below;

Sale #	Address	City	Water Frontage	Sale Date	Acres	Front Feet	Sales Price	Value of Improvements	Sales Price Less Improvements	Price Per Front Foot
1	1524 Pleasant Valley Rd	Marion	Little Bitterroot Lake	2018	1.012	129.69	\$309,000	\$5,000	\$304,000	\$2,344
2	930 McGregor Ln	Marion	McGregor Lake	2018	1.343	139.19	\$337,000	\$10,000	\$327,000	\$2,349
3	1030 N Bitterroot Rd	Marion	Little Bitterroot Lake	2018	1.454	155.15	\$340,000	\$0	\$340,000	\$2,191
4	185 Weaver Lane	Kalispell	Lake Blaine	2018	2.036	150.00	\$362,500	\$0	\$362,500	\$2,417

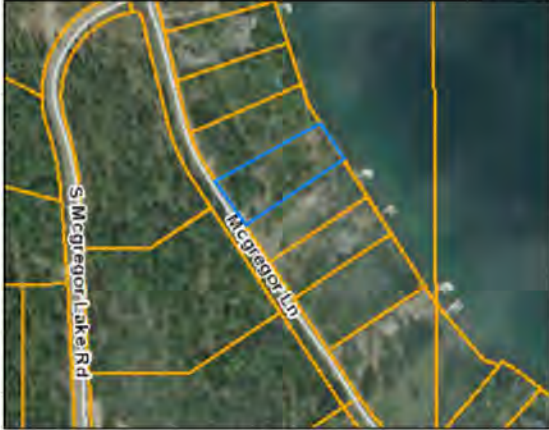
A complete description of each comparable is included in the individual land comparable write-ups provided in this section of this report. A map depicting the location of the subject properties in relation to the comparable sales is below;

### Map of Comparable Lot Sales






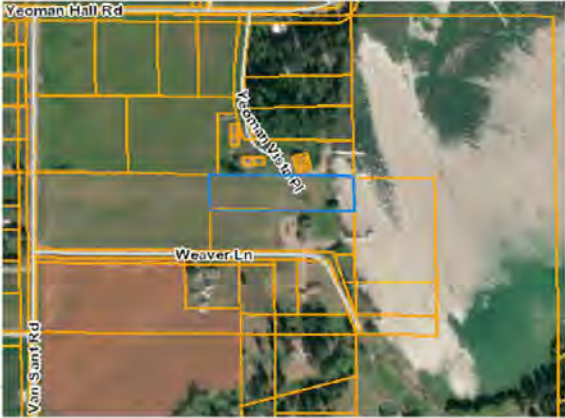
## LAND SALE 2

COMPARABLE SALE INFORMATION			
	<b>Location</b>	930 McGregor Lane	
	<b>City, State</b>	Marion, Montana	
	<b>County</b>	Flathead	
	<b>Assessor Number</b>	0006255	
	<b>Zoning</b>	None	
	<b>Site Size: Acres</b>	1.343	
	<b>Square Feet</b>	58,501	
	<b>Date of Sale</b>	August 24, 2018	
	<b>Sales Price</b>	\$337,000	
	<b>Less Cost of Improvements*</b>	\$10,000	
<b>Sales Price Adjusted</b>	\$327,000		
<b>MLS #</b>	21807204		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$243,485	<b>Price per Square Foot</b>	\$5.59
		<b>Price Per Front Foot</b>	\$2,349
TRANSFER INFORMATION			
<b>Grantor</b>	Miles Erickson & Carol B. Erickson	<b>Grantee</b>	Joshua B. Leight & Delaney E. Leigh
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201800020006
<b>Financing/Conditions</b>	Conventional/Market	<b>Marketing Time Verified By</b>	111 Days on Market Jeremy Feldmann, Lisitng Agent
<b>Legal Description</b>	Lot 10 of McGregor Lake Highlands, Flathead County, Montana	<b>Intended Use/Comments</b>	Purchased for Residential / Recreational Use
<b>Section/Township/Range</b>	S08/T26N/R25W		
PROPERTY DETAILS			
<b>Access</b>	Driveway from Private Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Sloping Toward Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to FEMA Map Panel 30029C2175G, this property is not in an area of elevated flood risk.	<b>Improvements</b>	Community Septic & Water System
<b>Water</b>	McGregor Lake	<b>Value of Improvements</b>	\$10,000
<b>Water Frontage/Front Feet</b>	139.19	<b>Miscellaneous</b>	
<b>Utilities</b>	Electricity & Telephone at road.		
<b>Report File #</b> 19-028ec			

## LAND SALE 3

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

## LAND SALE 4

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

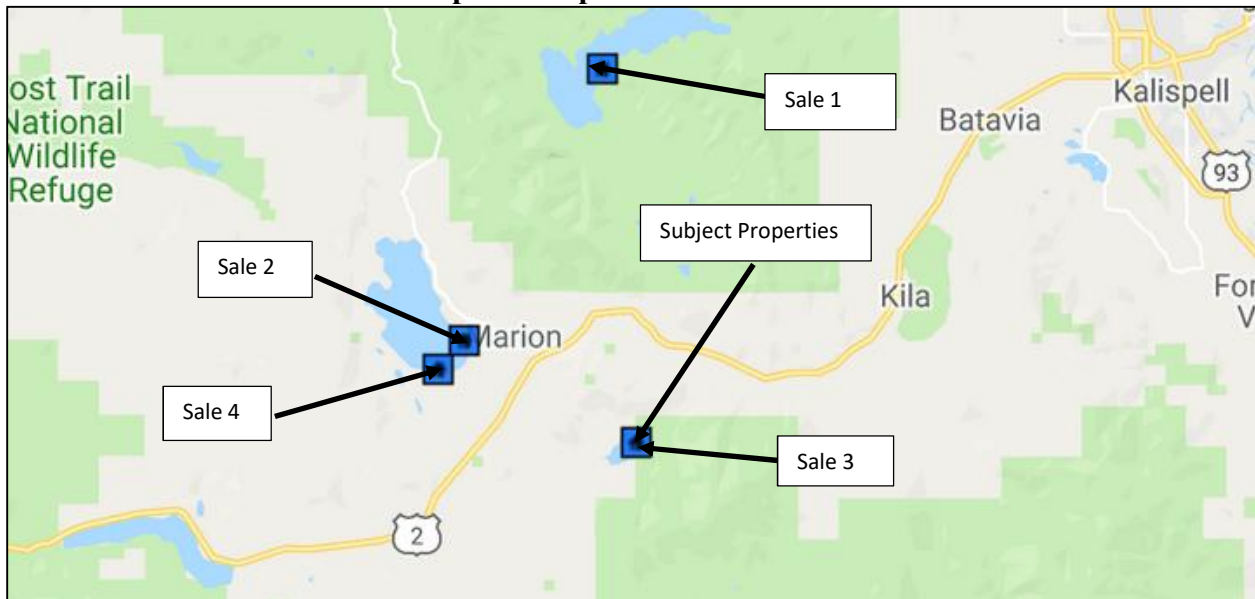
## HOME SALES

We conducted a search for sales of homes on sites with frontage along smaller lakes in Flathead County. Since the subject residences vary in quality and condition it was necessary to utilize 4 improved comparable sales. The most applicable and recent comparable sales located are described on the table below;



Home Sales							
Sale #	Address	City	Water Frontage	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	4429 Ashley Lake Rd	Kila	Ashley Lake	2018	\$365,000	\$240,000	\$125,000
2	1048 Kelsey Rd	Marion	Bitterroot Lake	2018	\$390,000	\$288,000	\$102,000
3	1436 Rogers Ln	Kila	Rogers Lake	2019	\$513,963	\$300,000	\$213,963
4	1148 Bitterroot Ln	Marion	Bitterroot Lake	2018	\$442,500	\$290,000	\$152,500

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



**Map of Comparable Home Sales**



## HOME SALE 1



COMPARABLE SALE INFORMATION			
		<b>Location</b>	4429 Ashley Lake Road
		<b>City/State</b>	Kila, Montana
		<b>County</b>	Flathead
		<b>Assessor Number</b>	0976547
		<b>Zoning</b>	Ashley Lake Zoning District
		<b>Site Size: Acres</b>	0.420
		<b>Square Feet</b>	18,295
		<b>Date of Sale</b>	June 29, 2018
		<b>Sales Price</b>	\$365,000
		<b>Adjustment to Sales Price</b>	\$0
TRANSFER INFORMATION			
<b>Grantor</b>	Ronald Straszewski & Frank Stockwell	<b>Grantee</b>	Gina R. MacDonald
<b>Recording Data</b>	WD #201800013339	<b>Marketing Time</b>	51 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Michael Johnson, Listing Agent
<b>Legal Description</b>	Lot 14A of the Amended Plat of Lots 14 & 15 of Brenden's Mountain View Lakeshore Lots	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S11/T28N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	Ashley Lake	<b>Sales Price</b>	\$365,000
<b>Front Footage</b>	120.00	<b>Estimated Site Value</b>	\$240,000
<b>Access</b>	Private Road - Gravel	<b>Sales Price of Improvements</b>	\$125,000
<b>House Square Feet</b>	1,075	<b>Improvement Price/SF</b>	\$116
<b>Bedroom/Bathrooms</b>	3 BR/1BA		
<b>Year Built or Renovated</b>	1968		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Lake Water & Septic		
<b>Utilities</b>	Electricity, Telephone, Internet		
<b>Topography</b>	Level		
<b>Outbuildings</b>	Shed		
<b>Miscellaneous</b>	House includes 671 SF wood deck. This property is bisected by a road.		
		Report File # 18-019ec	

## HOME SALE 2



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

Report File # 18-019ec

## HOME SALE 3

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;"><b>Location</b></td><td>1436 Rogers Lane</td></tr> <tr><td><b>City/State</b></td><td>Kila, Montana</td></tr> <tr><td><b>County</b></td><td>Flathead</td></tr> <tr><td><b>Assessor Number</b></td><td>0973277</td></tr> <tr><td><b>Zoning</b></td><td>RLNP</td></tr> <tr><td><b>Site Size: Acres</b></td><td>1.030</td></tr> <tr><td style="text-align: center;"><b>Square Feet</b></td><td>44,867</td></tr> <tr><td><b>Date of Sale</b></td><td>April 26, 2019</td></tr> <tr><td><b>Sales Price</b></td><td>\$513,963</td></tr> <tr><td><b>Adjustment to Sales Price</b></td><td>\$0</td></tr> <tr><td><b>Adjusted Sales Price</b></td><td>\$513,963</td></tr> <tr><td><b>MLS #</b></td><td>21902984</td></tr> </table>		<b>Location</b>	1436 Rogers Lane	<b>City/State</b>	Kila, Montana	<b>County</b>	Flathead	<b>Assessor Number</b>	0973277	<b>Zoning</b>	RLNP	<b>Site Size: Acres</b>	1.030	<b>Square Feet</b>	44,867	<b>Date of Sale</b>	April 26, 2019	<b>Sales Price</b>	\$513,963	<b>Adjustment to Sales Price</b>	\$0	<b>Adjusted Sales Price</b>	\$513,963	<b>MLS #</b>	21902984
		<b>Location</b>	1436 Rogers Lane																								
		<b>City/State</b>	Kila, Montana																								
		<b>County</b>	Flathead																								
		<b>Assessor Number</b>	0973277																								
		<b>Zoning</b>	RLNP																								
		<b>Site Size: Acres</b>	1.030																								
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		<b>Adjustment to Sales Price</b>	\$0																								
		<b>Adjusted Sales Price</b>	\$513,963																								
<b>MLS #</b>	21902984																										
TRANSFER INFORMATION																											
<b>Grantor</b>	Joseph W. Duncker & Ronnee R. Duncker	<b>Grantee</b>	Griffin Maurer & Rachel Maurer																								
<b>Recording Data</b>	WD #201900007758	<b>Marketing Time</b>	38 Days on Market																								
<b>Financing/Conditions</b>	VA/Market	<b>Verified By</b>	Susie Alper, Listing Agent																								
<b>Legal Description</b>	Certificate of Survey No. 3978, Flathead County, Montana	<b>Intended Use</b>	Residential/Recreational																								
<b>Section/Township/Range</b>	S29/T27N/R23W																										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																									
<b>Body of Water</b>	Rogers Lake																										
<b>Front Footage</b>	200.00	<b>Sales Price</b>	\$513,963																								
<b>Access</b>	County Road - Gravel	<b>Estimated Site Value</b>	\$300,000																								
<b>House Square Feet</b>	1,733	<b>Sales Price of Improvements</b>	\$213,963																								
<b>Bedroom/Bathrooms</b>	2 BR/2 BA	<b>Improvement Price/SF</b>	\$123																								
<b>Year Built or Renovated</b>	1977 (Renovated)																										
<b>Construction</b>	Wood Frame																										
<b>Quality</b>	Good																										
<b>Condition</b>	Good																										
<b>Water/Sewer</b>	Lake Water & Septic System																										
<b>Utilities</b>	Electricity & Telephone																										
<b>Topography</b>	Level																										
<b>Outbuildings</b>	2 Sheds/2 Car Garage																										
<b>Miscellaneous</b>	House includes 88 SF of Open Porch & 720 SF of Wood Decking.																										
		Report File # 19-023ec																									

## HOME SALE 4

COMPARABLE SALE INFORMATION			
		<b>Location</b> 1148 Bitterroot Lane	
		<b>City/State</b> Marion, Montana	
		<b>County</b> Flathead	
		<b>Assessor Number</b> 0654969	
		<b>Zoning</b> Little Bitterroot Lake Zoning District	
		<b>Site Size: Acres</b> 0.357	
		<b>Square Feet</b> 15,551	
		<b>Date of Sale</b> July 27, 2018	
		<b>Sales Price</b> \$442,500	
		<b>Adjustment to Sales Price</b> \$0	
<b>Adjusted Sales Price</b> \$442,500			
<b>MLS #</b> 21806423			
TRANSFER INFORMATION			
<b>Grantor</b>	John L. Hughes & Nancy Kathleen Hughes	<b>Grantee</b>	David J. Stenberg & Kimberly A. Stenberg
<b>Recording Data</b>	WD #201800015515	<b>Marketing Time</b>	58 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Susan Julian, Listing Agent
<b>Legal Description</b>	Lot 16, Certificate of Survey No. 17651, Flathead County, Montana	<b>Intended Use</b>	Residential/Recreational
<b>Section/Township/Range</b>	S16/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Body of Water</b>	Bitterroot Lake		
<b>Front Footage</b>	58.01		
<b>Access</b>	County Road - Asphalt		
<b>House Square Feet</b>	932		
<b>Bedroom/Bathrooms</b>	3 BR/2 BA		
<b>Year Built or Renovated</b>	2004		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Lake Water & Septic System		
<b>Utilities</b>	Electricity & Telephone	<b>Sales Price</b> \$442,500	
<b>Topography</b>	Level Areas with Some Slope	<b>Estimated Site Value</b> \$290,000	
<b>Outbuildings</b>	1 Sheds/2 Car Garage	<b>Sales Price of Improvements</b> \$152,500	
<b>Miscellaneous</b>	House includes 128 SF of Open Porch, 224 SF of Wood Decking, & Stone Patio. House includes 768 SF of Finished daylight basement area.	<b>Improvement Price/SF</b> \$164	
		Report File # 19-023ec	

## **PROPERTY VALUATIONS**

## LOT 3

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 3, COS #20991, ROGERS LAKE, MARION, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1524 Pleasant Valley Rd	930 McGregor Ln	1030 N Bitterroot Rd	168 Weaver Ln
CITY		Marion, MT	Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$309,000	\$337,000	\$340,000	\$362,500
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$10,000	\$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		09/17/18	08/24/18	06/12/18	04/02/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$304,000	\$327,000	\$340,000	\$362,500
SITE SIZE/ACRES	1.376	1.012	1.343	1.454	2.036
FRONT FEET ON LAKE	172.80	129.69	139.19	155.15	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,344	\$2,349	\$2,191	\$2,417
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Rogers Lake 239	Bitterroot Lake 2,970 Acres	McGregor Lake 1,522 Acres	Bitterroot 2,970 Acres	Lake Blaine 382 Acres
SHAPE	Irregular	Rectangular	Rectangular	Irregular	Rectangular
TOPOGRAPHY	Sloping	Sloping	Sloping	Level	Level
FRONTAGE/ACCESS	Driveway off of Public Road	Driveway off of Public Road	Driveway off of Private Road	Driveway off of Private Road	Driveway off of Public Road
ZONING	RL	LBL	None	LBL	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.376	1.012	1.343	1.454	2.036
SITE SIZE/FRONT FEET	172.80	129.69	139.19	155.15	150.00
TOTAL PERCENTAGE ADJUSTMENT		-15%	-15%	-15%	-15%
TOTAL ADJUSTMENT ADJUSTMENT		-\$352	-\$352	-\$329	-\$363
ADJUSTED PRICE PER FRONT FOOT		\$1,992	\$1,997	\$1,863	\$2,054

## Discussion of Adjustments

*Adjustment for List Price:* All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

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

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

*Financing:* The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary comparables in category.

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

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

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

*Location/Lake Name & Size:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site. The subject lake does not allow motorized watercraft which limits the number of potential market participants. The comparable lakes do allow motorized watercraft. There was not sufficient market data available to develop paired sales analyses to determine an appropriate adjustment in this category; however, some downward adjustment is considered necessary. We elected to make downward adjustments of 10% to all of the comparables in this category due to the use limitation. This adjustment percentage is considered to be reflective of the actions of market participants regarding the restrictions on the subject lake.

*Shape:* The comparables have shapes suitable for development and no adjustment was made in this category.

*Topography:* The subject lot and comparables include areas suitable for improvements and are similar in topography. No adjustments were necessary in this category.

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

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

*Easements Affecting Value:* The subject site is crossed by a shared driveway. This shared driveway is considered to affect value. The comparables do not include easements that affect value.

We conducted a search for paired sales of similar sized lots on similar area lakes which were bisected by driveways. No paired sales were located. We did locate paired sales of lots which are bisected by roads and include frontage on area lakes. These pairings are below;

Paired Sales Analysis - Lakefront Lots with and without Road Bisecting								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
NHN Paradise Loop	Marion	McGregor Lake	2.05	192.44	10/3/2016	\$345,000	None	\$1,793
12710 US Hwy 2	Marion	McGregor Lake	1.22	217.27	11/28/2016	\$229,000	Two Access Roads Run Through this Property	\$1,054
							Indicated Adjustment for Road Bisecting Property	-41%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	1.65	130.00	11/21/2016	\$330,000	None	\$2,538
5622 N Ashley Lake Rd	Kila	Ashley Lake	1.14	100.00	9/8/2016	\$216,000	Property Bisected by N Ashley Lake Road	\$2,160
							Indicated Adjustment for Road Bisecting Property	-15%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
NHN Lakeside Blvd	Lakeside	Flathead Lake	0.56	130.00	8/23/2013	\$375,000	None	\$2,885
7070 & 7074 US Hwy 93 S	Lakeside	Flathead Lake	3.03	150.00	1/29/2013	\$210,000	US Highway 93 S Bisects this Property	\$1,400
							Indicated Adjustment for Road Bisecting Property	-51%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
22081 MT Hwy 35	Bigfork	Flathead Lake	0.70	100.00	5/7/2013	\$465,000	None	\$4,650
NHN MT Hwy 35	Bigfork	Flathead Lake	0.66	110.00	7/1/2013	\$195,000	MT Highway 35 Bisects this Property	\$1,773
							Indicated Adjustment for Road Bisecting Property	-62%
*Sales Prices Adjusted for Improvements or Utilities as Necessary for Pairing								

Synopses of these pairings and ratings regarding applicability are included on the following page.

Synopsis of Paired Sales Analyses			
Paired Sale #	Adjustment Indication for Road Bisection of Property	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-41%	Sales include additional differences of site sizes, front footage amounts, and bisection by two access roads.	Less Applicability
2	-15%	Sales include additional differences of site sizes and front footage amounts. Bisection road considered most similar to Rogers Lake Road and Rogers Lane.	Most Applicable
3	-51%	Sales include additional differences of site sizes and front footage amounts and bisection by a US Highway.	Less Applicability
4	-62%	Sales include additional differences of site sizes and front footage amounts and bisection by a state highway.	Less Applicability

Most weight is accorded the indication from Paired Sale Set 2; however, the shared driveway which crosses this sale is not considered to have as large an impact as a road bisection. Downward adjustments of 5% were considered appropriate for the comparables in this category.

*Electricity/Telephone:* The subject property and comparables have similar access to electricity and telephone service. No adjustments were necessary in this category.

*Size/Acres:* There is no market data suggesting that an adjustment for size is necessary for lake front sites in the size ranges of the subject and comparables. For this reason, no adjustment was made in this category.

*Size/Front Foot:* Differences in front footage are addressed in the Reconciliation.

### Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$1,992, \$1,997, \$1,863, and \$2,054 per front foot respectively. The comparables are sufficiently similar to the subject in the amount of front footage that equal weight is placed on the four adjusted indications of value. The average of the value indications is \$1,977 per front foot. A market value of \$1,977 per front foot is well supported by this analysis for the subject site. The resulting value calculations are below;

172.80 FF @ \$1,977/FF	\$341,626
<b>Rounded To</b>	<b>\$342,000</b>

## LOT 4

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 4, COS #20991, ROGERS LAKE, MARION, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1524 Pleasant Valley Rd	930 McGregor Ln	1030 N Bitterroot Rd	168 Weaver Ln
CITY		Marion, MT	Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$309,000	\$337,000	\$340,000	\$362,500
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$10,000	\$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		09/17/18	08/24/18	06/12/18	04/02/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$304,000	\$327,000	\$340,000	\$362,500
SITE SIZE/ACRES	1.719	1.012	1.343	1.454	2.036
FRONT FEET ON LAKE	160.22	129.69	139.19	155.15	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,344	\$2,349	\$2,191	\$2,417
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Rogers Lake 239	Bitterroot Lake 2,970 Acres	McGregor Lake 1,522 Acres	Bitterroot 2,970 Acres	Lake Blaine 382 Acres
SHAPE	Irregular	Rectangular	Rectangular	Irregular	Rectangular
TOPOGRAPHY	Sloping	Sloping	Sloping	Level	Level
FRONTAGE/ACCESS	Driveway off of Public Road	Driveway off of Public Road	Driveway off of Private Road	Driveway off of Private Road	Driveway off of Public Road
ZONING	RL	LBL	None	LBL	Not Zoned
EASEMENTS AFFECTING USE	No	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.719	1.012	1.343	1.454	2.036
SITE SIZE/FRONT FEET	160.22	129.69	139.19	155.15	150.00
TOTAL PERCENTAGE ADJUSTMENT		-10%	-10%	-10%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$234	-\$235	-\$219	-\$242
ADJUSTED PRICE PER FRONT FOOT		\$2,110	\$2,114	\$1,972	\$2,175

## Discussion of Adjustments

*Adjustment for List Price:* All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

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

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

*Financing:* The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary comparables in category.

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

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

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

*Location/Lake Name & Size:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site. The subject lake does not allow motorized watercraft which limits the number of potential market participants. The comparable lakes do allow motorized watercraft. There was not sufficient market data available to develop paired sales analyses to determine an appropriate adjustment in this category; however, some downward adjustment is considered necessary. We elected to make downward adjustments of 10% to all of the comparables in this category due to the use limitation. This adjustment percentage is considered to be reflective of the actions of market participants regarding the restrictions on the subject lake.

*Shape:* The comparables have shapes suitable for development and no adjustment was made in this category.

*Topography:* The subject lot and comparables include areas suitable for improvements and are similar in topography. No adjustments were necessary in this category.

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

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

*Easements Affecting Value:* The subject site and comparables do not include easements that affect value and no adjustment was necessary in this category.

*Electricity/Telephone:* The subject property and comparables have similar access to electricity and telephone service. No adjustments were necessary in this category.

*Size/Acres:* There is no market data suggesting that an adjustment for size is necessary for lake front sites in the size ranges of the subject and comparables. For this reason, no adjustment was made in this category.

*Size/Front Foot:* Differences in front footage are addressed in the Reconciliation.

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

The comparables provide adjusted indications of value for the subject site of \$2,110, \$2,114, \$1,972, and \$2,175 per front foot respectively. The comparables are sufficiently similar to the subject in the amount of front footage that equal weight is placed on the four adjusted indications of value. The average of the value indications is \$2,093 per front foot. A market value of \$2,093 per front foot is well supported by this analysis for the subject site as if vacant. The resulting value calculations are below;

160.22 FF @ \$2,093/FF	\$335,340
<b>Rounded To</b>	<b>\$335,000</b>

### Improvement Value Estimate

Home Sales 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 4, COS #20991, ROGERS LAKE, MARION, MONTANA				
DESCRIPTION	SUBJECT	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1048 Kelsey Rd	1436 Rogers Lane	1148 Bitterroot Ln
LOCATION		Marion, MT	Kila, MT	Marion, MT
SALES PRICE		\$390,000	\$513,963	\$442,500
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		03/19/18	04/26/19	07/27/18
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$390,000	\$513,963	\$442,500
LESS SITE VALUE		(\$288,000)	(\$300,000)	(\$290,000)
ADJUSTED IMPROVEMENT PRICE		\$102,000	\$213,963	\$152,500
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Rogers Lake</b>	<b>Bitterroot Lake</b>	<b>Rogers Lake</b>	<b>Bitterroot Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Good</b>	<b>Average</b>
		\$0	-\$21,396	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0
<b>BATHROOMS</b>	<b>2.5</b>	<b>1</b>	<b>2</b>	<b>2</b>
		\$7,500	\$2,500	\$2,500
<b>HOUSE SIZE/SF</b>	<b>2,075</b>	<b>975</b>	<b>1,733</b>	<b>932</b>
		\$71,500	\$22,230	\$74,295
<b>FINISHED BASEMENT/sf</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>768</b>
		\$0	\$0	-\$25,344
<b>OUTBUILDINGS</b>	<b>Garage, 2 Mezzanines, &amp; Storage Buildings</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$15,600	\$18,600	\$19,600
<b>TOTAL ADJUSTMENT</b>		<b>\$94,600</b>	<b>\$21,934</b>	<b>\$71,051</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>93%</b>	<b>10%</b>	<b>47%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$196,600</b>	<b>\$235,897</b>	<b>\$223,551</b>

## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2018 and 2019 and were the most recent located. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

*Quality:* The subject residence and Improved Sales 2 and 4 are considered similar in quality and no adjustment was necessary in this category. Improved Sale 3 is considered superior in quality compared to the subject residence. A downward adjustment of 10% was considered reasonable and appropriate for this sale in this category.

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

*Bathrooms:* The subject residence includes 2.5 bathrooms. Adjustments based upon \$5,000 for difference in full bathroom count and \$2,500 for difference in half bathroom count compared to the subject were made to the comparables as necessary. The resulting adjustment amounts are considered reasonable and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$65 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Finished Basement Size:* The subject residence and comparables do not include finished basements. 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 value of the subject outbuilding was estimated based upon depreciated cost calculated on the table on the following page.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Garage	1,228	Section 12/Page 35	\$34.25	\$42,059
Mezzanines	462	Section 14/Page 27	\$16.25	\$7,508
Storage Buildings	192	Section 17/Page 22	\$20.95	\$4,022
Open Storage Buildings	713	Section 17/Page 27	\$7.96	\$5,675
Outhouse	25	Lump Sum Estimate		\$2,000
Total Cost New				\$61,264
Less Depreciation - Age/Life - 10/20 Years = 50%				<u>-\$30,632</u>
Depreciated Cost Estimate				\$30,632
Rounded To				\$30,600

### Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$196,600, \$235,897, and \$223,551. Approximately equal weight is accorded the adjusted indications from the comparables. The average of the indications is \$218,683. A market value of \$219,000 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	\$335,000
Subject Improvements Value	<u>\$219,000</u>
<b>Total Value Indication</b>	<b>\$554,000</b>

## LOT 5

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 5, COS #20991, ROGERS LAKE, MARION, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1524 Pleasant Valley Rd	930 McGregor Ln	1030 N Bitterroot Rd	168 Weaver Ln
CITY		Marion, MT	Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$309,000	\$337,000	\$340,000	\$362,500
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$10,000	\$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		09/17/18	08/24/18	06/12/18	04/02/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$304,000	\$327,000	\$340,000	\$362,500
SITE SIZE/ACRES	1.654	1.012	1.343	1.454	2.036
FRONT FEET ON LAKE	289.14	129.69	139.19	155.15	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,344	\$2,349	\$2,191	\$2,417
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Rogers Lake 239	Bitterroot Lake 2,970 Acres	McGregor Lake 1,522 Acres	Bitterroot 2,970 Acres	Lake Blaine 382 Acres
SHAPE	Irregular	Rectangular	Rectangular	Irregular	Rectangular
TOPOGRAPHY	Sloping	Sloping	Sloping	Level	Level
FRONTAGE/ACCESS	Driveway off of Public Road	Driveway off of Public Road	Driveway off of Private Road	Driveway off of Private Road	Driveway off of Public Road
ZONING	RL	LBL	None	LBL	Not Zoned
EASEMENTS AFFECTING USE	No	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.654	1.012	1.343	1.454	2.036
SITE SIZE/FRONT FEET	289.14	129.69	139.19	155.15	150.00
TOTAL PERCENTAGE ADJUSTMENT		-50%	-50%	-50%	-50%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,172	-\$1,175	-\$1,096	-\$1,208
ADJUSTED PRICE PER FRONT FOOT		\$1,172	\$1,175	\$1,096	\$1,208

## Discussion of Adjustments

*Adjustment for List Price:* All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

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

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

*Financing:* The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary comparables in category.

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

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

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

*Location/Lake Name & Size:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site. The subject lake does not allow motorized watercraft which limits the number of potential market participants. The comparable lakes do allow motorized watercraft. There was not sufficient market data available to develop paired sales analyses to determine an appropriate adjustment in this category; however, some downward adjustment is considered necessary. We elected to make downward adjustments of 10% to all of the comparables in this category due to the use limitation. This adjustment percentage is considered to be reflective of the actions of market participants regarding the restrictions on the subject lake.

*Shape:* The comparables have shapes suitable for development and no adjustment was made in this category.

*Topography:* The subject lot and comparables include areas suitable for improvements and are similar in topography. No adjustments were necessary in this category.

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

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

*Easements Affecting Value:* The subject site and comparables do not include easements that affect value and no adjustment was necessary in this category.

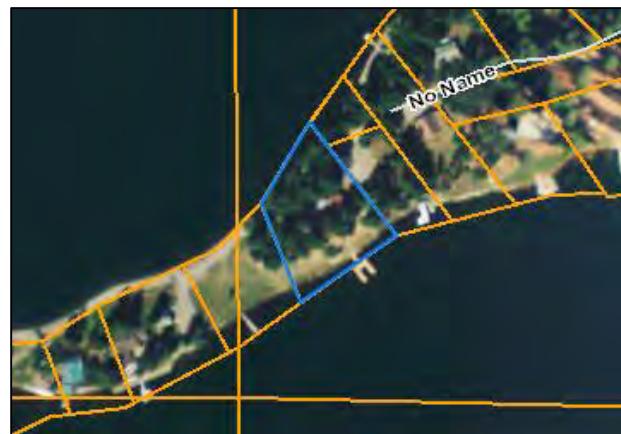
*Electricity/Telephone:* The subject property and comparables have similar access to electricity and telephone service. No adjustments were necessary in this category.

*Size/Acres:* There is no market data suggesting that an adjustment for size is necessary for lake front sites in the size ranges of the subject and comparables. For this reason, no adjustment was made in this category.

*Size/Front Foot:* The subject site includes 289.14 feet of frontage along Rogers Lake. This is a significantly higher amount of front footage than the comparables. Additionally, approximately half of the frontage is weeded and considered to be more similar to marsh frontage than lake frontage.

It is our opinion that downward adjustments are necessary for all of the comparables as they include more typical amounts of front footage.

We located the 2015 sale of lot at 1010 Echo Loop Lake Road. This property has two frontages along Echo Lake. The portion of the front footage that includes the dock (see sale property aerial image to the left) appears to be used more significantly by the property seller.



If this sale is analyzed based upon the total frontage, the price per front decreases substantially. See calculations on the table on the following page.

1010 Echo Lake Road - Front Footage Analysis			
Adjusted Sales Price	Main Front Footage Utilized for Site	Total Front Footage	Price/FF
\$320,000	200.80		\$1,594
\$320,000		401.00	\$798
Suggested Price Per Front Foot Difference			50%

Based upon this analysis, a downward adjustment of 50% is suggested for the comparables. All of the subject “excess” or “marshy” frontage is on the same side as the true lake frontage. Consequently, the view corridor for the subject property is double the size of most area lots. It is our opinion that a lower adjustment than that indicated by the paired data is reasonable. We have applied downward adjustments to all of the comparables of 40% in this category.

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

The comparables provide adjusted indications of value for the subject site of \$1,172, \$1,175, \$1,096, and \$1,208 per front foot respectively. The comparables are sufficiently similar to the subject in the amount of front footage that equal weight is placed on the four adjusted indications of value. The average of the value indications is \$1,163 per front foot. A market value of \$1,163 per front foot is well supported by this analysis for the subject site as if vacant. The resulting value calculations are below;

289.14 FF @ \$1,163/FF	\$336,270
<b>Rounded To</b>	<b>\$336,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 5, COS #20991, ROGERS LAKE, MARION, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		4429 Ashley Lake Rd	1048 Kelsey Rd	1436 Rogers Lane
LOCATION		Kila, MT	Marion, MT	Kila, MT
SALES PRICE		\$365,000	\$390,000	\$513,963
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/29/18	03/19/18	04/26/19
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$365,000	\$390,000	\$513,963
LESS SITE VALUE		(\$240,000)	(\$288,000)	(\$300,000)
ADJUSTED IMPROVEMENT PRICE		\$125,000	\$102,000	\$213,963
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Rogers Lake</b>	<b>Ashley Lake</b>	<b>Bitterroot Lake</b>	<b>Rogers Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Fair</b>	<b>Average</b>	<b>Average</b>	<b>Good</b>
		-\$12,500	-\$10,200	-\$42,793
<b>CONDITION</b>	<b>Fair</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>
		-\$12,500	-\$20,400	-\$42,793
<b>BATHROOMS</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>
		-\$5,000	-\$5,000	-\$10,000
<b>HOUSE SIZE/SF</b>	<b>396</b>	<b>1,075</b>	<b>975</b>	<b>1,733</b>
		-\$38,703	-\$33,003	-\$76,209
<b>FINISHED BASEMENT/sf</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		\$0	\$0	\$0
<b>OUTBUILDINGS</b>	<b>None</b>	<b>Superior</b>	<b>Superior</b>	<b>Superior</b>
		-\$1,000	-\$15,000	-\$12,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$69,703</b>	<b>-\$83,603</b>	<b>-\$183,794</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-56%</b>	<b>-82%</b>	<b>-86%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$55,297</b>	<b>\$18,397</b>	<b>\$30,169</b>

## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2018 and 2019 and were the most recent located. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

*Quality:* The subject residence is considered inferior to the comparables in quality of construction. Downward adjustments of 10% per difference in quality rating compared to the subject were made to the comparables in this category. The resulting adjustments were considered reasonable and indicative of the actions of market participants with respect to quality.

*Condition:* The subject residence is considered inferior to the comparables in condition. Downward adjustments of 10% per difference in condition rating compared to the subject were made to the comparables in this category. The resulting adjustments were considered reasonable and indicative of the actions of market participants with respect to condition.

*Bathrooms:* The subject residence does not include a bathroom. The improved sales include 1 or 2 bathrooms. Downward adjustments of \$5,000 per difference in bathroom count were made to the improved sales in this category. The resulting adjustment amounts are considered reasonable and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$57 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Finished Basement Size:* The subject residence and comparables do not include finished basements. No adjustments were necessary in this category.

*Outbuildings/Amenities:* The subject residence does not include outbuildings. Adjustments were made for any differences between our estimates of the contributory values of outbuildings for the comparables.

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

The comparables provided adjusted indications of market value for the subject improvements of \$55,297, \$18,397, and \$30,169. Approximately equal weight is accorded the adjusted indications from the comparables. The average of the indications is \$34,621. A market value of \$35,000 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	\$336,000
Subject Improvements Value	<u>\$ 35,000</u>
<b>Total Value Indication</b>	<b>\$371,000</b>

## LOT 6

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 6, COS #20991, ROGERS LAKE, MARION, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1524 Pleasant Valley Rd	930 McGregor Ln	1030 N Bitterroot Rd	168 Weaver Ln
CITY		Marion, MT	Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$309,000	\$337,000	\$340,000	\$362,500
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$10,000	\$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		09/17/18	08/24/18	06/12/18	04/02/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$304,000	\$327,000	\$340,000	\$362,500
SITE SIZE/ACRES	1.255	1.012	1.343	1.454	2.036
FRONT FEET ON LAKE	88.87	129.69	139.19	155.15	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,344	\$2,349	\$2,191	\$2,417
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Rogers Lake 239	Bitterroot Lake 2,970 Acres	McGregor Lake 1,522 Acres	Bitterroot 2,970 Acres	Lake Blaine 382 Acres
SHAPE	Irregular	Rectangular	Rectangular	Irregular	Rectangular
TOPOGRAPHY	Sloping	Sloping	Sloping	Level	Level
FRONTAGE/ACCESS	Driveway off of Public Road	Driveway off of Public Road	Driveway off of Private Road	Driveway off of Private Road	Driveway off of Public Road
ZONING	RL	LBL	None	LBL	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.255	1.012	1.343	1.454	2.036
SITE SIZE/FRONT FEET	88.87	129.69	139.19	155.15	150.00
TOTAL PERCENTAGE ADJUSTMENT		-15%	-15%	-15%	-15%
TOTAL ADJUSTMENT ADJUSTMENT		-\$352	-\$352	-\$329	-\$363
ADJUSTED PRICE PER FRONT FOOT		\$1,992	\$1,997	\$1,863	\$2,054

## Discussion of Adjustments

*Adjustment for List Price:* All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

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

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

*Financing:* The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary comparables in category.

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

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

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

*Location/Lake Name & Size:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site. The subject lake does not allow motorized watercraft which limits the number of potential market participants. The comparable lakes do allow motorized watercraft. There was not sufficient market data available to develop paired sales analyses to determine an appropriate adjustment in this category; however, some downward adjustment is considered necessary. We elected to make downward adjustments of 10% to all of the comparables in this category due to the use limitation. This adjustment percentage is considered to be reflective of the actions of market participants regarding the restrictions on the subject lake.

*Shape:* The comparables have shapes suitable for development and no adjustment was made in this category.

*Topography:* The subject lot and comparables include areas suitable for improvements and are similar in topography. No adjustments were necessary in this category.

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

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

*Easements Affecting Value:* The subject site is crossed by a shared driveway. This shared driveway is considered to affect value. The comparables do not include easements that affect value.

We conducted a search for paired sales of similar sized lots on similar area lakes which were bisected by driveways. No paired sales were located. We did locate paired sales of lots which are bisected by roads and include frontage on area lakes. These pairings are below;

Paired Sales Analysis - Lakefront Lots with and without Road Bisecting								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
NHN Paradise Loop	Marion	McGregor Lake	2.05	192.44	10/3/2016	\$345,000	None	\$1,793
12710 US Hwy 2	Marion	McGregor Lake	1.22	217.27	11/28/2016	\$229,000	Two Access Roads Run Through this Property	\$1,054
							Indicated Adjustment for Road Bisecting Property	-41%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	1.65	130.00	11/21/2016	\$330,000	None	\$2,538
5622 N Ashley Lake Rd	Kila	Ashley Lake	1.14	100.00	9/8/2016	\$216,000	Property Bisected by N Ashley Lake Road	\$2,160
							Indicated Adjustment for Road Bisecting Property	-15%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
NHN Lakeside Blvd	Lakeside	Flathead Lake	0.56	130.00	8/23/2013	\$375,000	None	\$2,885
7070 & 7074 US Hwy 93 S	Lakeside	Flathead Lake	3.03	150.00	1/29/2013	\$210,000	US Highway 93 S Bisects this Property	\$1,400
							Indicated Adjustment for Road Bisecting Property	-51%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
22081 MT Hwy 35	Bigfork	Flathead Lake	0.70	100.00	5/7/2013	\$465,000	None	\$4,650
NHN MT Hwy 35	Bigfork	Flathead Lake	0.66	110.00	7/1/2013	\$195,000	MT Highway 35 Bisects this Property	\$1,773
							Indicated Adjustment for Road Bisecting Property	-62%
*Sales Prices Adjusted for Improvements or Utilities as Necessary for Pairing								

Synopses of these pairings and ratings regarding applicability are included on the following page.

Synopsis of Paired Sales Analyses			
Paired Sale #	Adjustment Indication for Road Bisection of Property	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-41%	Sales include additional differences of site sizes, front footage amounts, and bisection by two access roads.	Less Applicability
2	-15%	Sales include additional differences of site sizes and front footage amounts. Bisection road considered most similar to Rogers Lake Road and Rogers Lane.	Most Applicable
3	-51%	Sales include additional differences of site sizes and front footage amounts and bisection by a US Highway.	Less Applicability
4	-62%	Sales include additional differences of site sizes and front footage amounts and bisection by a state highway.	Less Applicability

Most weight is accorded the indication from Paired Sale Set 2; however, the shared driveway which crosses this sale is not considered to have as large an impact as a road bisection. Downward adjustments of 5% were considered appropriate for the comparables in this category.

*Electricity/Telephone:* The subject property and comparables have similar access to electricity and telephone service. No adjustments were necessary in this category.

*Size/Acres:* There is no market data suggesting that an adjustment for size is necessary for lake front sites in the size ranges of the subject and comparables. For this reason, no adjustment was made in this category.

*Size/Front Foot:* Differences in front footage are addressed in the Reconciliation.

### Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$1,992, \$1,997, \$1,863, and \$2,054 per front foot respectively. The comparables are sufficiently similar to the subject in the amount of front footage that equal weight is placed on the four adjusted indications of value. The average of the value indications is \$1,977 per front foot. A market value of \$1,977 per front foot is well supported by this analysis for the subject site. The resulting value calculations are below;

88.87 FF @ \$1,977/FF	\$175,696
<b>Rounded To</b>	<b>\$176,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 6, COS #20991, ROGERS LAKE, MARION, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		4429 Ashley Lake Rd	1048 Kelsey Rd	1436 Rogers Lane
LOCATION		Kila, MT	Marion, MT	Kila, MT
SALES PRICE		\$365,000	\$390,000	\$513,963
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/29/18	03/19/18	04/26/19
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$365,000	\$390,000	\$513,963
LESS SITE VALUE		(\$240,000)	(\$288,000)	(\$300,000)
ADJUSTED IMPROVEMENT PRICE		\$125,000	\$102,000	\$213,963
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Rogers Lake</b>	<b>Ashley Lake</b>	<b>Bitterroot Lake</b>	<b>Rogers Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Good</b>
		\$0	\$0	-\$21,396
<b>CONDITION</b>	<b>Good</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>
		\$12,500	\$0	\$0
<b>BATHROOMS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
		\$0	\$0	-\$5,000
<b>HOUSE SIZE/SF</b>	<b>768</b>	<b>1,075</b>	<b>975</b>	<b>1,733</b>
		-\$17,499	-\$11,799	-\$55,005
<b>FINISHED BASEMENT/sf</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		\$0	\$0	\$0
<b>OUTBUILDINGS</b>	<b>Bunk House &amp; Storage Building</b>	<b>Inferior</b>	<b>Superior</b>	<b>Superior</b>
		\$6,300	-\$8,200	-\$4,700
<b>TOTAL ADJUSTMENT</b>		<b>\$1,301</b>	<b>-\$19,999</b>	<b>-\$86,101</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>1%</b>	<b>-20%</b>	<b>-40%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$126,301</b>	<b>\$82,001</b>	<b>\$127,862</b>

## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2018 and 2019 and were the most recent located. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

*Quality:* The subject residence is considered to be similar in quality compared to Improved Sales 1 and 2. No adjustment was necessary to these comparables in this category. The subject residence is considered to be inferior to Improved Sale 3 in quality of construction. A downward adjustment of 10% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants with respect to quality.

*Condition:* The subject residence is considered similar to Improved Sales 2 and 3 in this condition. No adjustment was necessary for these sales in this category. The subject property is considered superior to Improved Sale 1 in condition. An upward adjustment of 10% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants with respect to condition.

*Bathrooms:* The subject residence and Improved Sales 1 and 2 include 1 bathroom each. No adjustment was necessary for these sales in this category. Improved Sale 3 includes 2 bathrooms. A downward adjustment of \$5,000 was made to this sale in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$57 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Finished Basement Size:* The subject residence and comparables do not include finished basements. 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 value of the subject outbuilding was estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Bunk House	224	Section 12/Page 29	\$56.00	\$12,544
Storage Building	96	Section 17/Page 22	\$20.95	\$2,011
<b>Total Cost New</b>				\$14,555
<b>Less Depreciation - Age/Life - 10/20 Years = 50%</b>				-\$7,278
<b>Depreciated Cost Estimate</b>				\$7,278
<b>Rounded To</b>				\$7,300

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

The comparables provided adjusted indications of market value for the subject improvements of \$126,301, \$82,001, and \$127,862. Most weight is accorded the adjusted indication for Improved Sale 1 as this sale required 1% overall adjustment. A market value of \$126,000 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	\$176,000
Subject Improvements Value	<u>\$126,000</u>
<b>Total Value Indication</b>	<b>\$302,000</b>

## LOT 10

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 10, COS #18526, ROGERS LAKE, MARION, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1524 Pleasant Valley Rd	930 McGregor Ln	1030 N Bitterroot Rd	168 Weaver Ln
CITY		Marion, MT	Marion, MT	Marion, MT	Kalispell, MT
SALES PRICE		\$309,000	\$337,000	\$340,000	\$362,500
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$10,000	\$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		09/17/18	08/24/18	06/12/18	04/02/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$304,000	\$327,000	\$340,000	\$362,500
SITE SIZE/ACRES	1.245	1.012	1.343	1.454	2.036
FRONT FEET ON LAKE	52.71	129.69	139.19	155.15	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,344	\$2,349	\$2,191	\$2,417
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Rogers Lake 239	Bitterroot Lake 2,970 Acres	McGregor Lake 1,522 Acres	Bitterroot 2,970 Acres	Lake Blaine 382 Acres
SHAPE	Irregular	Rectangular	Rectangular	Irregular	Rectangular
TOPOGRAPHY	Sloping	Sloping	Sloping	Level	Level
FRONTAGE/ACCESS	Driveway off of Public Road	Driveway off of Public Road	Driveway off of Private Road	Driveway off of Private Road	Driveway off of Public Road
ZONING	RL	LBL	None	LBL	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.245	1.012	1.343	1.454	2.036
SITE SIZE/FRONT FEET	52.71	129.69	139.19	155.15	150.00
TOTAL PERCENTAGE ADJUSTMENT		-25%	-25%	-25%	-25%
TOTAL ADJUSTMENT ADJUSTMENT		-\$586	-\$587	-\$548	-\$604
ADJUSTED PRICE PER FRONT FOOT		\$1,758	\$1,762	\$1,644	\$1,813

## Discussion of Adjustments

*Adjustment for List Price:* All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

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

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

*Financing:* The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary comparables in category.

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

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

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

*Location/Lake Name & Size:* As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site. The subject lake does not allow motorized watercraft which limits the number of potential market participants. The comparable lakes do allow motorized watercraft. There was not sufficient market data available to develop paired sales analyses to determine an appropriate adjustment in this category; however, some downward adjustment is considered necessary. We elected to make downward adjustments of 10% to all of the comparables in this category due to the use limitation. This adjustment percentage is considered to be reflective of the actions of market participants regarding the restrictions on the subject lake.

*Shape:* The comparables have shapes suitable for development and no adjustment was made in this category.

*Topography:* The subject lot and comparables include areas suitable for improvements and are similar in topography. No adjustments were necessary in this category.

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

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

*Easements Affecting Value:* The subject site is bisected by a Rogers Lake Road. None of the comparables are bisected by roads.

We conducted a search for paired sales of lots which are bisected by roads with frontage on area lakes in order to determine any impact on value. The pairings located are below;

Paired Sales Analysis - Lakefront Lots with and without Road Bisecting								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
NHN Paradise Loop	Marion	McGregor Lake	2.05	192.44	10/3/2016	\$345,000	None	\$1,793
12710 US Hwy 2	Marion	McGregor Lake	1.22	217.27	11/28/2016	\$229,000	Two Access Roads Run Through this Property	\$1,054
							<b>Indicated Adjustment for Road Bisecting Property</b>	-41%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisecting	Price/FF
3994 N Ashley Lake Rd	Kalispell	Ashley Lake	1.65	130.00	11/21/2016	\$330,000	None	\$2,538
5622 N Ashley Lake Rd	Kila	Ashley Lake	1.14	100.00	9/8/2016	\$216,000	Property Bisected by N Ashley Lake Road	\$2,160
							<b>Indicated Adjustment for Road Bisecting Property</b>	-15%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
NHN Lakeside Blvd	Lakeside	Flathead Lake	0.56	130.00	8/23/2013	\$375,000	None	\$2,885
7070 & 7074 US Hwy 93 S	Lakeside	Flathead Lake	3.03	150.00	1/29/2013	\$210,000	US Highway 93 S Bisects this Property	\$1,400
							<b>Indicated Adjustment for Road Bisecting Property</b>	-51%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisecting	Price/FF
22081 MT Hwy 35	Bigfork	Flathead Lake	0.70	100.00	5/7/2013	\$465,000	None	\$4,650
NHN MT Hwy 35	Bigfork	Flathead Lake	0.66	110.00	7/1/2013	\$195,000	MT Highway 35 Bisects this Property	\$1,773
							<b>Indicated Adjustment for Road Bisecting Property</b>	-62%
<i>*Sales Prices Adjusted for Improvements or Utilities as Necessary for Pairing</i>								

Synopses of these pairings and ratings regarding applicability are included on the following page.

Synopsis of Paired Sales Analyses			
Paired Sale #	Adjustment Indication for Road Bisection of Property	Comments on Sale Similarity	Overall Applicability of Paired Sale Set
1	-41%	Sales include additional differences of site sizes, front footage amounts, and bisection by two access roads.	Less Applicability
2	-15%	Sales include additional differences of site sizes and front footage amounts. Bisection road considered most similar to Rogers Lake Road and Rogers Lane.	Most Applicable
3	-51%	Sales include additional differences of site sizes and front footage amounts and bisection by a US Highway.	Less Applicability
4	-62%	Sales include additional differences of site sizes and front footage amounts and bisection by a state highway.	Less Applicability

Most weight is accorded the indication from Paired Sale Set 2. Downward adjustments of 15% were made to all of the comparables in this category.

*Electricity/Telephone:* The subject property and comparables have similar access to electricity and telephone service. No adjustments were necessary in this category.

*Size/Acres:* There is no market data suggesting that an adjustment for size is necessary for lake front sites in the size ranges of the subject and comparables. For this reason, no adjustment was made in this category.

*Size/Front Foot:* Differences in front footage are addressed in the Reconciliation.

### Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$1,758, \$1,762, \$1,644, and \$1,813 per front foot respectively. The comparables all include a much greater amount of front footage than the subject lot; however, the comparables are the most similar located. Equal weight is placed on four adjusted indications of value. The average of the value indications is \$1,744 per front foot. A market value of \$1,744 per front foot is well supported by this analysis for the subject site. The resulting value calculations are below;

52.71 FF @ \$1,744/FF	\$91,926
<b>Rounded To</b>	<b>\$92,000</b>

## Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 10, COS #18526, ROGERS LAKE, MARION, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		4429 Ashley Lake Rd	1048 Kelsey Rd	1436 Rogers Lane
LOCATION		Kila, MT	Marion, MT	Kila, MT
SALES PRICE		\$365,000	\$390,000	\$513,963
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/29/18	03/19/18	04/26/19
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$365,000	\$390,000	\$513,963
LESS SITE VALUE		(\$240,000)	(\$288,000)	(\$300,000)
ADJUSTED IMPROVEMENT PRICE		\$125,000	\$102,000	\$213,963
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Rogers Lake</b>	<b>Ashley Lake</b>	<b>Bitterroot Lake</b>	<b>Rogers Lake</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Good</b>
		\$0	\$0	-\$21,396
<b>CONDITION</b>	<b>Average</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>
		\$0	-\$10,200	-\$21,396
<b>BATHROOMS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
		\$0	\$0	-\$5,000
<b>HOUSE SIZE/SF</b>	<b>1,077</b>	<b>1,075</b>	<b>975</b>	<b>1,733</b>
		\$114	\$5,814	-\$37,392
<b>FINISHED BASEMENT/SF</b>	<b>994</b>	<b>0</b>	<b>0</b>	<b>0</b>
		\$28,826	\$28,826	\$28,826
<b>OUTBUILDINGS</b>	<b>Garage, Storage Buildings, &amp; Greenhouse</b>	<b>Inferior</b>	<b>Superior</b>	<b>Inferior</b>
		\$12,200	\$1,800	\$1,200
<b>TOTAL ADJUSTMENT</b>		<b>\$41,140</b>	<b>\$26,240</b>	<b>-\$55,159</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>33%</b>	<b>26%</b>	<b>-26%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$166,140</b>	<b>\$128,240</b>	<b>\$158,804</b>

## Discussion of Adjustments

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

*Market Conditions:* The comparable sales closed in 2018 and 2019 and were the most recent located. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

*Quality:* The subject residence is considered to be similar in quality compared to Improved Sales 1 and 2. No adjustment was necessary to these comparables in this category. The subject residence is considered to be inferior to Improved Sale 3 in quality of construction. A downward adjustment of 10% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants with respect to quality.

*Condition:* The subject residence is considered similar to Improved Sale 1 in condition. No adjustment was necessary for this sale in this category. The subject property is considered inferior to Improved Sales 2 and 3 in condition. Downward adjustments of 10% were made to these sales in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants with respect to condition.

*Bathrooms:* The subject residence and Improved Sales 1 and 2 include 1 bathroom each. No adjustment was necessary for these sales in this category. Improved Sale 3 includes 2 bathrooms. A downward adjustment of \$5,000 was made to this sale in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$57 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

*Finished Basement Size:* The subject residence includes a finished basement area. None of the comparables include finished basement areas. Adjustments of \$29 per square foot were made to the comparables in this category for the subject finished basement square footage. This adjustment amount equates to approximately half of the adjustment utilized for differences in above grade

square footage. Market participants typically pay less for finished basement area compared to above grade square footage.

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Garage	288	Section 12/Page 35	\$34.25	\$9,864
Storage Buildings	617	Section 17/Page 22	\$20.95	\$12,926
Greenhouse	144	Section 64/Page 6	\$25.25	\$3,636
<b>Total Cost New</b>				\$26,426
<b>Less Depreciation - Age/Life - 10/20 Years = 50%</b>				<del>-\$13,213</del>
<b>Depreciated Cost Estimate</b>				\$13,213
<b>Rounded To</b>				\$13,200

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

The comparables provided adjusted indications of market value for the subject improvements of \$166,140, \$128,240, and \$158,804. The comparables all required a similar percentage of overall adjustment. Approximately equal weight is accorded the adjusted indications from all three improved sales. The average of the adjusted indications is \$151,061. A market value of \$151,000 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	\$ 92,000
Subject Improvements Value	<u>\$151,000</u>
<b>Total Value Indication</b>	<b>\$243,000</b>

## RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
3	\$342,000	\$0	\$342,000	6/27/2019
4	\$335,000	\$219,000	\$554,000	6/27/2019
5	\$336,000	\$35,000	\$371,000	6/27/2019
6	\$176,000	\$126,000	\$302,000	6/27/2019
10	\$92,000	\$151,000	\$243,000	6/27/2019

# **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**

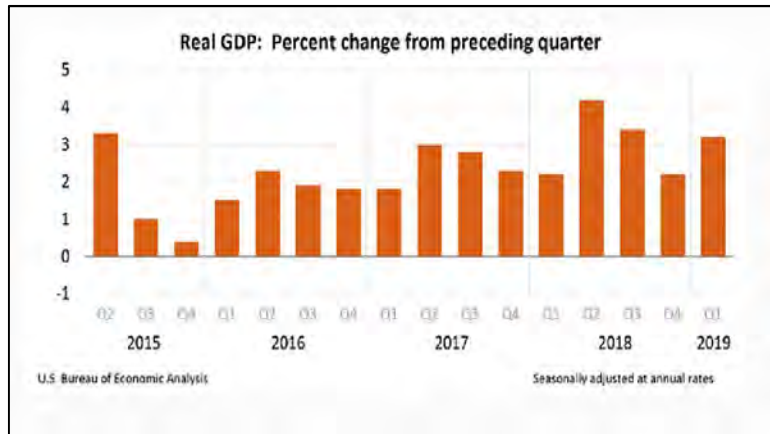


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## **ADDENDUM**

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

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

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

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

## FLATHEAD COUNTY DATA

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

### Geographical Information

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



### Population

According to 2018 ESRI estimates based upon US Census data, the population of Flathead County was 101,928. The population is forecasted to increase to 110,397 or by approximately 1.67% per year by 2023.

### Employment

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

### Income

The median annual household income for Flathead County was estimated to be \$52,031 in 2018 based upon ESRI forecasts using US Census data. According to ESRI forecasts, the median annual household income is to increase by approximately 2.59% per year through 2023.

### Unemployment

According to the US Bureau of Labor and Statistics, the non-seasonally adjusted unemployment rate for Flathead County was 5.2% in December of 2018. This is below the December 2017 unemployment rate of 5.5%. Unemployment fluctuations for the county since 1990 are included on the graph on the following page.



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

### Construction & Development

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

Single Family Building Permits Issued Per Year														
City	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	% Change: 2016-2017
Kalispell	233	170	146	78	46	50	42	54	106	81	72	104	115	11%
Whitefish	80	60	22	26	14	19	36	51	75	72	48	49	57	28%
Columbia Falls	52	38	68	8	6	4	9	8	8	21	17	15	11	-27%
<b>Total</b>	<b>365</b>	<b>268</b>	<b>236</b>	<b>112</b>	<b>66</b>	<b>73</b>	<b>87</b>	<b>113</b>	<b>189</b>	<b>174</b>	<b>137</b>	<b>168</b>	<b>183</b>	9%

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

### Healthcare

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

### Tourism

Glacier National Park is a significant draw in Flathead County with approximately 1.8 to over 3.3 million visitors each year over the last 10 years. There are many area recreational opportunities that draw resident and nonresident travelers. These include natural amenities such as the numerous lakes, rivers, and mountain ranges and manmade amenities such as ski and mountain biking areas.

## Linkages & Transportation

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

Whitefish and Columbia Falls are connected by Montana Highway 40. There is ongoing commercial development along Montana Highway 40.

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

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

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

## City and Communities

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

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

## CITY AND NEIGHBORHOOD DATA

The subject properties are approximately 20 miles west of the incorporated city limits of Kalispell. The city of Kalispell is the county seat for Flathead County and it is the major economic and business center for the area. Services available in Kalispell include; schools, employment, retail stores, places of worship, a thriving medical center, and an expanding community college.

### Population & Income

According to the ESRI data the 2018 population of the city of Kalispell was estimated to be 22,015. The population is forecasted to increase to 23,519 by 2023. This represents a forecasted increase of approximately 1.37% per year. The median household income was estimated to be \$47,952 in 2018. This is lower than the estimated 2018 median household income for Flathead County of \$52,031 and for the state of Montana of \$50,833. Approximately 17.1% of Kalispell residents were below the poverty line from 2010-2015 as opposed to 14.6% in the state for the same period.



### Employment

According to US Census Bureau statistics, there were 11,141 persons over the age of 16 employed in Kalispell. The categories of Services and Retail Trade make up approximately 67% of the job market. Other significant employment categories in Kalispell include Finance & Insurance, Real Estate at 8% and Construction at 7.8%. The remaining sectors comprise less than 5% per category. The US Bureau of Labor and Statistics indicates that the unemployment rate for Flathead County in December 2018 was 5.2% compared to an unemployment rate of 3.9% for the State of Montana.

### Linkages & Transportation

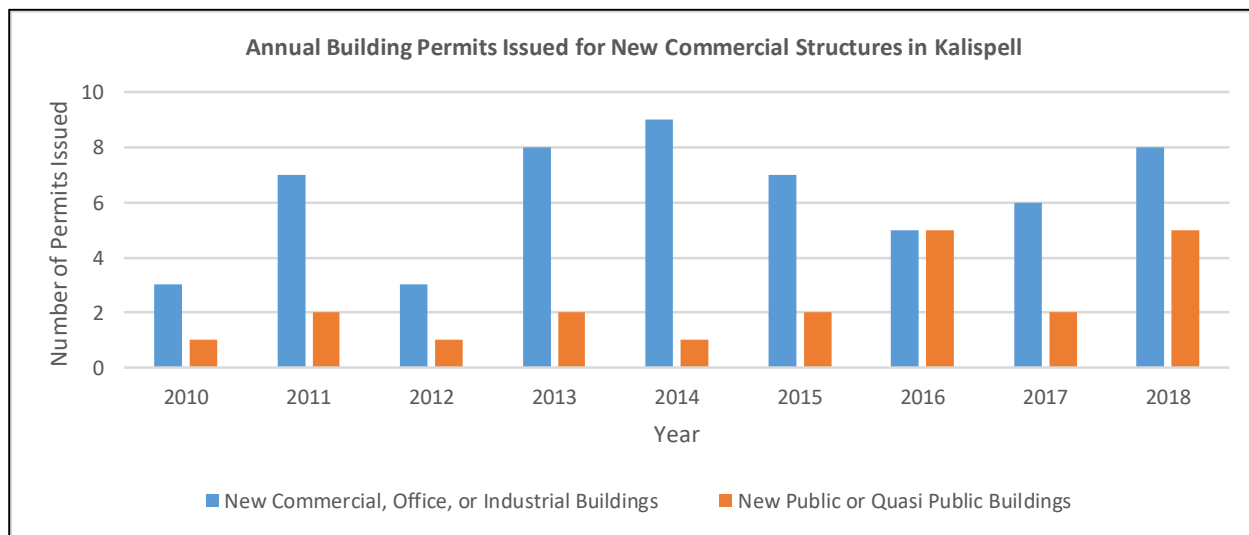
US Highway 93 runs north to south through the city of Kalispell and is labeled as the “Main Street” of the central business district. US Highway 93 provides access to Flathead Lake to the south of Kalispell and Whitefish to the north of Kalispell. There is a By-pass for US Highway 93 that is west of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

### Commercial Real Estate

Properties improved with medical and/or general offices and retail spaces are located throughout the Kalispell area. Most of the growth in the past few years has been concentrated in the area north of Kalispell on US Highway 93 at Reserve Drive. This area has become the retail hub for the greater Flathead Valley area with the development of 3 neighborhood shopping centers. Additionally, the expansion of US Highway 93 to 4 lanes on the southern portion of Kalispell helped spur commercial development in that area over the past few years. A two lane bypass of

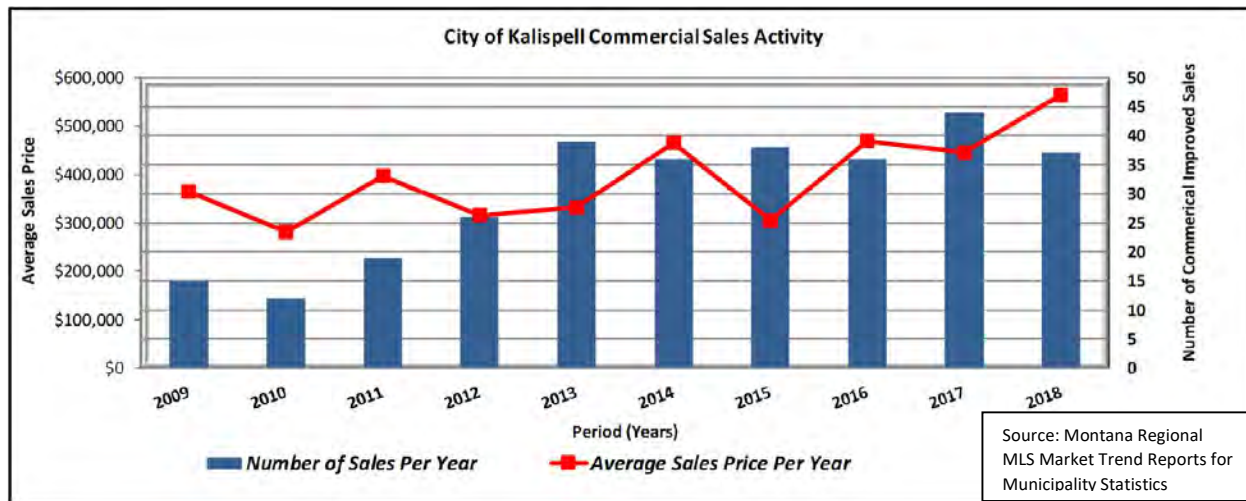
US Highway 93 was completed in 2017. The by-pass has shortened travel times and alleviated large truck traffic in the central business district of Kalispell.

The City of Kalispell issued an average of approximately 6 new permits per year for commercial new construction between 2010 and 2018. The number of new commercial construction permits issued each year from 2010 through 2018 in Kalispell is included on the table below;



Source: City of Kalispell Building Department

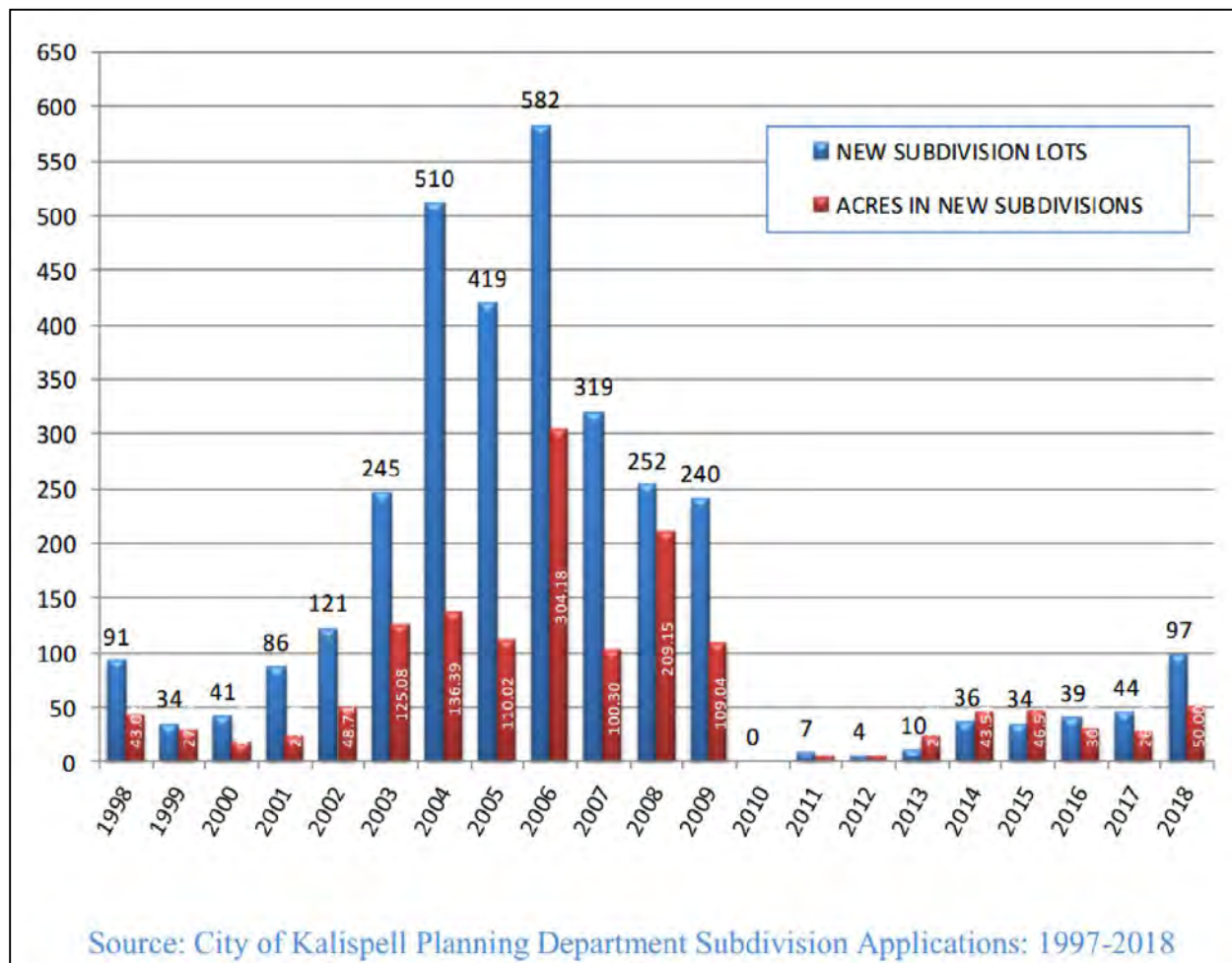
The chart below depicts sales volume and median price per property for improved commercial sales for the past 10 years in Kalispell;



The most recent peak in sales volume for improved commercial occurred in 2017, followed by a decline in demand in 2018. Overall, the average sales price increased from 2015 through 2018.

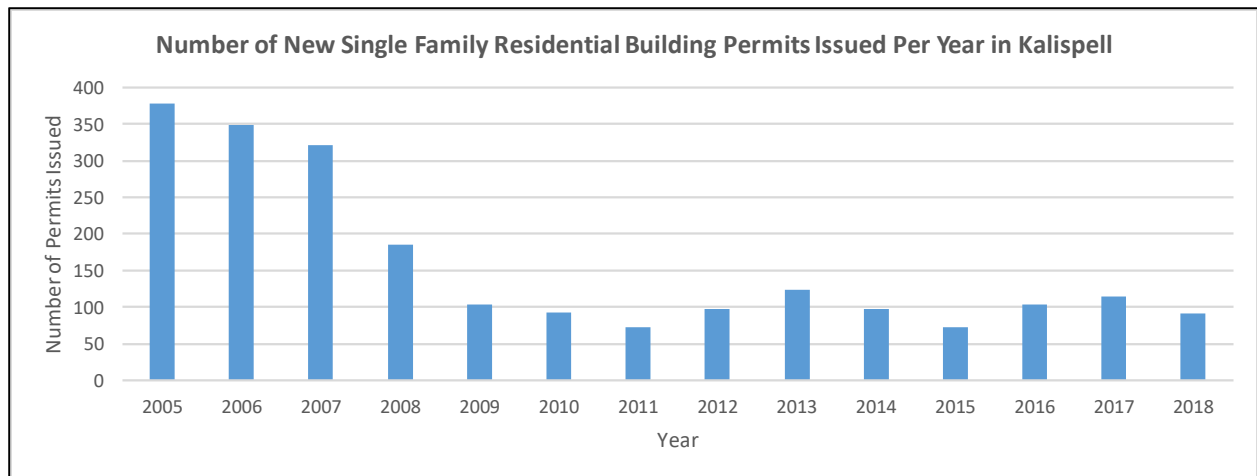
### Residential Real Estate

New residential lots and acres in new subdivisions for the City of Kalispell between 1998 and 2018 are on the table below;



There were a total 511 new lots were created in Kalispell between 2009 and 2018.

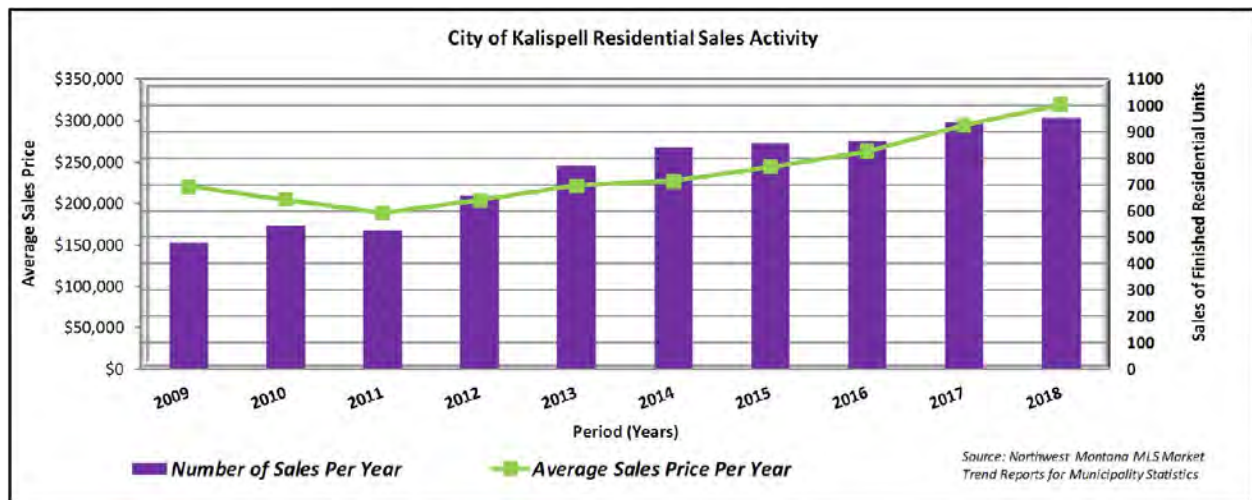
The table on the following page depicts the annual number of new single-family residential construction permits issued in the city of Kalispell between 2005 and 2018.



Source: City of Kalispell

This data indicates that construction of single-family residential properties in Kalispell decreased each year between 2005 and 2018. The number of permits has

The chart below depicts sales volume and median price per property for improved residential sales for the past 10 years in the municipal areas of Kalispell;

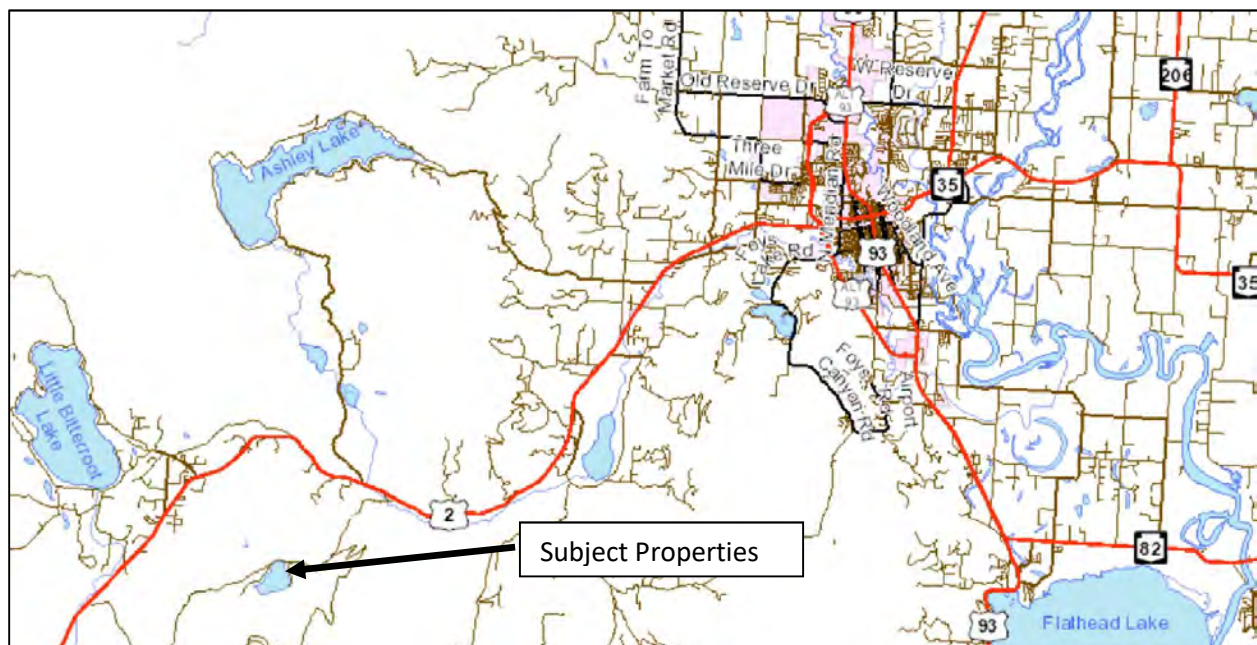


The volume of home sales in 2018 represents the peak for the period. Peak pricing also occurred for period in 2018.

## Conclusion

General market conditions for commercial properties in the Kalispell area are considered stable. The residential market sector has continued to improve. Sales volume and pricing increased for improved residential properties in Kalispell from 2011 through 2018. Supply and Demand for residential and commercial properties in the greater Kalispell area are in relative balance. List prices for commercial properties far exceed historical sales prices which could result in a lower number of commercial sales in the coming year; however, building permits issued for general commercial new construction increased in 2018 compared to 2017. In spite of high list prices in the commercial sector, future growth and expansion for the greater Kalispell area is considered likely in the long term due to forecasted population growth.

### Kalispell Area Map



## SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 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 Rogers Lake Appraisals*

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

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board), and the Department of Natural Resources and Conservation (DNRC). The intended users are State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), and Lessees Tom Larson & Katherine Folck, Linda Garstang, and Jessica Thompson. 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 Rogers Lake Appraisals*

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

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

Sale #	Acres	Legal Description
949	1.376 ±	Lot 3, Rogers Lake T27N-R23W, Sec. 30, Flathead County
950	1.654 ±	Lot 5, Rogers Lake T27N-R23W, Sec. 30, Flathead County
951	1.719 ±	Lot 4, Rogers Lake T27N-R23W, Sec. 30, Flathead County
952	1.255 ±	Lot 6, Rogers Lake T27N-R23W, Sec. 30, Flathead County
953	1.245 ±	Lot 10, Rogers Lake T27N-R23W, Sec. 30, Flathead County

**DNRC Contact Information:**

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

**Lessees:**

<b>Sale 949</b> DNRC	<b>Sale 950</b> DNRC	
<b>Sale 951</b> Tom Larson & Katherine Folck (see DNRC contact for lessee information)	<b>Sale 952</b> Linda Garstang (see DNRC contact for lessee information)	<b>Sale 953</b> Jessica Thompson (see DNRC contact for lessee information)

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

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

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

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

**FLATHEAD COUNTY SALE LOCATION MAP**



**Rogers Lake**

T27N-R23W, Sec. 30, Flathead County



