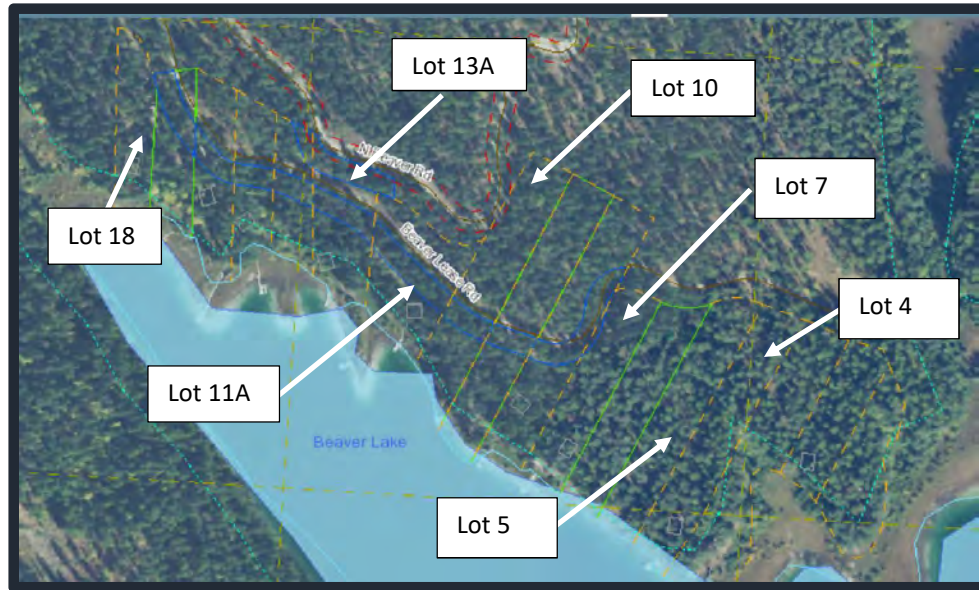


APPRAISAL REPORT OF:

**LOTS 4, 5, 7, 10, & 18 OF COS # 18353 &
LOTS 11A & 13 OF COS #20364
BEAVER 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 25, 2019

PREPARED BY:

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



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

LETTER OF TRANSMITTAL

July 30, 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 4, 5, 7, 10, and 18 of COS #18353 & Lots 11A and 13A of COS #20364, Section 20,
Township 31 North, Range 22 West, Beaver 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 25, 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.

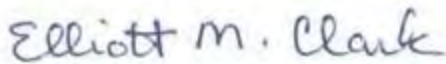
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We were not provided with soil studies for the subject sites. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any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

19-023c

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lots 4, 5, 7, 10, & 18 of COS #18353 & Lots 11A & 13A of COS #20364, Section 20, Township 31 North, Range 22 West, Flathead County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-029-0003.00
Flood Zone	Zones X & A, FEMA Map Panels 30029C1060G (Dated 9/28/2007) & 30029C1070J (Dated 11/4/2015)
Zoning	Area Not Zoned

HIGHEST AND BEST USE(S)

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

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

Report Date	July 30, 2019
Inspection Date(s)	June 25, 2019
Effective Date of Value(s)	June 25, 2019
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuation Section of Report & Page 138 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 138 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 138 of Report

Extraordinary Assumption(s)	None
Hypothetical Condition(s)	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

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

CERTIFICATION OF APPRAISAL

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

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

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



Dated Signed: July 30, 2019
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: July 30, 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 4,5,7,10, & 18 of COS #183530 and Lots 11A & 13A of COS #20364, Beaver Lake, Whitefish, 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 25, 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
4	983	18353	S20/T31N/R22W	Flathead
5	984	18353	S20/T31N/R22W	Flathead
7	985	18353	S20/T31N/R22W	Flathead
10	986	18353	S20/T31N/R22W	Flathead
11A	987	20364	S20/T31N/R22W	Flathead
13A	988	20364	S20/T31N/R22W	Flathead
18	989	18353	S20/T31N/R22W	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
4	983	Steve & Jennifer Burrough
5	984	Lonnie & Catherine Collinsworth
7	985	Barnes Revocable Trust
10	986	John Ulitsch & Dominick Hunter
11A	987	Keri Thorn & Richard Graves
13A	988	Ginger Theissen & Nicolette Ward
18	989	Felicia & Dave Hutchison

No additional parties may rely upon this report without the express written consent from both the appraisers and the client.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market values of the fee simple interests in the subject properties for possible sale purposes.

DATE OF PROPERTY VIEWINGS

June 25, 2019

EFFECTIVE DATE OF MARKET VALUES

June 25, 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."*¹

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
- (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.

¹ 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	Address	Last Transfer Document
4	983	Steve & Jennifer Burrough	204 Beaver Lease Rd	Bill of Sale (Document #201700020252) Recorded 8/21/2017
5	984	Lonnie & Catherine Collinsworth	Beaver Lease Rd	N/A
7	985	Barnes Revocable Trust	168 Beaver Lease Rd	Affidavit of Death of Initial Trustee (Document #201300009331) Recorded 4/17/2013
10	986	John Ulitsch & Dominick Hunter	Beaver Lease Rd	N/A
11A	987	Keri Thorn & Richard Graves	120 Beaver Lease Rd	Quitclaim Deed (Document #201800014778) Recorded 7/18/2018
13A	988	Ginger Theissen & Nicolette Ward	96 Beaver Lease Rd	Deed of Distribution (Document #201500011755) Recorded 6/15/2015
18	989	Felicia & Dave Hutchison	36 Beaver Lease Rd	Quitclaim Deed (Document #201700008849) Recorded 5/3/2017

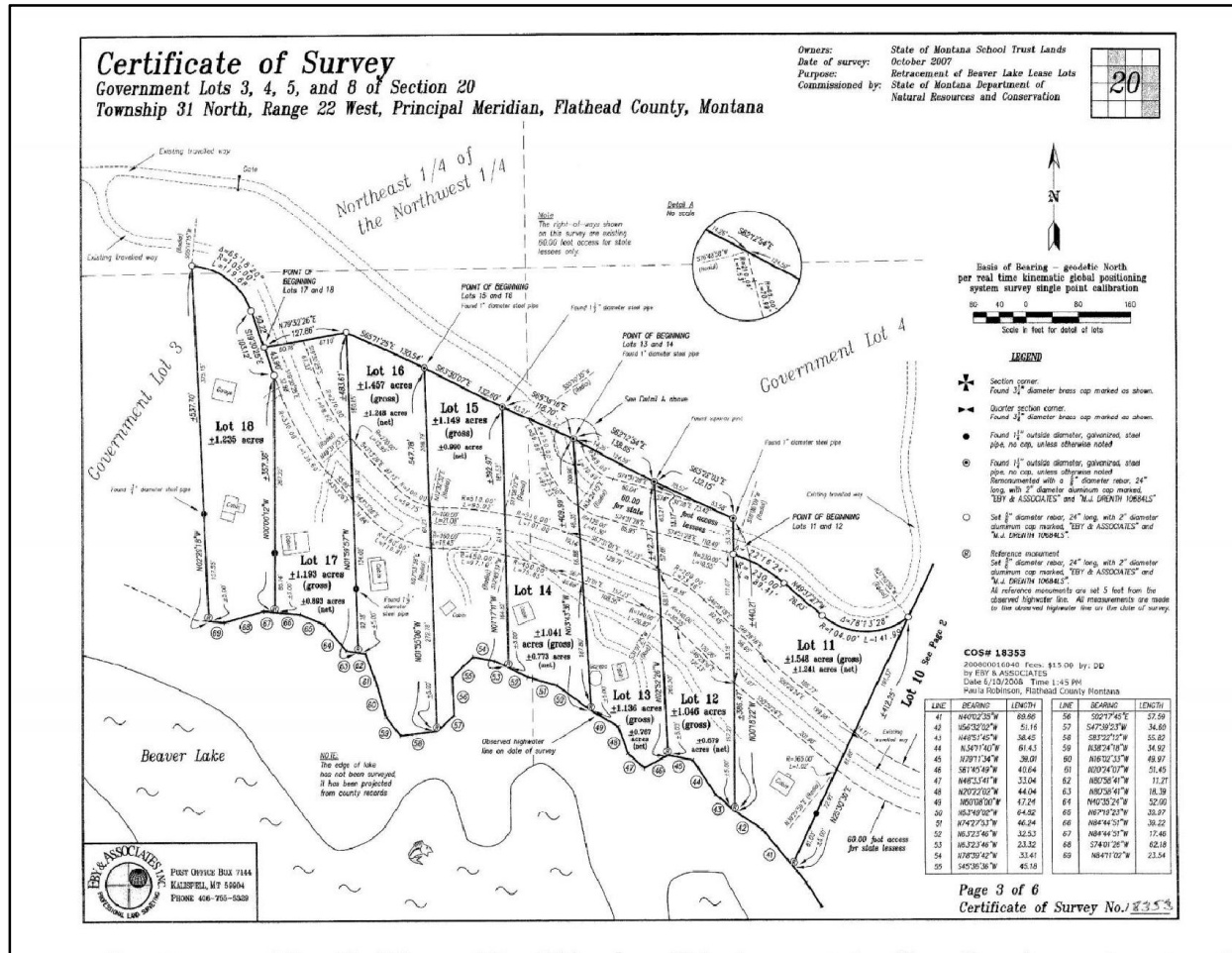
USE/MARKETING HISTORIES

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;

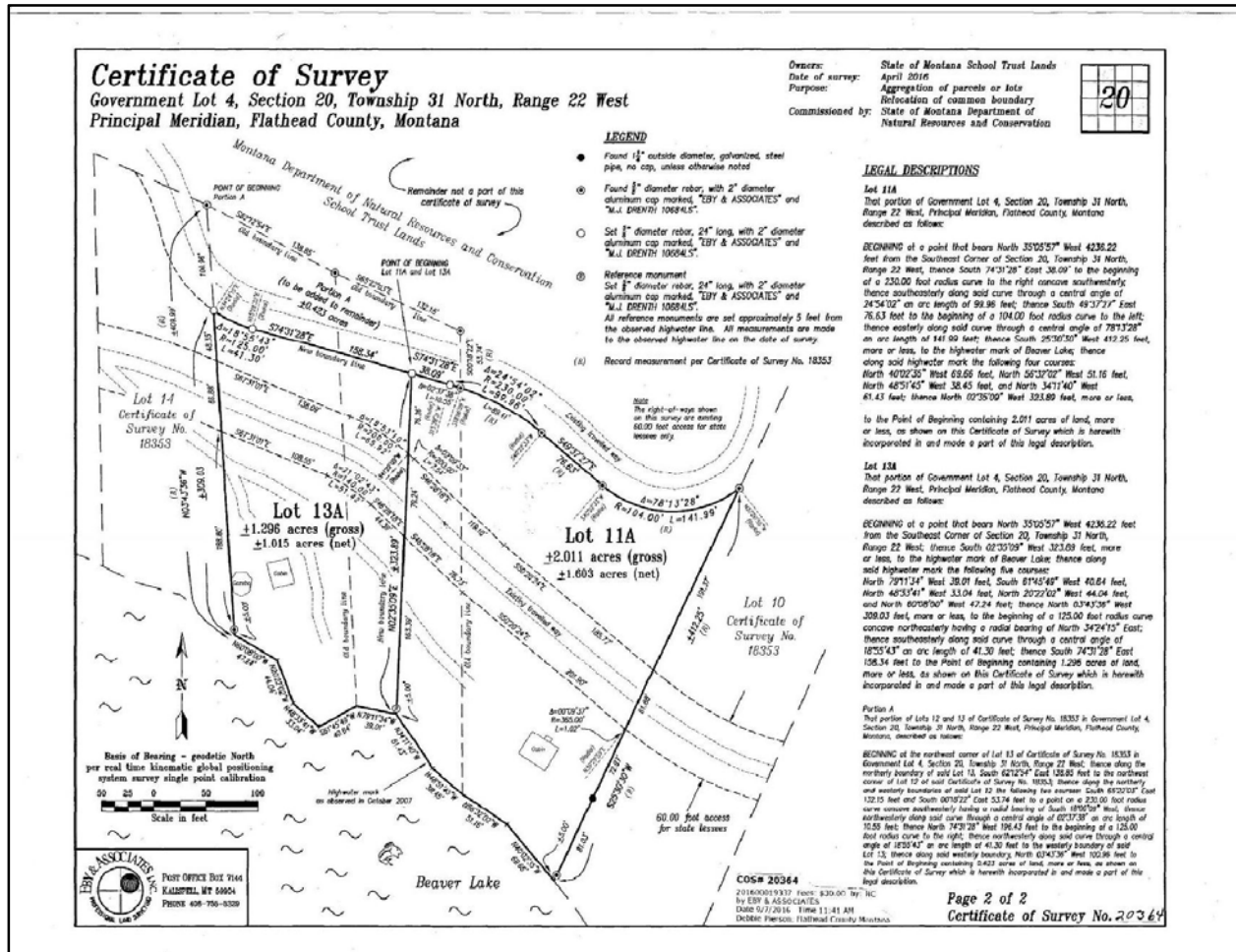
Lot #	Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
4	983	Steve & Jennifer Burrough	2002	Leasehold improvements transferred via MLS for \$85,000 8/21/2017, MLS #21707934, 59 Days on Market
5	984	Lonnie & Catherine Collinsworth	N/A	N/A
7	985	Barnes Revocable Trust	1966	N/A
10	986	John Ulitsch & Dominick Hunter	N/A	N/A
11A	987	Keri Thorn & Richard Graves	2002	Leasehold improvements transferred via MLS for \$70,000 7/18/2018, MLS #21602428, 842 Days on Market
13A	988	Ginger Theissen & Nicolette Ward	1979	N/A
18	989	Felicia & Dave Hutchison	2000 (Renovated with Addition 2019)	N/A (Not Marketed via MLS - \$50,000 Purchase Price)

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

Clark Real Estate Appraisal (19-023ec) (06/25/2019)

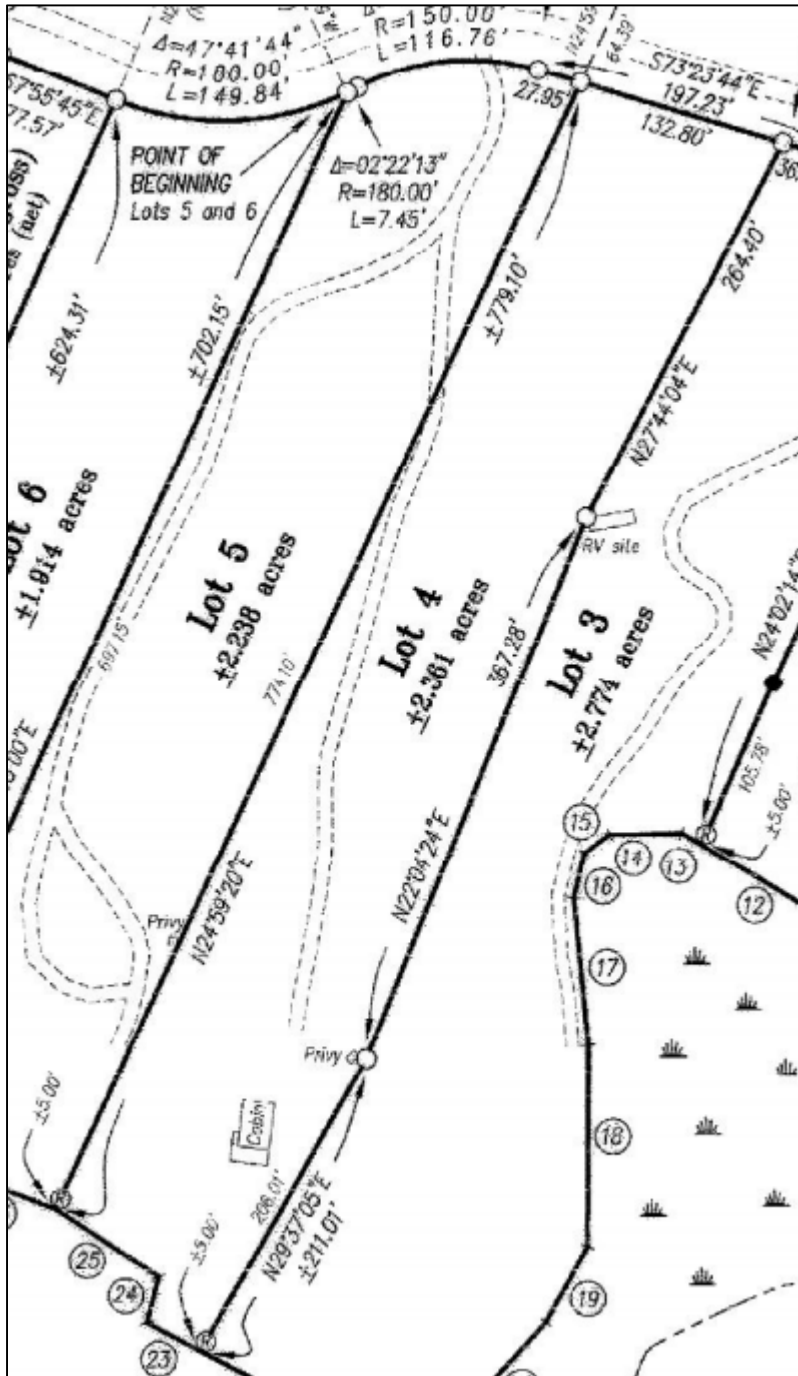


Subject Lots 11A and 13A are on page 2 of COS #20364 below;



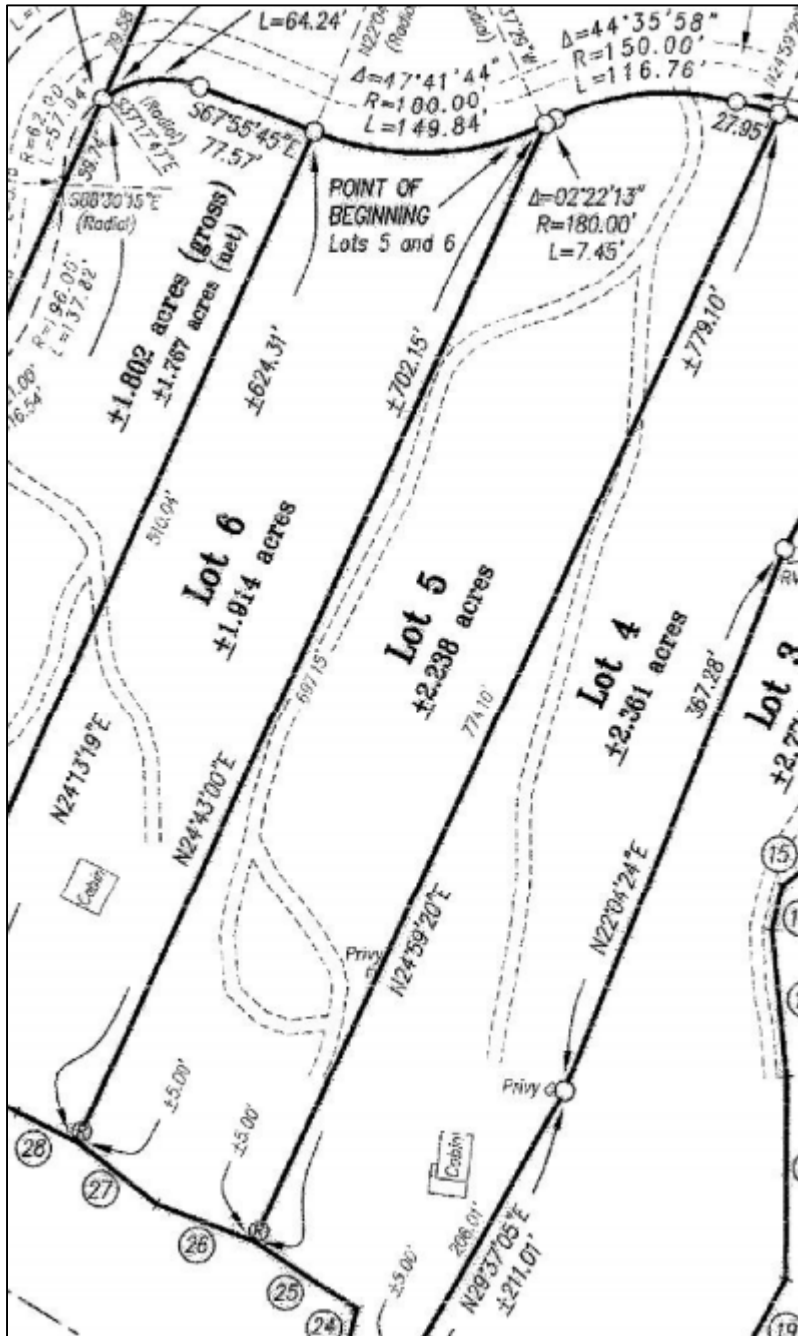
Enlarged views of each site as part of COS #18353 or COS #20364 are included on the following pages.

Enlarged View of COS #18353



LOT 5

Enlarged View of COS #18353



Lot 9
 ±2.530 acres (gross)
 ±2.361 acres (net)

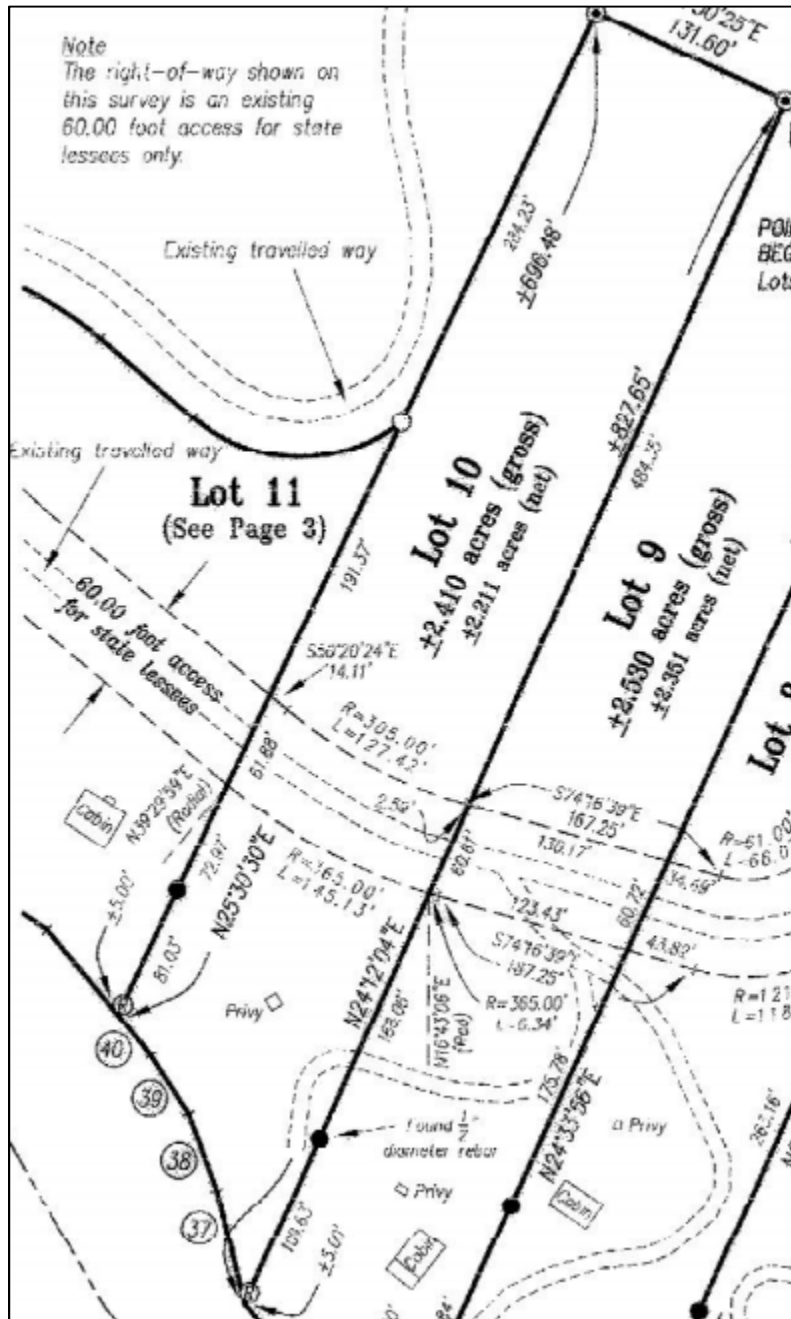
Lot 8
 ±2.513 acres (gross)
 ±2.012 acres (net)

Lot 7
 ±1.802 acres (gross)
 ±1.767 acres (net)

Lot 6
 ±1.914 acres (gross)
 ±1.814 acres (net)

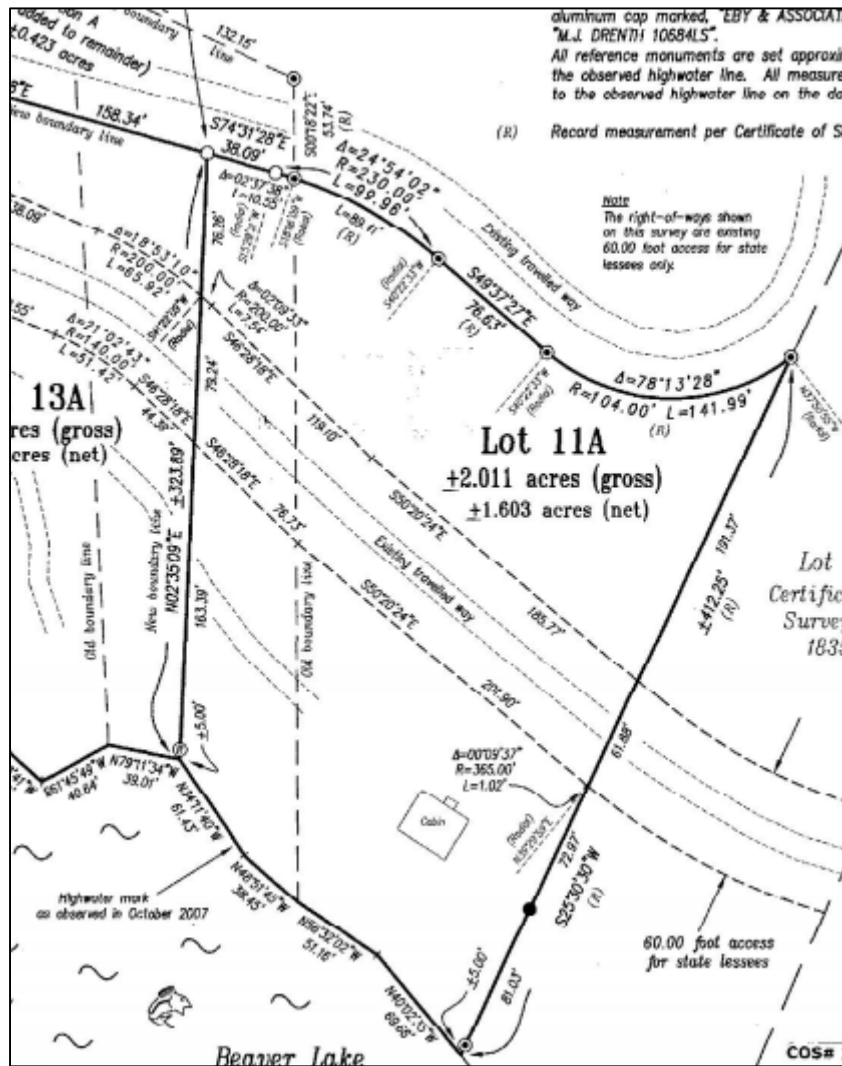
Survey details include bearings (e.g., N24°12'41"E, S74°76'30"E), distances (e.g., 167.25', 150.23', 121.00'), and curve data (e.g., R=61.00', L=66.07', R=121.00', L=118.48'). The map also shows features like 'a Privy' and 'a Cabin' within the lots, and a 'Road' between Lot 8 and Lot 6. The map is oriented with North at the top.

Enlarged View of COS #18353

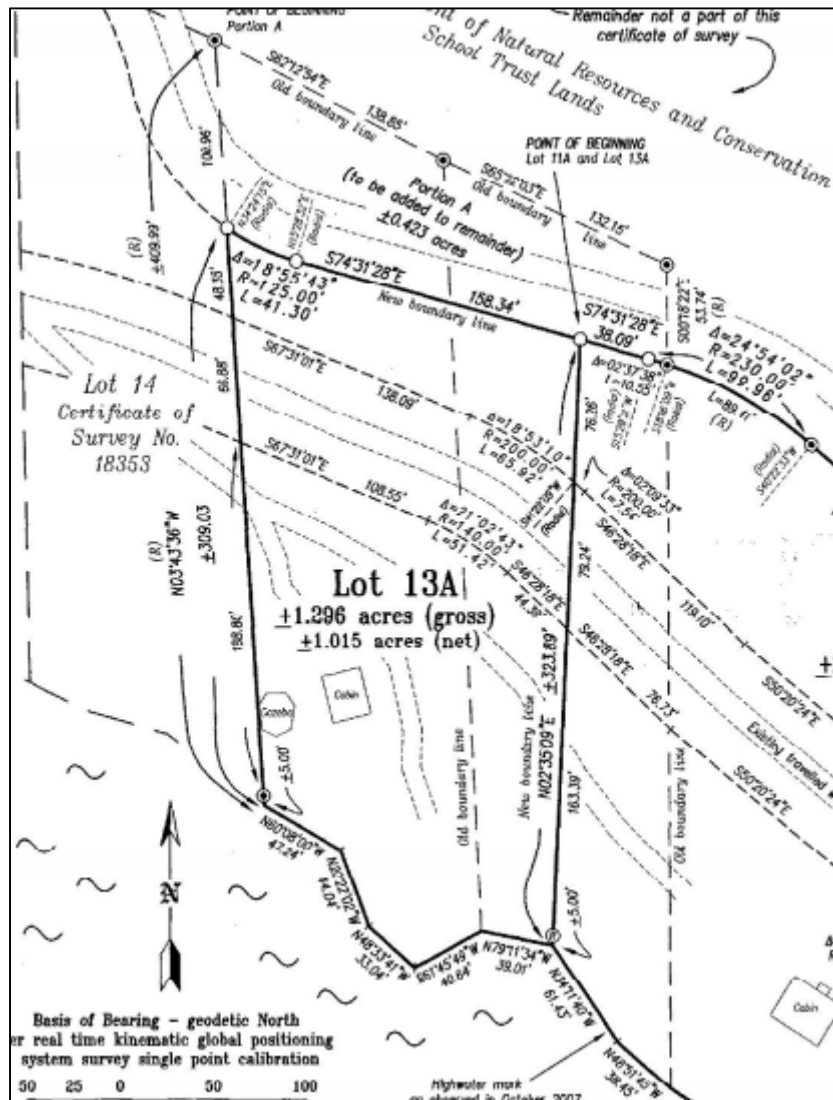


LOT 11A

Enlarged View of COS #20364

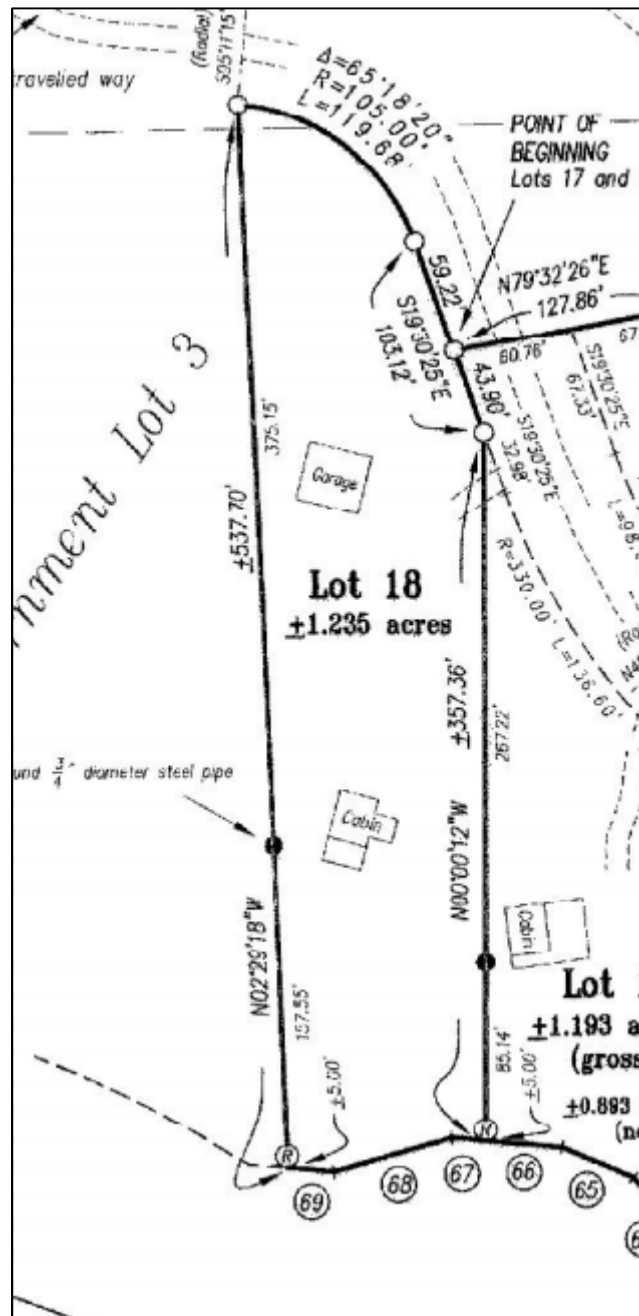


Enlarged View of COS #20364



LOT 18

Enlarged View of COS #18353



ACCESS AND VIEWS

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

Lot #	Sale #	Lessee	Address	Water Frontage	Access
4	983	Steve & Jennifer Burrough	204 Beaver Lease Rd	145.76 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Crosses Lot 5 to Access this Lot)
5	984	Lonnie & Catherine Collinsworth	Beaver Lease Rd	128.50 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 4 Crosses this Lot)
7	985	Barnes Revocable Trust	168 Beaver Lease Rd	136.69 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 6 Crosses this Lot)
10	986	John Ulitsch & Dominick Hunter	Beaver Lease Rd	201.94 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Crosses Lot 9 to Access this Lot) (This Lot is Bisected by Beaver Lease Road)
11A	987	Keri Thorn & Richard Graves	120 Beaver Lease Rd	220.70 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Crosses Lot 13A to Access this Lot) (This Lot Bisected by Beaver Lease Road)
13A	988	Ginger Theissen & Nicolette Ward	96 Beaver Lease Rd	203.97 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 11A Crosses this Lot) (This Lot Bisected by Beaver Lease Road)
18	989	Felicia & Dave Hutchison	36 Beaver Lease Rd	103.18 Feet of Frontage Along Beaver Lake	Driveway from Beaver Lease Road

IMPROVEMENTS

Subject Lots 4, 7, 11A, 13A, and 18 included improvements. The improvements on these subject lots are described on the tables below and on the following page.

Sale #	983	985	987
Lot #	4	7	11A
Residence SF	560	738	917
Construction Type	Wood Frame	Wood Frame	Wood Frame
Foundation	Pier	Pier	Pier
Quality	Average	Average	Good
Condition	Good	Average	Good
Year Built	2002	1966	2002
# of Bedrooms	1	1	2
# of Bathrooms	0	0	0 (Composting Toilet)
Porches	314 SF Deck & 26 SF Porch	72 SF Deck	131 SF Deck, 56 SF C Porch, 32 SF Balcony
Outbuildings	22 SF Outhouse	20 SF Outhouse & 60 SF Dock/Pier	None
Well/Septic	None/None	None/None	None/None
Landscaping	Lawn/Native Vegetation	Lawn/Native Vegetation	Rock Scaping/Native Vegetation

Sale #	988	989
Lot #	13A	18
Residence SF	1,031	1,314
Construction Type	Log Frame	Wood Frame
Foundation	Pier	Basement & Crawl Space
Quality	Average	Very Good
Condition	Average	Good
Year Built	1979	2000 (with Renovations & Additions)
# of Bedrooms	Sleeping Loft	1 Plus Sleeping Loft
# of Bathrooms	0	1.5
Porches	100 SF Covered Porch, 160 SF Covered Deck, & 160 SF Balcony, 24 SF Walkway	400 SF Deck, 60 SF Covered Porch, & 96 SF Screened Porch
Outbuildings	198 SF Gazebo, , 42 SF Lean-to, 91 SF Pole Building, & 20 SF Outhouse	1,024 SF Garage
Well/Septic	None/None	240' Artesian Well/Septic System
Landscaping	Lawn/Native Vegetation	Gravel/Native Vegetation

The Lessees for Lot 11A reported spending a total of \$31,517.99 on the residence since the 2018 purchase of the leasehold improvements for \$70,000. The Lessees for Lot 18 reported spending a total of \$315,625 on the residence since the 2017 purchase of the leasehold improvements for \$50,000.

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	Address	Access	Easement Affecting Property
4	983	Steve & Jennifer Burrough	204 Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Crosses Lot 5 to Access this Lot)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
5	984	Lonnie & Catherine Collinsworth	Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 4 Crosses this Lot)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
7	985	Barnes Revocable Trust	168 Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 6 Crosses this Lot)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
10	986	John Ulitsch & Dominick Hunter	Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Crosses Lot 9 to Access this Lot) (This Lot is Bisected by Beaver Lease Road)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
11A	987	Keri Thorn & Richard Graves	120 Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Crosses Lot 13A to Access this Lot) (This Lot Bisected by Beaver Lease Road)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
13A	988	Ginger Theissen & Nicolette Ward	96 Beaver Lease Rd	Driveway from Beaver Lease Road (Driveway Providing Access to Lot 11A Crosses this Lot) (This Lot Bisected by Beaver Lease Road)	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;
18	989	Felicia & Dave Hutchison	36 Beaver Lease Rd	Driveway from Beaver Lease Road	Easement to Skyles to Beaver Road Users Association, Inc.; Public Recreation Use Easement; Various Easements for Access to privately owned lots;

The easements and Rights-of-Way associated with Lots 4 and 18 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 5, 7, 10, 11A, and 13A 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 an area of Flathead County that is not zoned.

ASSESSMENT/REAL PROPERTY TAXES

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

Tax Bills for Improvements					
Sale #	Lot #	Lessees	Assessor # for Improvements	2018 Taxable Market Value	2018 Tax Bill Amount
983	4	Steve & Jennifer Burrough	0006709	\$68,270	\$728.09
984	5	Lonnie & Catherine Collinsworth	N/A	N/A	N/A
985	7	Barnes Revocable Trust	0041455	\$19,340	\$367.22
986	10	John Ulitsch & Dominick Hunter	N/A	N/A	N/A
987	11A	Keri Thorn & Richard Graves	0005999	\$66,730	\$716.62
988	13A	Ginger Theissen & Nicolette Ward	0968658	\$68,350	\$728.63
989	18	Felicia & Dave Hutchison	0003920	\$92,050	\$903.33

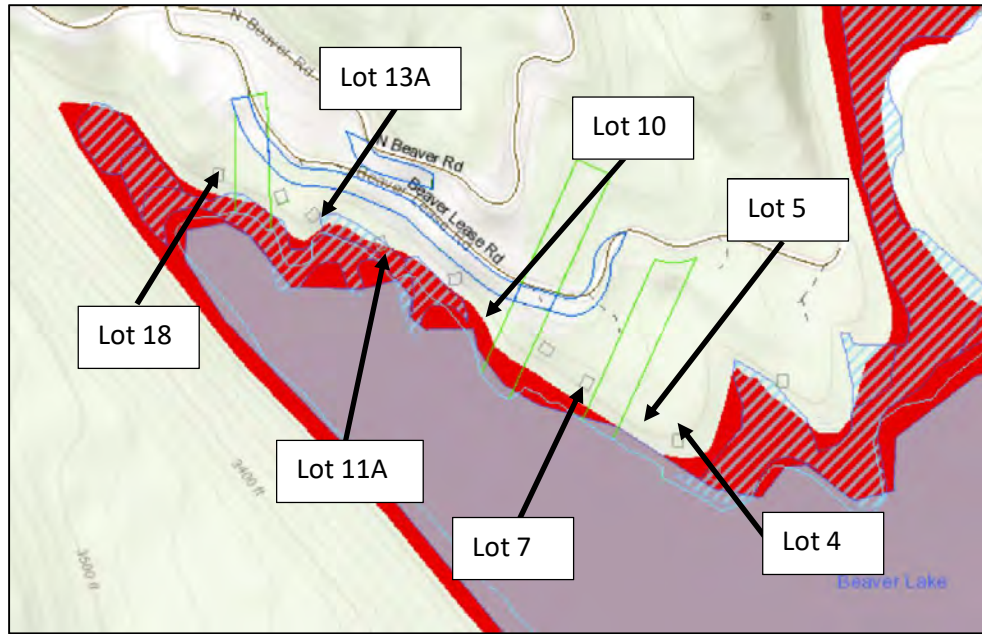
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Flathead County GIS flood mapping feature, Subject Lots 7, 10, 11A, 13A, and 18 include portions in areas of some flood hazard. The Floodplain areas applicable to each subject lot are noted on the table below;

Sale #	Lot #	Lessees	Floodplain Description
4	983	Steve & Jennifer Burrough	None within Floodplain
5	984	Lonnie & Catherine Collinsworth	None within Floodplain
7	985	Barnes Revocable Trust	Portion Adjacent to Lake in 100 Year Floodplain
10	986	John Ulitsch & Dominick Hunter	Portion Adjacent to Lake in 100 Year Floodplain
11A	987	Keri Thorn & Richard Graves	Portion Adjacent to Lake in 100 Year Floodplain
13A	988	Ginger Theissen & Nicolette Ward	Portion Adjacent to Lake in 100 Year Floodplain
18	989	Felicia & Dave Hutchison	Portion Adjacent to Lake in 100 Year Floodplain

According to FEMA map panels (30029C1060G and 30029C1070J), all of the subject lots include some area within the 100 Year Floodplain. We recommend verifying floodplain location prior to construction on the subject lots.

A floodplain image of the subject properties from Flathead County GIS is on the following page.



Map Legend

Wetlands and Riparian Areas	
Flood Plain	
	100 Year Flood Plain
	500 Year Flood Plain

The subject lots all slope down toward Beaver Lake. General topography descriptions for each lot are below;

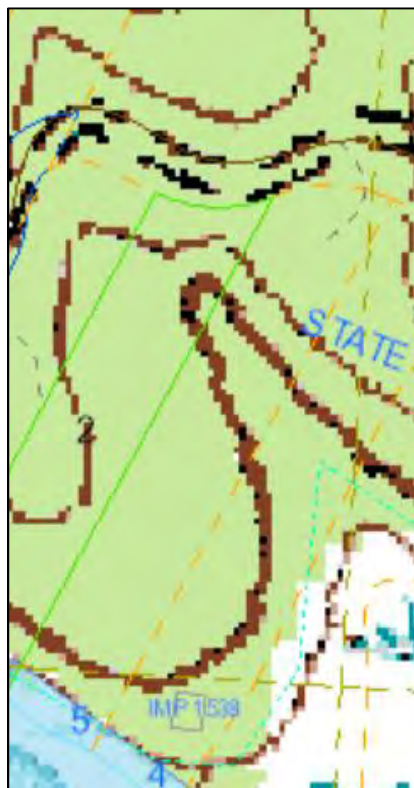
Lot #	Sale #	Lessee	Topography
4	983	Steve & Jennifer Burrough	Sloping with Level Areas
5	984	Lonnie & Catherine Collinsworth	Sloping with Level Areas
7	985	Barnes Revocable Trust	Sloping with Level Areas
10	986	John Ulitsch & Dominick Hunter	Steeply Sloping from Beaver Lease Road to Lake
11A	987	Keri Thorn & Richard Graves	Steeply Sloping from Beaver Lease Road to Lake
13A	988	Ginger Theissen & Nicolette Ward	Sloping with Level Areas
18	989	Felicia & Dave Hutchison	Sloping with Level Areas

Enlarged views of USGS topography maps for each subject lot from the Flathead County GIS are on the following pages.

Lot 4



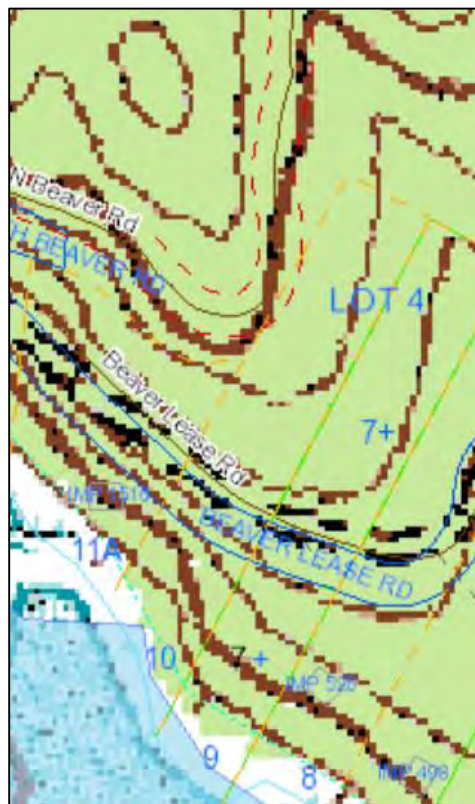
Lot 5



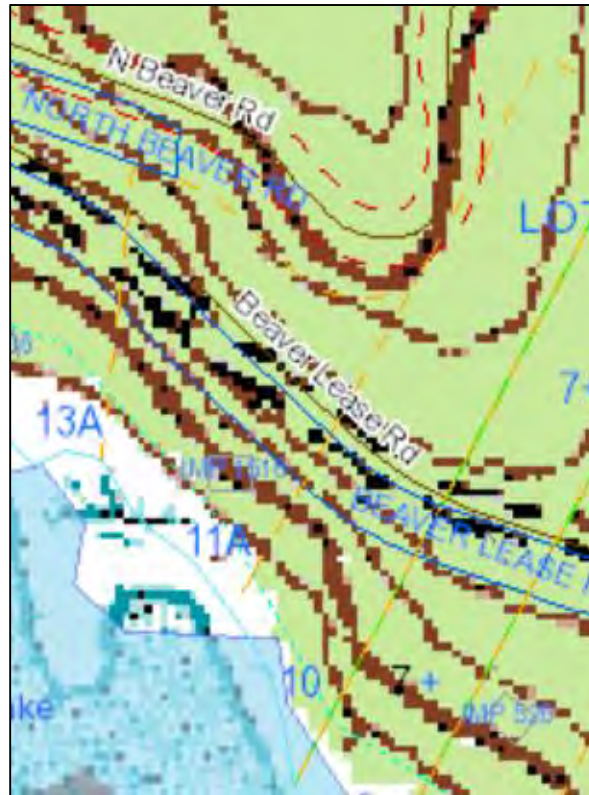
Lot 7



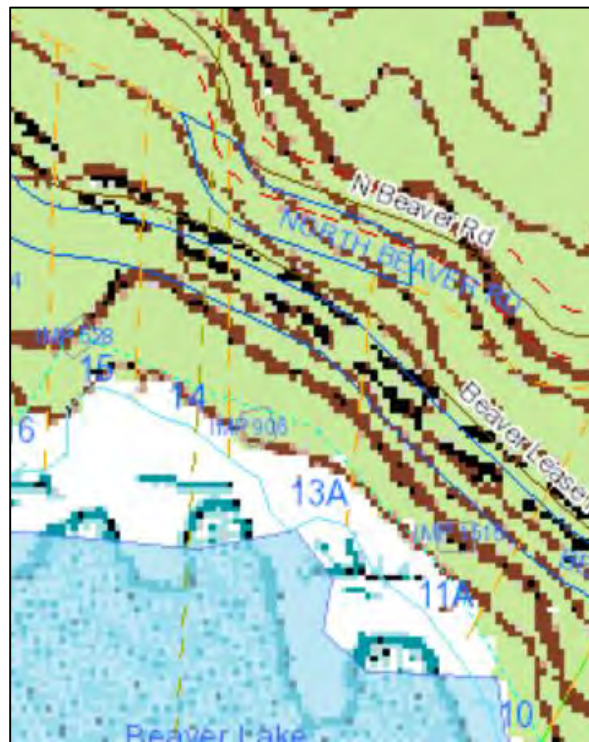
Lot 10



Lot 11A



Lot 13A



Lot 18



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 do not have access to electricity or 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
4	983	Steve & Jennifer Burrough	No	Water Tank	Unknown	
5	984	Lonnie & Catherine Collinsworth	No	None	Unknown	
7	985	Barnes Revocable Trust	No	None	Unknown	
10	986	John Ulitsch & Dominick Hunter	No	None	Unknown	
11A	987	Keri Thom & Richard Graves	No	None	Unknown	
13A	988	Ginger Theissen & Nicolette Ward	No	None	Unknown	
18	989	Felcia & Dave Hutchison	Yes	Well	Water Right #76LJ37946-00	Septic Permit on File with Flathead County Issued 8/28/2017

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 4 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO						
File No.:		Parcel No.: Beaver Lake Lot 4				
Property Address: 204 Beaver Lake Rd.						
City: Whitefish		County:	State: MT	ZipCode: 59937		
Owner:		Client Address:				
Appraiser Name:		Inspection Date:				
SKETCH						
<p style="text-align: right; font-size: small;">Sketch by Apex Skid.</p>						
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN	
Code	Description	Facto	Net Size	Perimete	Net Total	Name
GLA1	First Floor	1.0	560.0	96.0	560.0	First Floor
OTH	Outhouse	1.0	22.0	19.0	22.0	
P/P	Deck	1.0	314.0	93.0		
	Porch	1.0	36.0	26.0	350.0	
Net LIVABLE		cnt	1 (rounded	560		1 total items
				(rounded		560

LOT 4 - SUBJECT PHOTOGRAPHS



Cabin on Lot 4



East Side of Cabin



North Side of Cabin



West Side of Cabin



View North along East Side of Cabin



Improvements on Lot 4 from Dock

ADDITIONAL PHOTOGRAPHS



West Side of Cabin



Cabin Interior



Cabin Interior



Bedroom



Kitchen Sink



Outhouse

ADDITIONAL PHOTOGRAPHS



Outhouse Interior



Lot 4 Interior Looking toward Dock on Beaver Lake



Beaver Lake Frontage Looking Southeast



Beaver Lake Frontage Looking Northwest



View Looking Northeast along Approximate East Lot Boundary



Driveway to Lot 4 Looking North

ADDITIONAL PHOTOGRAPHS



View South along West Boundary of Lot 4



View North along West Boundary



Southwest Property Boundary Marker



Fire Pit and Patio Area at Lake Front



Driveway to Lot 4 Looking North



Northwest Property Boundary Marker Looking South

ADDITIONAL PHOTOGRAPHS



Beaver Lease Road Looking East



Beaver Lease Road Looking West

LOT 5 - SUBJECT PHOTOGRAPHS



Signage for Lot 5



Driveway to Lot 5



Pier at Beaver Lake Frontage



Pier



Storage Building



View along Approximate South Property Boundary Looking East

ADDITIONAL PHOTOGRAPHS



View along Approximate South Property Boundary Looking West



Beaver Lake Looking East



Beaver Lake Looking West



Beaver Lake from Pier



Lot 5 Looking North from Pier



Fire Pit and Deck

ADDITIONAL PHOTOGRAPHS



Lot 5 Interior Looking Northeast



View South along East Property Boundary



View North along East Property Boundary



Northeast Property Boundary Marker



Driveway to Lot 5 Looking South



Driveway to Lot 5 Looking North

ADDITIONAL PHOTOGRAPHS

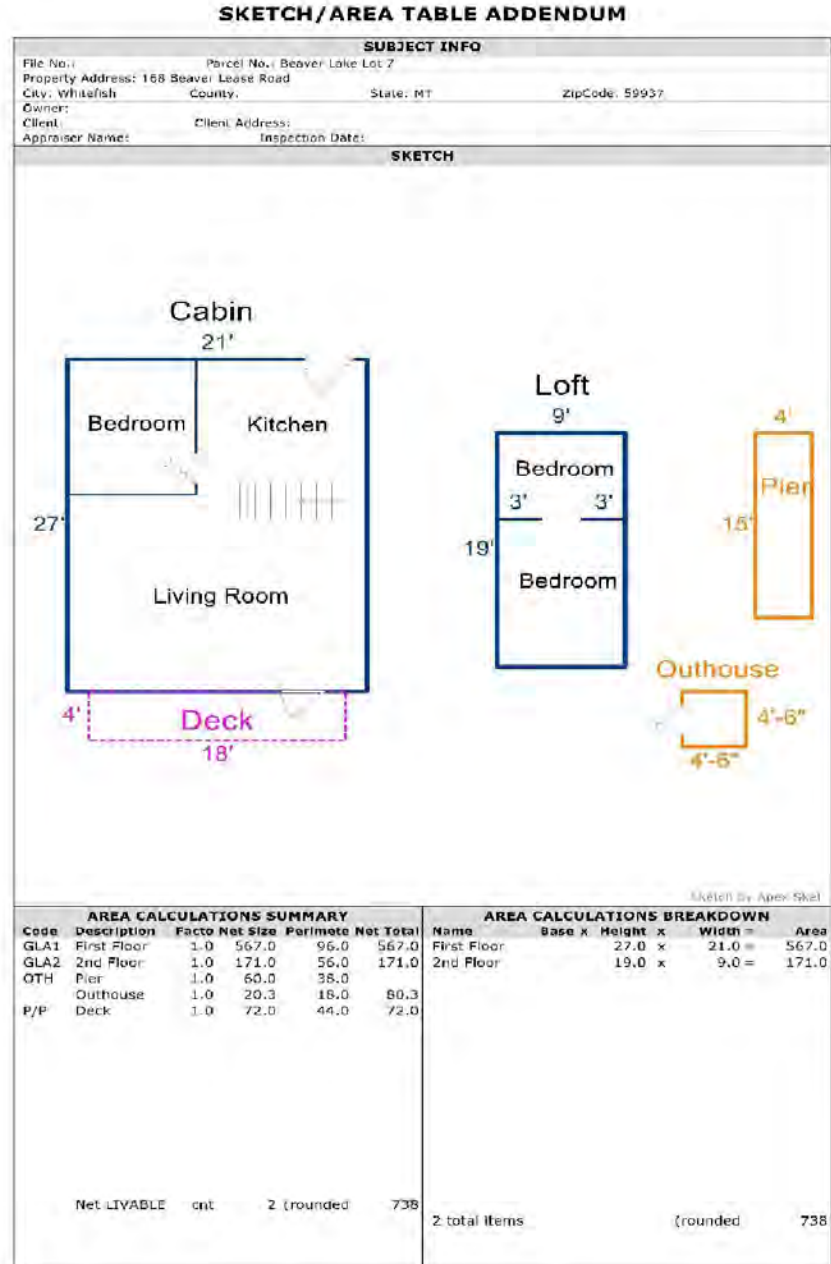


Beaver Lease Road Looking East



Beaver Lease Road Looking West

LOT 7 - BUILDING SKETCH



LOT 7 - SUBJECT PHOTOGRAPHS



Cabin on Lot 7



West Side of Cabin



East Side of Cabin



South Side of Cabin



Entry and Kitchen



Living Room

ADDITIONAL PHOTOGRAPHS



Living Room Looking toward Kitchen



1st Floor Bedroom



South End Loft Bedroom



North End Loft Bedroom



View toward Beaver Lake from Loft



Outhouse

ADDITIONAL PHOTOGRAPHS



Post & Pier Foundation



Cabin and Improvements Looking North from Pier



Driveway accessing Beaver Lake Frontage



Pier and Floating Dock on Beaver Lake



Beaver Lake Looking West



Beaver Lake Looking East

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View North along Approximate East Boundary



Southwest Property Boundary Marker



View North along Approximate West Boundary



Driveway to Lot 7 Looking South



View South along Approximate East Property Boundary

ADDITIONAL PHOTOGRAPHS



Beaver Lease Road Looking West



Beaver Lease Road Looking East

LOT 10 - SUBJECT PHOTOGRAPHS



Driveway to Lot 10



View toward Beaver Lake from Driveway



View of Beaver Lake Looking Southwest



View along Beaver Lake Frontage Looking Northwest



View along Beaver Lake Frontage Looking Southeast



Beaver Lake from Pier

ADDITIONAL PHOTOGRAPHS



Pier on Beaver Lake



View of Lot 10 from Beaver Lease Road



South Southwest Property Boundary Marker



Lot 10 Interior Looking North from Lake Frontage



Lot 10 from Beaver Lease Road



View along Approximate West Property Boundary Looking Southwest

ADDITIONAL PHOTOGRAPHS



Upper Portion of Lot 10 Looking South toward Beaver Lake



Property Boundary Marker at North Beaver Road



North Beaver Road Looking North



North Beaver Road Looking South



Interior of North Portion of Lot 10



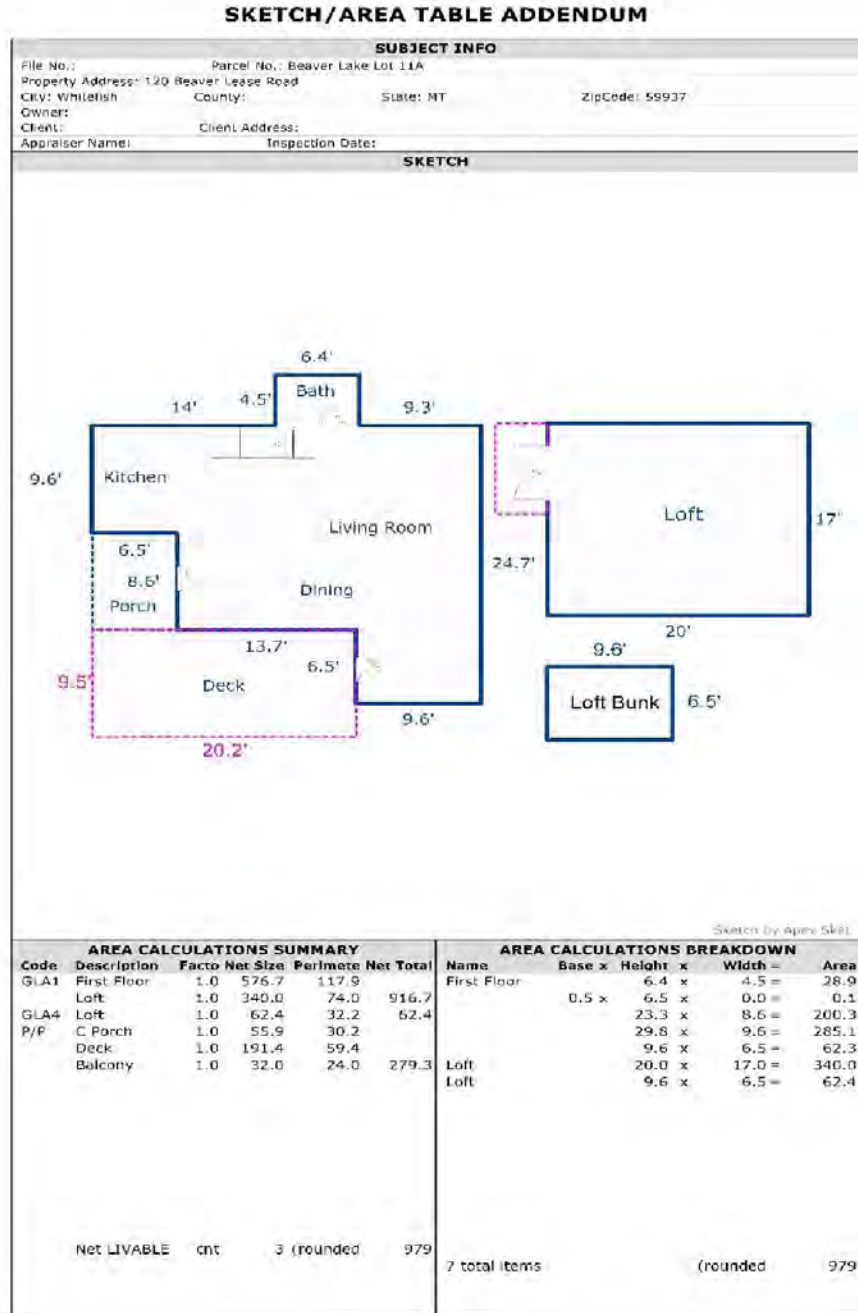
Beaver Lease Road Looking East

ADDITIONAL PHOTOGRAPHS



Beaver Lease Road Looking West

LOT 11A - BUILDING SKETCH



LOT 11A - SUBJECT PHOTOGRAPHS



Cabin on Lot 11A



South Side of Cabin



North and West Sides of Cabin



East Side of Cabin



Foundation Upgrade and Deck Extension



Foundation

ADDITIONAL PHOTOGRAPHS



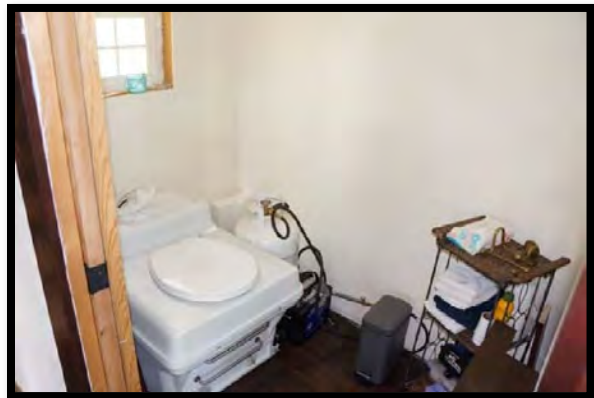
Living Room, Dining Area and Access to Loft Bunk



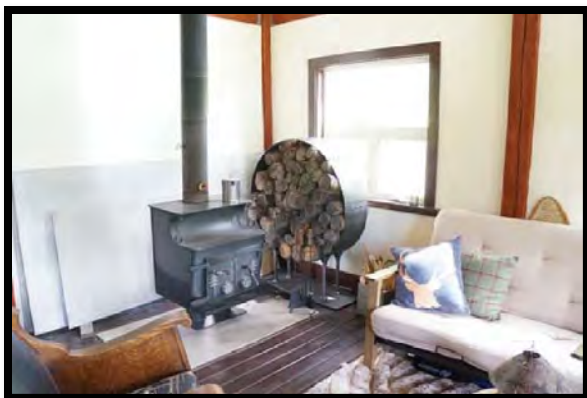
Loft Bedroom



Kitchen



Bathroom



Woodstove in Living Room

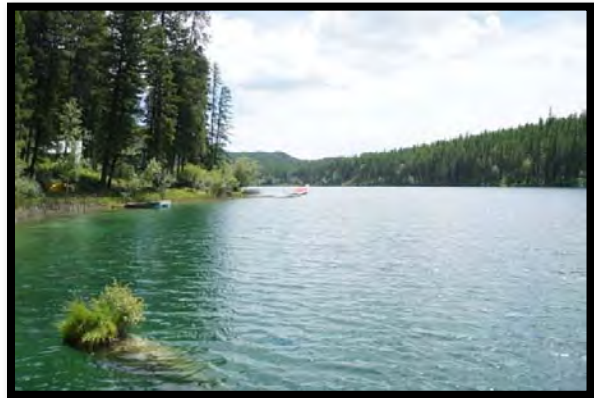


Pier and Dock on Beaver Lake

ADDITIONAL PHOTOGRAPHS



Cabin from Dock



Beaver Lake Looking East



Beaver Lake Looking West



View North along Approximate East Property Boundary



Southwest Property Boundary Marker



Driveway and Patio Area

ADDITIONAL PHOTOGRAPHS



Driveway Looking West toward Beaver Lease Road

LOT 13A - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM				
SUBJECT INFO				
File No.:	Parcel No.: Beaver Lake Lot 13A			
Property Address: 95 Beaver Lease Rd.				
City: Whitefish	County:	State: MT	ZipCode: 59937	
Owner:				
Client:	Client Address:			
Appraiser Name:	Inspection Date:			
SKETCH				
Sketch By Apex Skel.				
AREA CALCULATIONS SUMMARY				
Code	Description	Facto	Net Size	Perimeter Net Total
GLA1	First Floor	1.0	480.0	88.0
	Second Floor	1.0	551.0	96.0
GAR	Gazebo	1.0	198.0	56.6
OTH	Outhouse	1.0	20.0	18.0
	Lean-To	1.0	42.0	26.0
	Pole Bldg	1.0	91.0	40.0
P/P	C Porch	1.0	100.0	50.0
	C Deck	1.0	160.0	56.0
	Walkway	1.0	24.0	22.0
	2nd Floor De	1.0	160.0	56.0
	Net LIVABLE	cnt	2 (rounded)	1,031
AREA CALCULATIONS BREAKDOWN				
Name	Base x	Height x	Width =	Area
First Floor		24.0 x	20.0 =	480.0
Second Floor		29.0 x	19.0 =	551.0
			(rounded)	1,031

LOT 13A - SUBJECT PHOTOGRAPHS



Cabin on Lot 13A



South Side of Cabin



East Side of Cabin



Gazebo and Outdoor Kitchen Area



Living Room



Kitchen

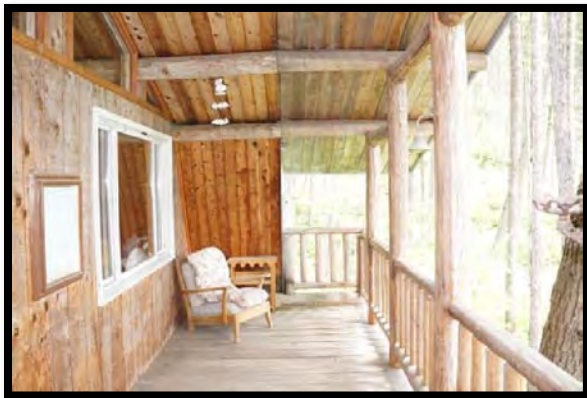
ADDITIONAL PHOTOGRAPHS



2nd Floor Bedrooms Looking South



2nd Floor Bedrooms Looking North



Balcony



View of Beaver Lake from Balcony



Living Room



Outdoor Stove

ADDITIONAL PHOTOGRAPHS



Post & Pier Foundation



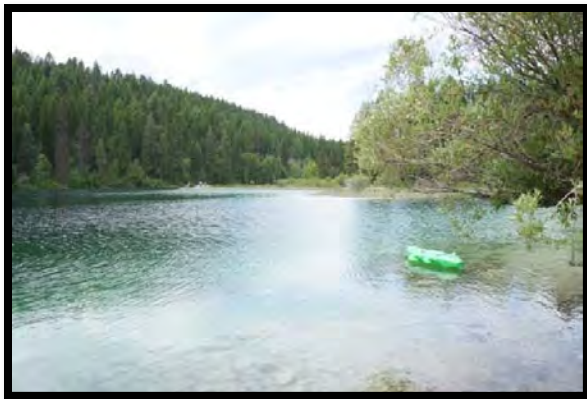
Outhouse



Pier and Floating Dock on Peninsula Area of Lot 13A



View Looking East from Peninsula on Lot 13A



Beaver Lake Looking West



Lake Frontage along Lot 13A Looking East

ADDITIONAL PHOTOGRAPHS



View of Lot 13A from Dock on Lot 11A



Southeast Property Boundary Marker



Southwest Property Boundary Marker



View Looking Northwest from Peninsula Area toward Cabin



Driveway to Lot 13A



Northwest Property Boundary Marker along N. Beaver Rd.

LOT 18 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO

File No.:	Parcel No.:	Beaver Lake Lot 18	
Property Address:	36 Beaver Lake Rd		
City:	Whitefish	County:	
Owner:		State:	MT
Client:		Zip Code:	59937
Appraiser Name:	Client Address:	Inspection Date:	

SKETCH

First Floor

Garage

Deck

Screened Porch

Den

Living Room

Kitchen

Bath

Bedroom

Loft Bedroom

1/2 Bath

Unfinished BSMT

Covered Porch

Sketch by: David S. Lee

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Total
GLA1	First Floor	1.0	1058.0	173.0	1058.0
GLA4	Loft	1.0	256.1	65.4	256.1
BSMT	Unfinished B	1.0	378.0	83.0	378.0
GAR	Garage	1.0	1024.0	128.0	1024.0
P/P	Deck	1.0	400.0	80.0	
	Covered Por	1.0	60.0	32.0	
	Screened Po	1.0	96.0	40.0	556.0

AREA CALCULATIONS BREAKDOWN

Name	Base x	Height x	Width =	Area
Loft	19.7 x	13.0 =		256.1
First Floor	28.0 x	13.5 =		378.0
	12.5 x	12.0 =		150.0
	26.5 x	20.0 =		520.0

Net LIVABLE cnt 2 (rounded) 1,314

4 total items

(rounded) 1,314

LOT 18 - SUBJECT PHOTOGRAPHS



Cabin on Lot 18



South Side of Cabin



East Side of Cabin



Cabin from Path to Lake



West Side of Cabin



Cabin from Path to Lake

ADDITIONAL PHOTOGRAPHS



Den



1st Floor Bedroom



Bathroom



Kitchen

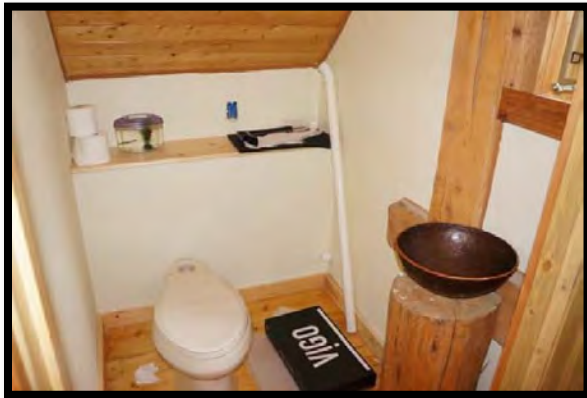


Custom Spiral Staircase

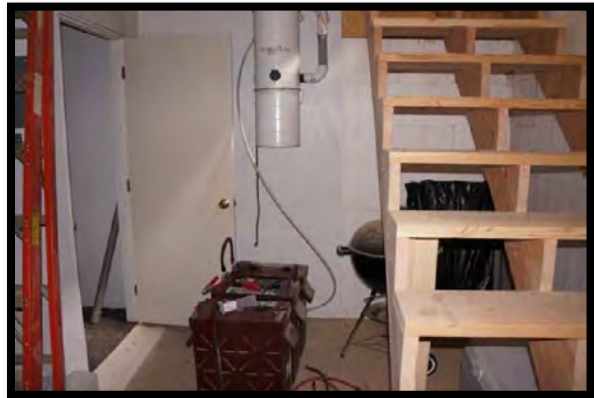


Loft Bedroom

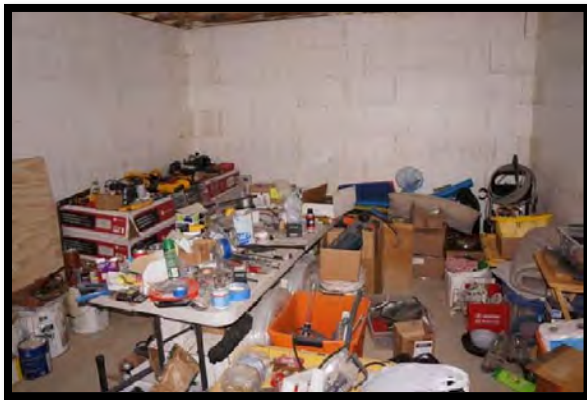
ADDITIONAL PHOTOGRAPHS



Loft Bathroom



Solar Equipment and Whole House Vacuum in Basement



Basement



Water Softener in Basement



Deck



Garage

ADDITIONAL PHOTOGRAPHS



Garage Interior



Well and Generator Vault



View of Beaver Lake



Firepit Area near Lake Front



Pier and Dock



Beaver Lake Looking West

ADDITIONAL PHOTOGRAPHS



Beaver Lake Looking East



View of Lake from Deck



Driveway to Lot 18



Beaver Lease Road Looking East



Beaver Lease Road Looking West

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 1.235 up to 2.410 gross acres. All have frontage along Beaver Lake. The subject lot front footages range from 103.18 up to 220.70. Lots 4, 7, 11A, 13A, and 18 include residences. Lots 5 and 10 were vacant as of the report effective date.

Area Land Use Trends

There are several cabins or homes on sites along Beaver Lake. These cabins/homes 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	30	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 Beaver 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 Beaver 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 Beaver 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 Beaver 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 Beaver 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 properties are in an area of Flathead County with no zoning. For this reason, there are numerous potentially legally permissible uses for the subject properties.

Physically Possible

There is sufficient space on each subject site for a single family residence and related outbuildings. There is not sufficient space on each site for most other types of uses. There is limited vehicular access to the subject properties during winter months. Year round use would require a higher degree of road maintenance than has historically occurred. Residential improvements are physically possible on all of the subject lots.

Financially Feasible

Most similar lots in the area are improved with single family residences. According to our research, most area residences are utilized seasonally for recreational purposes. Use of the subject lots for construction of single family residences is financially feasible.

Maximally Productive

The maximally productive highest and best use for each lot as if vacant, is for construction of a single family residence for recreational and/or residential use.

Highest & Best Use Conclusion

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

AS IMPROVED

Subject Lots 5 and 10 do not include improvements that contribute value to these properties. A highest and best use conclusion for these lots as improved is not applicable.

Subject Lots 4, 7, 11A, 13A, and 18 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.

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.

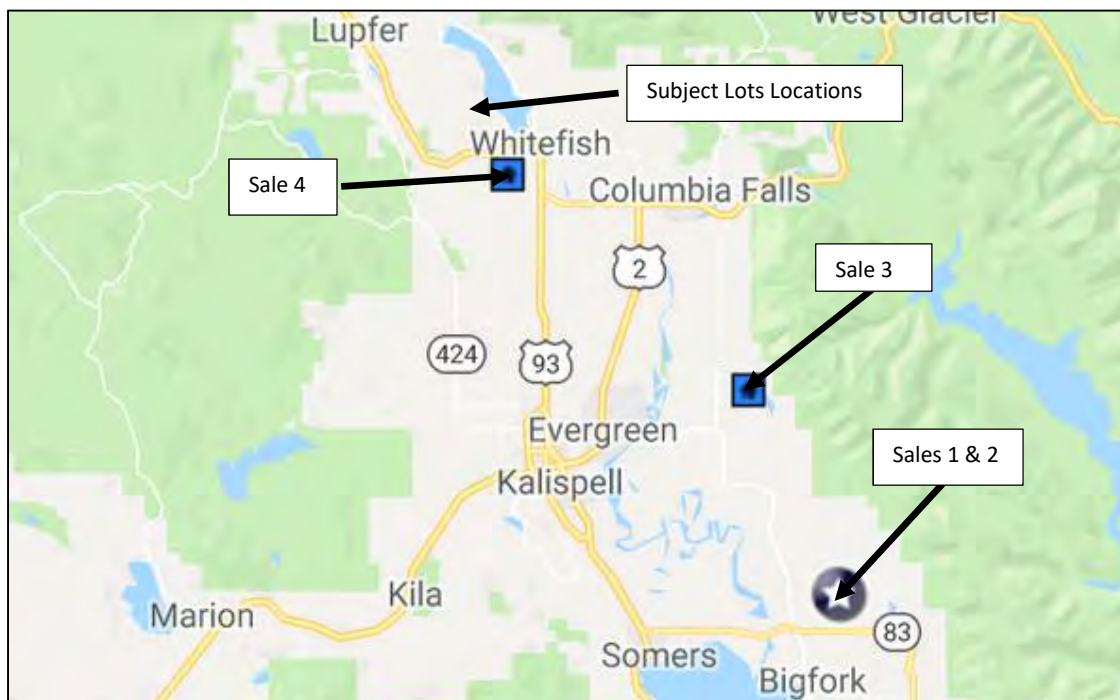
LOT SALES

We conducted a search for sales of sites with frontage along Beaver Lake. No sales (other than those that transferred from MT DNRC to Lessees – all of which 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	804 Abbott Village Dr	Bigfork	Abbot Lake	2018	0.770	96.00	\$270,000	\$10,000	\$260,000	\$2,708
2	804 Abbott Village Dr	Bigfork	Abbot Lake	2018	0.580	95.97	\$210,000	\$0	\$210,000	\$2,188
3	185 Weaver Lane	Kalispell	Lake Blaine	2018	2.036	150.00	\$362,500	\$0	\$362,500	\$2,417
4	638 Leksand Trail	Whitefish	Blanchard Lake	2018	0.750	51.40	\$120,000	\$0	\$120,000	\$2,335

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


Map of Comparable Lot Sales



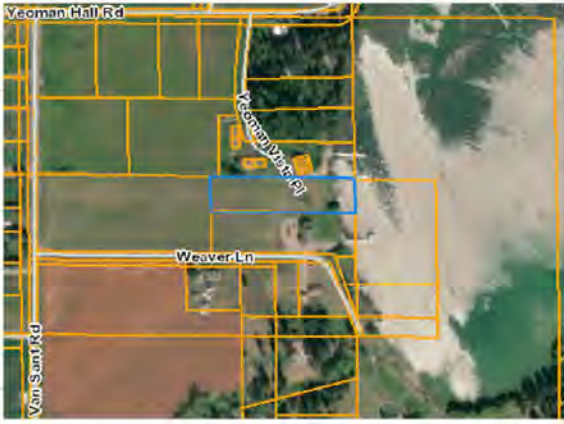
LAND SALE 1

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


LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location	828 Abbot Village Drive	
		Bigfork, Montana	
	County	Flathead	
	Assessor Number	0563250	
	Zoning	SAG-5, Suburban Ag/5 Ac Min	
	Site Size: Acres	0.580	
	Square Feet	25,265	
	Date of Sale	December 27, 2018	
	Sales Price	\$210,000	
		Less Cost of Improvements*	\$0
	Sales Price Adjusted	\$210,000	
	MLS #	21812766	
ANALYSIS OF SALE			
Price per Acre	\$362,069	Price per Square Foot	\$8.31
		Price Per Front Foot	\$2,188
TRANSFER INFORMATION			
Grantor	Hannelore Hahn	Grantee	Laurence C. Carter & Celia Carter
Type of Instrument	Warranty Deed	Document #	201800030816
		Marketing Time	512 Days on Market
Financing/Conditions	Cash/Market	Verified By	Shelby Nash-Hunter, Listing Agent
Legal Description	Lengthy - in appraisal work file	Intended Use/Comments	Purchased for Residential / Recreational Use
Section/Township/Range	S8/T27N/R19W		
PROPERTY DETAILS			
Access	Private Road - Gravel	View	Lake, Mountains
Topography	Sloping	Lot Dimensions	Various
Flood Plain	According to Flathead County GIS Flood Mapping, the portion of this site along the lake is within the 100 year flood plain.	Improvements	None
Water	Abbot Lake	Value of Improvements	\$0
Water Frontage/Front Feet	95.97		
Utilities	Electricity & Telephone	Miscellaneous	
			Report File # 19-023ec

LAND SALE 3

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

LAND SALE 4



Location	638 Leksand Trail
	Whitefish, Montana
County	Flathead
Assessor Number	0975267
Zoning	SAG-10, Suburban Ag/10 Ac Min
Site Size: Acres	0.750
Square Feet	32,670
Date of Sale	November 20, 2018
Sales Price	\$120,000
Less Cost of Improvements*	\$0
Sales Price Adjusted	\$120,000
MLS #	21812486

ANALYSIS OF SALE

Price per Acre	\$160,000	Price per Square Foot	\$3.67
		Price Per Front Foot	\$2,335

TRANSFER INFORMATION

Grantor	Willard R. Randall & Tami Randall	Grantee	David Caplan & Julie Swanson
Type of Instrument	Warranty Deed	Document #	201800028327
		Marketing Time	48 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Sarah Stahlberg, Listing Agent
Legal Description	Tract 3F, Section 2, Township 30 North, Range 22 West, Flathead County, Montana	Intended Use/Comments	Purchased for Residential / Recreational Use
Section/Township/Range	S2/T30N/R22W		

PROPERTY DETAILS

Access	Private Road - Gravel	View	Lake, Mountains
Topography	Sloping	Lot Dimensions	Various
Flood Plain	According to Flathead County GIS Flood Mapping, the portion of this site along the lake is within the 100 year flood plain.	Improvements	None
Water	Blanchard Lake	Value of Improvements	\$0
Water Frontage/Front Feet	51.40	Miscellaneous	Septic approval in process as of sale date. Lot shape is atypical & site is bisected by Leksand Trail.
Utilities	Electricity & Telephone		

Report File # 19-023ec

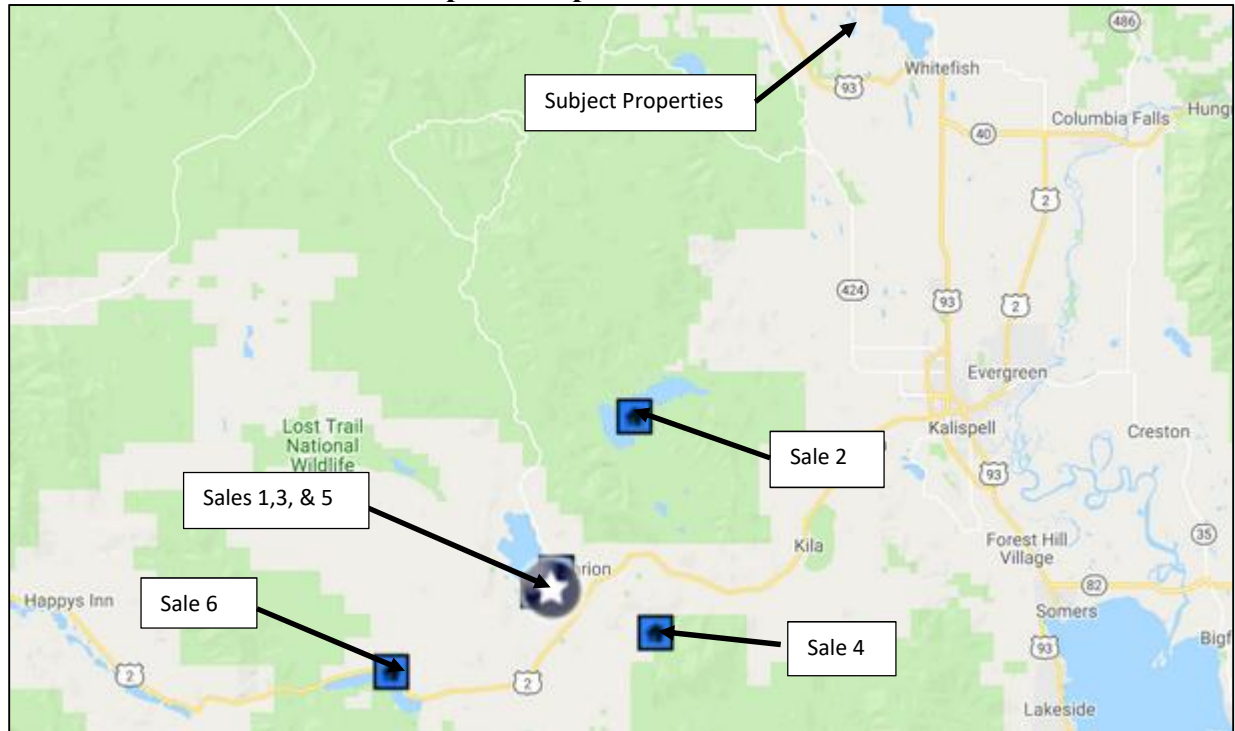
HOME SALES

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 6 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	936 Bitterroot Dr	Marion	Bitterroot Lake	2019	\$350,000	\$250,000	\$100,000
2	4429 Ashley Lake Rd	Kila	Ashley Lake	2018	\$365,000	\$240,000	\$125,000
3	1048 Kelsey Rd	Marion	Bitterroot Lake	2018	\$390,000	\$288,000	\$102,000
4	1436 Rogers Ln	Kila	Rogers Lake	2019	\$513,963	\$300,000	\$213,963
5	1148 Bitterroot Ln	Marion	Bitterroot Lake	2018	\$442,500	\$290,000	\$152,500
6	12370 Paradise Loop	Marion	McGregor Lake	2018	\$442,500	\$250,000	\$192,500

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			
		Location	936 Bitterroot Drive
		City/State	Marion, Montana
		County	Flathead
		Assessor Number	0366460
		Zoning	Little Bitterroot Lake Zoning District
		Site Size: Acres	0.220
		Square Feet	9,583
		Date of Sale	May 24, 2019
		Sales Price	\$350,000
		Adjustment to Sales Price	\$0
Adjusted Sales Price	\$350,000		
MLS #	21903245		
TRANSFER INFORMATION			
Grantor	John Bianchi & Wallis A. Bianchi	Grantee	Scott P. Larkin, Stefanie C. Larkin, Richard R. Heitert, & Francoise M. Heitert
Recording Data	WD #201900009982	Marketing Time	240 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Amber Harper, Listing Agent
Legal Description	Tract 1CC, Section 16, Township 27 North, Range 24 West, Flathead County, Montana	Intended Use	Residential/Recreational
Section/Township/Range	S16/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	Bitterroot Lake	Sales Price	\$350,000
Front Footage	50.00	Estimated Site Value	\$250,000
Access	County Road - Asphalt	Sales Price of Improvements	\$100,000
House Square Feet	772	Improvement Price/SF	\$130
Bedroom/Bathrooms	1 BR/1 BA		
Year Built or Renovated	1965 (Renovated)		
Construction	Wood Frame		
Quality	Average		
Condition	Good		
Water/Sewer	Well & Septic		
Utilities	Electricity & Telephone		
Topography	Level		
Outbuildings	Shed		
Miscellaneous	House includes 440 SF of wood decking.		

Report File # 19-023ec



HOME SALE 2

[illegible]

HOME SALE 3

COMPARABLE SALE INFORMATION			
		Location 1048 Kelsey Road	
		City/State Marion, Montana	
		County Flathead	
		Assessor Number 0971405	
		Zoning Little Bitterroot Lake Zoning District	
		Site Size: Acres 0.280	
		Square Feet 12,197	
		Date of Sale March 19, 2018	
		Sales Price \$390,000	
		Adjustment to Sales Price \$0	
Adjusted Sales Price \$390,000			
MLS # 21709190			
TRANSFER INFORMATION			
Grantor	F. Jerome Doyle & Julie Lyn Doyle Trustees of the F. Jerome Doyle & Julie Lyn Doyle 1995 Trust	Grantee	Lyle Mark Wallner & Nicole Zoe Wallner
Recording Data	WD #201800005355	Marketing Time	960 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Dusty Dziza, Listing Agent
Legal Description	Lot 13A of the Amended Plat of South Half of Lot 13 & 14 and the Retracement of Lot 15, Kelsey's Little Bitterroot Lake Villa Sites	Intended Use	Residential
Section/Township/Range	S16/T27N/R24W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	Bitterroot Lake		
Front Footage	72.00		
Access	County Road - Paved		
House Square Feet	975		
Bedroom/Bathrooms	2 BR/1 BA		
Year Built or Renovated	1950 (Remodeled)		
Construction	Wood Frame	<div style="background-color: #d3d3d3; padding: 2px; font-weight: bold;">Report File # 18-019ec</div>	
Quality	Average		
Condition	Good		
Water/Sewer	Lake Water & Septic		
Utilities	Electricity, Telephone, Internet		
Topography	Slopes down at lake		
Outbuildings	2 Car Garage & Boat House		
Miscellaneous	House includes 961 SF decking.		

HOME SALE 4

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

HOME SALE 5

COMPARABLE SALE INFORMATION



Location	1148 Bitterroot Lane
City/State	Marion, Montana
County	Flathead
Assessor Number	0654969
Zoning	Little Bitterroot Lake Zoning District
Site Size: Acres	0.357
Square Feet	15,551
Date of Sale	July 27, 2018
Sales Price	\$442,500
Adjustment to Sales Price	\$0
Adjusted Sales Price	\$442,500
MLS #	21806423

TRANSFER INFORMATION

Grantor	John L. Hughes & Nancy Kathleen Hughes	Grantee	David J. Stenberg & Kimberly A. Stenberg
Recording Data	WD #201800015515	Marketing Time	58 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Susan Julian, Listing Agent
Legal Description	Lot 16, Certificate of Survey No. 17651, Flathead County, Montana S16/T27N/R24W	Intended Use	Residential/Recreational

DESCRIPTION OF IMPROVEMENTS

ANALYSIS OF SALE


Body of Water	Bitterroot Lake
Front Footage	58.01
Access	County Road - Asphalt
House Square Feet	932
Bedroom/Bathrooms	3 BR/2 BA
Year Built or Renovated	2004
Construction	Wood Frame
Quality	Average
Condition	Good
Water/Sewer	Lake Water & Septic System
Utilities	Electricity & Telephone
Topography	Level Areas with Some Slope
Outbuildings	1 Sheds/2 Car Garage
Miscellaneous	House includes 128 SF of Open Porch, 224 SF of Wood Decking, & Stone Patio. House includes 768 SF of Finished daylight basement area.

Sales Price	\$442,500
Estimated Site Value	\$290,000
Sales Price of Improvements	\$152,500
Improvement Price/SF	\$164



Report File # 19-023ec

HOME SALE 6

COMPARABLE SALE INFORMATION			
		Location 12370 Paradise Loop City/State Marion, Montana County Flathead Assessor Number 0654969 Zoning SC, Scenic Corridor Site Size: Acres 1.412 Square Feet 61,507 Date of Sale July 27, 2018 Sales Price \$442,500 Adjustment to Sales Price \$0 Adjusted Sales Price \$442,500 MLS # 21803684	
TRANSFER INFORMATION			
Grantor Osborne Trust Recording Data WD #201800014877 Financing/Conditions Cash/Market Legal Description Lot 1 of McGregor Lake Estates, Flathead County, Montana Section/Township/Range S5/T26N/R25W		Grantee Neil Kurtz & Mamie Flinn Marketing Time 58 Days on Market Verified By Bobbie Vlasak, Listing Agent Intended Use Residential/Recreational	
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water McGregor Lake Front Footage 166.49 Access County Road - Gravel House Square Feet 1,632 Bedroom/Bathrooms 2 BR/2 BA Year Built or Renovated 1948 (Partially Renovated) Construction Wood Frame Quality Average Condition Average Water/Sewer Well & Septic System Utilities Electricity & Telephone Topography Level Outbuildings 2 Car Garage Miscellaneous House includes 744 SF Deck.		Sales Price \$442,500 Estimated Site Value \$250,000 Sales Price of Improvements \$192,500 Improvement Price/SF \$118	
			
		Report File # 19-023ec	

PROPERTY VALUATIONS

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 #18353, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	2.361	0.770	0.580	2.036	0.750
FRONT FEET ON LAKE	145.76	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping with Level Areas	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	No	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	2.361	0.770	0.580	2.036	0.750
SITE SIZE/FRONT FEET	145.76	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-25%	-25%	-30%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$677	-\$547	-\$725	-\$233
ADJUSTED PRICE PER FRONT FOOT		\$2,031	\$1,641	\$1,692	\$2,101

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. Land Sales 1, 2, and 4 are considered similar to the subject lot in topography and no adjustments were necessary to these sales in this category. Land Sale 3 is more level than the subject lot and is considered superior to the subject in this category. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for Land Sale 3. A downward adjustment of 5% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year. We did not locate appropriate paired sales on which to base an adjustment in this category;

however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site and Land Sales 1, 2, and 3 do not include easements that affect value. No adjustments were necessary for these sales in this category. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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. An upward adjustment of 15% was made to Land Sale 4 based upon this data.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 \$2,031, \$1,641, \$1,692, and \$2,101 per front foot respectively. All weight is accorded the adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage. A market value of \$1,692 per front foot is well supported by this analysis for the subject site as if vacant. The resulting value calculations are below;

145.76 FF @ \$1,692/FF	\$246,626
Rounded To	\$247,000

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 4, COS #18353, BEAVER LAKE, WHITEFISH, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		936 Bitterroot Dr	4429 Ashley Lake Rd	1048 Kelsey Rd
LOCATION		Marion, MT	Kila, MT	Marion, MT
SALES PRICE		\$350,000	\$365,000	\$390,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		05/24/19	06/29/18	03/19/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$350,000	\$365,000	\$390,000
LESS SITE VALUE		(\$250,000)	(\$240,000)	(\$288,000)
ADJUSTED IMPROVEMENT PRICE		\$100,000	\$125,000	\$102,000
ADJUSTMENT FOR:				
LOCATION/SITE	Beaver Lake	Bitterroot Lake	Ashely Lake	Bitterroot Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Good	Good	Average	Good
		\$0	\$12,500	\$0
BATHROOMS	0	1	1	1
		-\$5,000	-\$5,000	-\$5,000
HOUSE SIZE/SF	560	772	1,075	975
		-\$12,296	-\$29,870	-\$24,070
FINISHED BASEMENT/sf	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Outhouse	Equal	Equal	Superior
		\$0	\$0	-\$15,000
TOTAL ADJUSTMENT		-\$17,296	-\$22,370	-\$44,070
NET ADJUSTMENT PERCENTAGE		-17%	-18%	-43%
ADJUSTED PRICE INDICATION		\$82,704	\$102,630	\$57,930

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 comparables are considered similar in quality and no adjustment was necessary in this category.

Condition: The subject residence and Improved Sales 1 and 3 are considered similar in condition and no adjustment was necessary in this category. Improved Sale 2 was considered inferior in condition compared to the subject residence. An upward adjustment of 10% was considered reasonable and appropriate for this sale in this category.

Bathrooms: The subject residence does not include a bathroom. The improved sales include 1 bathroom. Downward adjustments of \$5,000 per difference in bathroom count were made to the improved sales 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 \$58 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 to the right.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Out House	22	Lump Sum Estimate		\$2,000
Total Cost New				\$2,000
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$1,000
Depreciated Cost Estimate				\$1,000
Rounded To				\$1,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$82,704, \$102,630, and \$57,930. Most weight is accorded the adjusted indications from Improved Sales 1 and 2 as these sales required the least overall adjustment. Approximately equal weight is accorded the adjusted indications from these two sales. The average of the indications is \$92,667. A market value of \$93,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

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

Subject Site Value	\$247,000
Subject Improvements Value	<u>\$ 93,000</u>
Total Value Indication	\$340,000

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 #18353, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	2.238	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	128.50	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping with Level Areas	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	Yes	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	2.238	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	128.50	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-30%	-30%	-35%	-15%
TOTAL ADJUSTMENT ADJUSTMENT		-\$813	-\$656	-\$846	-\$350
ADJUSTED PRICE PER FRONT FOOT		\$1,896	\$1,532	\$1,571	\$1,984

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. Land Sales 1, 2, and 4 are considered similar to the subject lot in topography and no adjustments were necessary to these sales in this category. Land Sale 3 is more level than the subject lot and is considered superior to the subject in this category. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for Land Sale 3. A downward adjustment of 5% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year. We did not locate appropriate paired sales on which to base an adjustment in this category;

however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site is crossed by a shared driveway. This shared driveway is considered to affect value. Land Sales 1, 2, and 3 do not include easements that affect value. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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 Land Sales 1, 2 and 3 in this category. An upward adjustment of 10% was considered appropriate for Land Sale 4. Land Sale 4 is bisected by a road; however, the subject easement somewhat offsets the upward adjustment of 15% which was indicated for this sale.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 \$1,896, \$1,532, \$1,571, and \$1,984 per front foot respectively. All weight is accorded the adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage. A market value of \$1,571 per front foot is well supported by this analysis for the subject site. The resulting value calculations are below;

128.50 FF @ \$1,571/FF	\$201,874
Rounded To	\$202,000

LOT 7

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 7, COS #18353, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	1.802	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	136.69	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping with Level Areas	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	Yes	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.802	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	136.69	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-35%	-35%	-40%	-20%
TOTAL ADJUSTMENT ADJUSTMENT		-\$948	-\$766	-\$967	-\$467
ADJUSTED PRICE PER FRONT FOOT		\$1,760	\$1,422	\$1,450	\$1,868

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. Land Sales 1, 2, and 4 are considered similar to the subject lot in topography and no adjustments were necessary to these sales in this category. Land Sale 3 is more level than the subject lot and is considered superior to the subject in this category. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for Land Sale 3. A downward adjustment of 5% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year. We did not locate appropriate paired sales on which to base an adjustment in this category;

however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site is crossed by a shared driveway and includes a small portion of Beaver Lease Road within the lost boundaries. This shared driveway and road location are considered to affect value. Land Sales 1, 2, and 3 do not include easements that affect value. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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 and small portion of road within the site are not considered to have as large an impact as a road bisection. Downward adjustments of 10% were considered appropriate for Land Sales 1, 2 and 3 in this category. An upward adjustment of 5% was considered appropriate for Land Sale 4. Land Sale 4 is bisected by a road; however, the subject easements somewhat offset the upward adjustment of 15% which was indicated for this sale.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 \$1,760, \$1,422, \$1,450, and \$1,868 per front foot respectively. All weight is accorded the adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage. A market value of \$1,450 per front foot is well supported by this analysis for the subject site as if vacant. The resulting value calculations are below;

136.69 FF @ \$1,450/FF	\$198,201
Rounded To	\$198,000

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 7, COS #18353, BEAVER LAKE, WHITEFISH, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		936 Bitterroot Dr	4429 Ashley Lake Rd	1048 Kelsey Rd
LOCATION		Marion, MT	Kila, MT	Marion, MT
SALES PRICE		\$350,000	\$365,000	\$390,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		05/24/19	06/29/18	03/19/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$350,000	\$365,000	\$390,000
LESS SITE VALUE		(\$250,000)	(\$240,000)	(\$288,000)
ADJUSTED IMPROVEMENT PRICE		\$100,000	\$125,000	\$102,000
ADJUSTMENT FOR:				
LOCATION/SITE	Beaver Lake	Bitterroot Lake	Ashely Lake	Bitterroot Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Good	Average	Good
		-\$10,000	\$0	-\$10,200
BATHROOMS	0	1	1	1
		-\$5,000	-\$5,000	-\$5,000
HOUSE SIZE/SF	738	772	1,075	975
		-\$1,972	-\$19,546	-\$13,746
FINISHED BASEMENT/sf	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Outhouse & Dock	Inferior	Inferior	Superior
		\$700	\$700	\$13,300
TOTAL ADJUSTMENT		-\$16,272	-\$23,846	-\$15,646
NET ADJUSTMENT PERCENTAGE		-16%	-19%	-15%
ADJUSTED PRICE INDICATION		\$83,728	\$101,154	\$86,354

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 comparables are considered similar in quality and no adjustment was necessary in this category.

Condition: The subject residence and Improved Sale 2 are considered similar in condition and no adjustment was necessary in this category. Improved Sales 1 and 3 were considered superior in condition compared to the subject residence. Downward adjustments of 10% were considered reasonable and appropriate for these sales in this category.

Bathrooms: The subject residence does not include a bathroom. The improved sales include 1 bathroom. Downward adjustments of \$5,000 per difference in bathroom count were made to the improved sales 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 \$58 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
Pier/Dock	60	Section 67/Page 6	\$23.95	\$1,437
Out House	20	Lump Sum Estimate		\$2,000
Total Cost New				\$3,437
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$1,719
Depreciated Cost Estimate				\$1,719
Rounded To				\$1,700

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$83,728, \$101,154, and \$86,354. Most weight is accorded the adjusted indications from Improved Sales 1 and 3 as these sales required the least overall adjustment. Approximately equal weight is accorded the adjusted indications from these two sales. The average of the indications is \$85,041. A market value of \$85,000 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	\$198,000
Subject Improvements Value	<u>\$ 85,000</u>
Total Value Indication	\$283,000

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 #18353, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	2.410	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	201.94	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Steeply Sloping from Beaver Lease Road	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	Yes	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	2.410	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	201.94	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-45%	-45%	-50%	-30%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,219	-\$985	-\$1,208	-\$700
ADJUSTED PRICE PER FRONT FOOT		\$1,490	\$1,204	\$1,208	\$1,634

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. The subject is steeply sloping from Beaver Lease Road. Land Sales 1, 2, and 4 are sloping but are considered superior to the subject lot in topography. Land Sale 3 is level and is considered far superior to the subject lot in topography. We did not locate appropriate paired sales on which to base adjustments in this category; however, some downward adjustments were considered necessary for the comparables. Downward adjustments of 5% were made to Land Sales 1, 2, and 4 and a downward adjustment of 10% was made to Land Sale 3 in this category. These adjustments are considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year.

We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site is bisected by Beaver Lease Road. This bisection is considered to affect value. Land Sales 1, 2, and 3 do not include easements that affect value. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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 Land Sales 1, 2, and 3 in this category. No adjustment was necessary for Land Sale 4 as it is considered similar to the subject in this category.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 preliminary adjusted indications of value for the subject site of \$1,490, \$1,204, \$1,208, and \$1,634 per front foot respectively. All weight is accorded the preliminary adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage.

Based upon analysis of sales included in the Subject Market Analysis, prices per front foot generally decrease as front footage amount increases assuming other characteristics are equal. Even though Land Sale 3 is the most similar in front footage compared to the subject, it includes a sufficiently lower amount of front footage than the subject site that some downward adjustment is considered necessary.

We did not locate paired sales data on which to credibly determine an appropriate adjustment for the front footage difference between Land Sale 3 and the subject site; however, some downward adjustment is considered appropriate. We have applied a downward adjustment of 10% to the

preliminary adjusted indication from Land Sale 3. The resulting value indication is \$1,087 (\$1,208/Front Foot X 90% = 1,087) per front foot. The resulting value calculations are below;

201.94 FF @ \$1,087/FF

\$219,509

Rounded To

\$220,000

LOT 11A

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 11A, COS #20364, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	2.011	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	220.70	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Steeply Sloping from Beaver Lease Road	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	Yes	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	2.011	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	220.70	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-45%	-45%	-50%	-30%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,219	-\$985	-\$1,208	-\$700
ADJUSTED PRICE PER FRONT FOOT		\$1,490	\$1,204	\$1,208	\$1,634

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. The subject is steeply sloping from Beaver Lease Road. Land Sales 1, 2, and 4 are sloping but are considered superior to the subject lot in topography. Land Sale 3 is level and is considered far superior to the subject lot in topography. We did not locate appropriate paired sales on which to base adjustments in this category; however, some downward adjustments were considered necessary for the comparables. Downward adjustments of 5% were made to Land Sales 1, 2, and 4 and a downward adjustment of 10% was made to Land Sale 3 in this category. These adjustments are considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year.

We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site is bisected by Beaver Lease Road. This bisection is considered to affect value. Land Sales 1, 2, and 3 do not include easements that affect value. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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 Land Sales 1, 2, and 3 in this category. No adjustment was necessary for Land Sale 4 as it is considered similar to the subject in this category.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 preliminary adjusted indications of value for the subject site of \$1,490, \$1,204, \$1,208, and \$1,634 per front foot respectively. All weight is accorded the preliminary adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage.

Based upon analysis of sales included in the Subject Market Analysis, prices per front foot generally decrease as front footage amount increases assuming other characteristics are equal. Even though Land Sale 3 is the most similar in front footage compared to the subject, it includes a sufficiently lower amount of front footage than the subject site that some downward adjustment is considered necessary.

We did not locate paired sales data on which to credibly determine an appropriate adjustment for the front footage difference between Land Sale 3 and the subject site; however, some downward adjustment is considered appropriate. We have applied a downward adjustment of 10% to the

preliminary adjusted indication from Land Sale 3. The resulting value indication is \$1,087 (\$1,208/Front Foot X 90% = 1,087) per front foot. The resulting value calculations are below;

220.70 FF @ \$1,087/FF

\$239,901

Rounded To

\$240,000

Improvement Value Estimate

Home Sales 4, 6, and 8 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 11A, COS #20364, BEAVER LAKE, WHITEFISH, MONTANA				
DESCRIPTION	SUBJECT	SALE 4	SALE 5	SALE 6
IDENTIFICATION		1436 Rogers Ln	1148 Bitterroot Ln	12370 Paradise Loop
LOCATION		Kila, MT	Marion, MT	Marion, MT
SALES PRICE		\$513,963	\$442,500	\$425,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		04/26/19	07/27/18	07/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$513,963	\$442,500	\$425,000
LESS SITE VALUE		(\$300,000)	(\$290,000)	(\$250,000)
ADJUSTED IMPROVEMENT PRICE		\$213,963	\$152,500	\$175,000
ADJUSTMENT FOR:				
LOCATION/SITE	Beaver Lake	Rogers Lake	Bitterroot Lake	McGregor Lake
		\$0	\$0	\$0
QUALITY	Good	Good	Average	Average
		\$0	\$15,250	\$17,500
CONDITION	Good	Good	Good	Average
		\$0	\$0	\$17,500
BATHROOMS	0	2	2	2
		-\$10,000	-\$10,000	-\$10,000
HOUSE SIZE/SF	917	1,733	932	1,632
		-\$53,856	-\$990	-\$47,190
FINISHED BASEMENT/SF	0	0	768	0
		\$0	-\$25,344	\$0
OUTBUILDINGS	None	Superior	Superior	Superior
		-\$12,000	-\$11,000	-\$10,000
TOTAL ADJUSTMENT		-\$75,856	-\$32,084	-\$32,190
NET ADJUSTMENT PERCENTAGE		-35%	-21%	-18%
ADJUSTED PRICE INDICATION		\$138,107	\$120,416	\$142,810

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 or 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 Sale 4 are considered similar in quality and no adjustment was necessary in this category for these sales. Improved Sale 5 and 6 are considered to be inferior in overall quality compared to the subject. Upward adjustments of 10% were considered reasonable and appropriate with respect to quality for these sales.

Condition: The subject residence and Improved Sales 4 and 5 are considered similar in condition and no adjustment was necessary in this category. Improved Sale 6 is considered to be inferior in condition compared to the subject. An upward adjustment of 10% was considered reasonable and appropriate with respect to condition quality for this sale.

Bathrooms: The subject residence does not include a plumbed bathroom. The improved sales include 2 bathrooms. Adjustments of \$5,000 per difference in bathroom count were made to the improved sales 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 \$66 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 Improved Sales 4 and 6 do not include finished basement areas. These sales required no adjustment in this category. Improved Sale 5 includes finished basement area and required a downward adjustment in this category. A downward adjustment of \$33 per square foot is considered reasonable and appropriate for the finished basement area of Improved Sale 5. This 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: The subject residence does not include outbuildings. Adjustments were made for any differences between our estimates of contributory values of the 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 \$138,107, \$120,416 and \$142,810. All weight is accorded the adjusted indication from Improved Sale 6 as this sale required the lowest overall adjustment. A market value rounded up to \$143,000 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	\$240,000
Subject Improvements Value	<u>\$143,000</u>
Total Value Indication	\$383,000

LOT 13A

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 13A, COS #20364, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	1.296	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	203.97	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping with Level Areas	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	Yes	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.296	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	203.97	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-45%	-45%	-50%	-30%
TOTAL ADJUSTMENT ADJUSTMENT		-\$1,219	-\$985	-\$1,208	-\$700
ADJUSTED PRICE PER FRONT FOOT		\$1,490	\$1,204	\$1,208	\$1,634

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. Land Sales 1, 2, and 4 are considered similar to the subject lot in topography and no adjustments were necessary to these sales in this category. Land Sale 3 is more level than the subject lot and is considered superior to the subject in this category. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for Land Sale 3. A downward adjustment of 5% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year. We did not locate appropriate paired sales on which to base an adjustment in this category;

however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site is bisected by Beaver Lease Road and is crossed by a shared driveway. This bisection and shared driveway are considered to affect value. Land Sales 1, 2, and 3 do not include easements that affect value. Land Sale 4 is bisected by a private road.

We located 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 Bisection								
Paired Sale Set 1								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisection	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 Bisection Property	-41%
Paired Sale Set 2								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price*	Road Bisection	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 Bisection Property	-15%
Paired Sale Set 3								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisection	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 Bisection this Property	\$1,400
							Indicated Adjustment for Road Bisection Property	-51%
Paired Sale Set 4								
Sale Address	City	Name of Water Frontage	Site Size/Ac	Site/Front Footage	Sale Date	Sales Price	Road Bisection	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 Bisection this Property	\$1,773
							Indicated Adjustment for Road Bisection 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 Beaver Lease Road.	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 20% (5% more than indicated by Paired Sale Set 2 due to the additional shared driveway associated with the subject property) were made to Land Sales 1, 2, and 3 in this category. A downward adjustment of 5% was made to Land Sale 4 as it is not encumbered with a shared driveway.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 preliminary adjusted indications of value for the subject site of \$1,490, \$1,2049, \$1,208, and \$1,634 per front foot respectively. All weight is accorded the preliminary adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage.

Based upon analysis of sales included in the Subject Market Analysis, prices per front foot generally decrease as front footage amount increases assuming other characteristics are equal. Even though Land Sale 3 is the most similar in front footage compared to the subject, it includes a sufficiently lower amount of front footage than the subject site that some downward adjustment is considered necessary.

We did not locate paired sales data on which to credibly determine an appropriate adjustment for the front footage difference between Land Sale 3 and the subject site; however, some downward

adjustment is considered appropriate. We have applied a downward adjustment of 10% to the preliminary adjusted indication from Land Sale 3. The resulting value indication is \$1,087 (\$1,208/Front Foot X 90% = 1,087) per front foot. The resulting value calculations are below;

203.97 FF @ \$1,087/FF
Rounded To

\$221,715
\$222,000

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 13A, COS #20364, BEAVER LAKE, WHITEFISH, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		936 Bitterroot Dr	4429 Ashley Lake Rd	1048 Kelsey Rd
LOCATION		Marion, MT	Kila, MT	Marion, MT
SALES PRICE		\$350,000	\$365,000	\$390,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		05/24/19	06/29/18	03/19/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$350,000	\$365,000	\$390,000
LESS SITE VALUE		(\$250,000)	(\$240,000)	(\$288,000)
ADJUSTED IMPROVEMENT PRICE		\$100,000	\$125,000	\$102,000
ADJUSTMENT FOR:				
LOCATION/SITE	Beaver Lake	Bitterroot Lake	Ashely Lake	Bitterroot Lake
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Average	Good	Average	Good
		-\$10,000	\$0	-\$10,200
BATHROOMS	0	1	1	1
		-\$5,000	-\$5,000	-\$5,000
HOUSE SIZE/SF	1,031	772	1,075	975
		\$15,022	-\$2,552	\$3,248
FINISHED BASEMENT/sf	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Gazebo, Lean-to, Pole Building, & Outhouse	Inferior	Inferior	Superior
		\$6,700	\$6,700	-\$7,300
TOTAL ADJUSTMENT		\$6,722	-\$852	-\$19,252
NET ADJUSTMENT PERCENTAGE		7%	-1%	-19%
ADJUSTED PRICE INDICATION		\$106,722	\$124,148	\$82,748

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 comparables are considered similar in quality and no adjustment was necessary in this category.

Condition: The subject residence and Improved Sale 2 are considered similar in condition and no adjustment was necessary in this category. Improved Sales 1 and 3 were considered superior in condition compared to the subject residence. Downward adjustments of 10% were considered reasonable and appropriate for these sales in this category.

Bathrooms: The subject residence does not include a bathroom. The improved sales include 1 bathroom. Downward adjustments of \$5,000 per difference in bathroom count were made to the improved sales 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 \$58 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 outbuildings 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
Gazebo	198	Section 12/Page 38	\$57.00	\$11,286
Lean-to	42	Section 17/Page 10	\$16.10	\$676
Pole Building	91	Section 17/Page 10	\$16.10	\$1,465
Outhouse	20	Lump Sum Estimate		\$2,000
Total Cost New				\$15,427
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$7,714
Depreciated Cost Estimate				\$7,714
Rounded To				\$7,700

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$106,722, \$124,148, and \$82,748. Approximately equal weight is accorded the adjusted indications of Improved Sales 1 and 2 as these sales required the lowest overall adjustment. The average of the indications is \$115,435. A market value of \$115,000 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	\$222,000
Subject Improvements Value	<u>\$115,000</u>
Total Value Indication	\$337,000

LOT 18

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 18, COS #18353, BEAVER LAKE, WHITEFISH, FLATHEAD COUNTY, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		804 Abbot Village Dr	828 Abbot Village Dr	168 Weaver Ln	638 Leksand Trail
CITY		Bigfork, MT	Bigfork, MT	Kalispell, MT	Whitefish, MT
SALES PRICE		\$270,000	\$210,000	\$362,500	\$120,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Non-Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		04/02/18	12/27/18	04/02/18	11/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$260,000	\$210,000	\$362,500	\$120,000
SITE SIZE/ACRES	1.235	0.770	0.570	2.036	0.750
FRONT FEET ON LAKE	103.18	96.00	95.97	150.00	51.40
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,708	\$2,188	\$2,417	\$2,335
ADJUSTMENT FOR:					
LOCATION/LAKE NAME & SIZE	Beaver Lake 144 Acres	Abbott Lake 41 Acres	Abbott Lake 41 Acres	Lake Blaine 382 Acres	Blanchard Lake 143 Acres
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping with Level Areas	Sloping	Sloping	Level	Sloping
FRONTAGE/ACCESS	Private Road/Limited Year Round Access	Private Road/Year Round Access	Private Road/Year Round Access	Driveway from County Road/Year Round Access	Private Road/Year Round Access
ZONING	Not Zoned	SAG-5	SAG-5	Not Zoned	SAG-10
EASEMENTS AFFECTING USE	No	No	No	No	Yes
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.235	0.770	0.570	2.036	0.750
SITE SIZE/FRONT FEET	103.18	96.00	95.97	150.00	51.40
TOTAL PERCENTAGE ADJUSTMENT		-25%	-25%	-30%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$677	-\$547	-\$725	-\$233
ADJUSTED PRICE PER FRONT FOOT		\$2,031	\$1,641	\$1,692	\$2,101

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: The subject property includes frontage on Beaver Lake. The comparables include frontage along relatively small lakes in Flathead County which are considered to have the most similar marketability compared to the subject lake. The subject lake is bracketed in size by the comparable lakes. No adjustment was supported by available market data or considered necessary in this category.

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. Land Sales 1, 2, and 4 are considered similar to the subject lot in topography and no adjustments were necessary to these sales in this category. Land Sale 3 is more level than the subject lot and is considered superior to the subject in this category. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for Land Sale 3. A downward adjustment of 5% was made to this sale in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to lot topography.

Frontage/Access: The subject lot includes frontage along a gravel road which historically has not been accessible by automobile during winter months. The comparables have frontage along privately owned or county owned roads which are maintained and accessible throughout the year. We did not locate appropriate paired sales on which to base an adjustment in this category;

however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 10% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to the risk due to the historically seasonal subject road access. This adjustment includes consideration for the potential of a shared road agreement between area property owners which could result in winter maintenance of the subject access road.

Zoning: The subject property is in an area with no zoning. The comparables were either in agricultural zoning districts or not zoned. Based upon analysis of highest and best uses for the subject and comparables, no adjustments were necessary in this category.

Easements Affecting Value: The subject site and Land Sales 1, 2, and 3 do not include easements that affect value. No adjustments were necessary for these sales in this category. Land Sale 4 is bisected by a private road.

We located 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. Bisecting road considered most similar to Beaver Lease Road.	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. An upward adjustment of 15% was made to Land Sale 4 based upon this data.

Electricity/Telephone: The subject property does not have access to electricity and telephone service. The comparables all have access to electricity and telephone service. We did not locate appropriate paired sales on which to base an adjustment in this category; however, some downward adjustment was considered necessary for all of the comparables. Downward adjustments of 15% were to all of the comparables in this category. This adjustment is considered reasonable and indicative of the actions of market participants relative to potential additional residential development costs due to lack of access to electricity and telephone service.

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 \$2,031, \$1,676, \$1,692, and \$2,101 per front foot respectively. All weight is accorded the adjusted indication from Land Sale 3 as it is most similar to the subject in the amount front footage. A market value of \$1,692 per front foot is well supported by this analysis for the subject site as if vacant. The resulting value calculations are below;

103.18 FF @ \$1,692/FF	\$174,581
Rounded To	\$175,000

Improvement Value Estimate

Home Sales 4, 5, and 6 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 18, COS #18353, BEAVER LAKE, WHITEFISH, MONTANA				
DESCRIPTION	SUBJECT	SALE 4	SALE 5	SALE 6
IDENTIFICATION		1436 Rogers Ln	1148 Bitterroot Ln	12370 Paradise Loop
LOCATION		Kila, MT	Marion, MT	Marion, MT
SALES PRICE		\$513,963	\$442,500	\$425,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		04/26/19	07/27/18	07/20/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$513,963	\$442,500	\$425,000
LESS SITE VALUE		(\$300,000)	(\$290,000)	(\$250,000)
ADJUSTED IMPROVEMENT PRICE		\$213,963	\$152,500	\$175,000
ADJUSTMENT FOR:				
LOCATION/SITE	Beaver Lake	Rogers Lake	Bitterroot Lake	McGregor Lake
		\$0	\$0	\$0
QUALITY	Very Good	Good	Average	Average
		\$21,396	\$30,500	\$35,000
CONDITION	Good	Good	Good	Average
		\$0	\$0	\$17,500
BATHROOMS	1.5	2	2	2
		-\$2,500	-\$2,500	-\$2,500
HOUSE SIZE/SF	1,314	1,733	932	1,632
		-\$27,654	\$25,212	-\$20,988
FINISHED BASEMENT/SF	0	0	768	0
		\$0	-\$25,344	\$0
OUTBUILDINGS	Garage	Inferior	Inferior	Inferior
		\$5,500	\$6,500	\$7,500
TOTAL ADJUSTMENT		-\$3,258	\$34,368	\$36,512
NET ADJUSTMENT PERCENTAGE		-2%	23%	21%
ADJUSTED PRICE INDICATION		\$210,705	\$186,868	\$211,512

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 or 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 superior in quality compared to all three Improved Sales. Upward adjustments of 10% per category difference were made to the comparables

Condition: The subject residence and Improved Sales 4 and 5 are considered similar in condition and no adjustment was necessary in this category. Improved Sale 6 is considered to be inferior in condition compared to the subject. An upward adjustment of 10% was considered reasonable and appropriate with respect to condition quality for this sale.

Bathrooms: The subject residence includes 1.5 bathrooms. Adjustments of \$2,500 per half bath difference were made to the comparables 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 \$66 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 Improved Sales 4 and 6 do not include finished basement areas. These sales required no adjustment in this category. Improved Sale 5 includes finished basement area and required a downward adjustment in this category. A downward adjustment of \$33 per square foot is considered reasonable and appropriate for the finished basement area of Improved Sale 5. This 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 outbuildings was estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Garage	1,024	Section 12/Page 35	\$34.25	\$35,072
Total Cost New				\$35,072
Less Depreciation - Age/Life - 10/20 Years = 50%				<u>-17,536</u>
Depreciated Cost Estimate				\$17,536
Rounded To				\$17,500

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$210,705, \$186,868, and \$211,512. All weight is accorded the adjusted indication from Improved Sale 4 as this sale required the lowest overall adjustment. A market value rounded up to \$211,000 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	\$175,000
Subject Improvements Value	<u>\$211,000</u>
Total Value Indication	\$386,000

Comments Regarding Reported Expenditures in Relation to Concluded Value of Residence

The lessees reported spending a total of \$315,625 on the residence since the 2017 purchase of the leasehold improvements for \$50,000. The total reported expenditure of \$365,625 equates to a price per square foot of the subject residence of \$278.25. There were no recent sales of residences on smaller area lakes in Flathead County located that would result in an adjusted indication of value for the subject residence at \$278.25 per square foot. The improved comparable sales were the best and most recent available and provide a credible opinion of market value for the subject residence.

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
4	\$247,000	\$93,000	\$340,000	6/25/2019
5	\$202,000	\$0	\$202,000	6/25/2019
7	\$198,000	\$85,000	\$283,000	6/25/2019
10	\$220,000	\$0	\$220,000	6/25/2019
11A	\$240,000	\$143,000	\$383,000	6/25/2019
13A	\$222,000	\$115,000	\$337,000	6/25/2019
18	\$175,000	\$211,000	\$386,000	6/25/2019

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

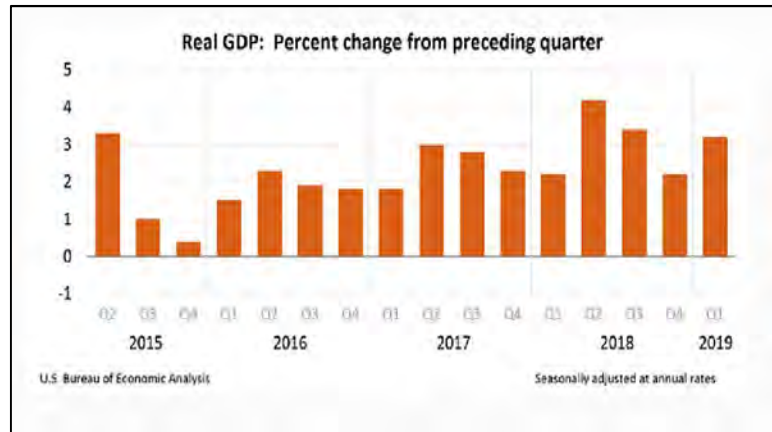


Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
<https://elbiz.mt.gov/pol>

ADDENDUM

NATIONAL ECONOMIC DATA

Real GDP increased by an annual rate of 3.2% in the first quarter of 2019 after increasing 2.2% in the fourth quarter of 2018 according to the Bureau of Economic Analysis of the US Department of Commerce (BEA). According to the BEA, the increase in real GDP reflected positive contributions from personal consumption expenditures, private inventory investment, exports, state and local government spending, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased. These contributions were partly offset by a decrease in residential investment. The acceleration in real GDP growth in the first quarter reflected an upturn in state and local government spending, accelerations in private inventory investment and in exports, and a smaller decrease in residential investment.



STATE ECONOMIC DATA

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

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

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

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

FLATHEAD COUNTY DATA

The subject properties are located outside of the city limits of Whitefish. 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%
Total	365	268	236	112	66	73	87	113	189	174	137	168	183	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.

WHITEFISH CITY AND NEIGHBORHOOD ECONOMIC DATA

The subject properties are located in greater Whitefish but approximately 12 miles driving distance from the city limits. Schools, churches, shopping, and employment are available in Whitefish and the city periphery.

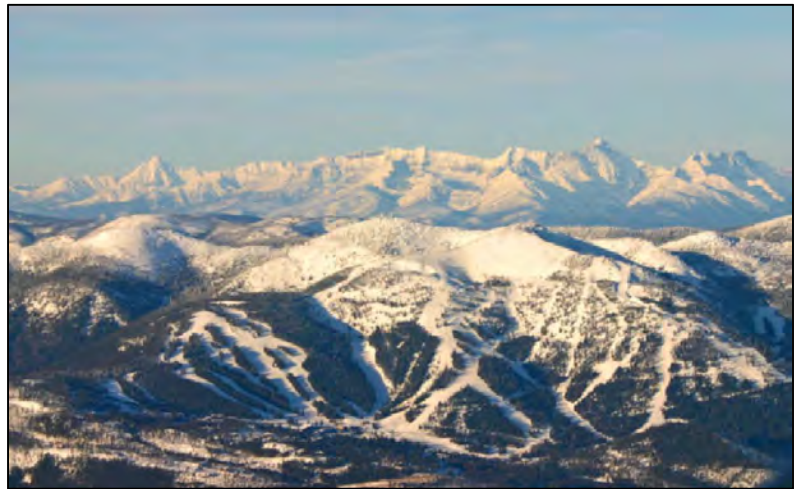
Whitefish Economic Data

Whitefish began as a railroad and logging community and has developed into a resort community due to proximity of Whitefish Mountain Ski Resort, Whitefish Lake, Glacier National Park and other area recreation attractions. Many local businesses are hospitality oriented.

Population and Income

According to ESRI estimates based upon US Census data, the population of the city of Whitefish in 2018 was 7,180. The population is forecasted to increase to 7,793 in 2023 or at rate of approximately 1.7% per year.

According to ESRI estimates based upon US Census data, the median household income in 2018 for Whitefish was \$51,215 with annual increases of approximately 1.8% per year through 2023. The 2018 median household income in Whitefish is approximately 1.6% less than the median household income in Flathead County.



Employment

Area employers include: financial institutions; federal, county or city government; retail businesses; restaurants; bars; and small locally owned businesses. Some area residents commute to Kalispell or surrounding areas for employment.

Approximately 40% of the employed civilian population 16 years or older is in service, sales or office occupations. The service sectors employ the largest number of individuals which provides an indication of the importance of tourism to the Whitefish economy.

Linkages & Transportation

US Highway 93 is considered a primary corridor in Whitefish providing access to Kalispell to the south. East of the central business district, US Highway 93 runs north to south and is known as Spokane Avenue. At the corner of 2nd Street West and Spokane Avenue, US Highway 93 turns west. It continues to the southwest through Lincoln County and on to the Canadian border which is approximately 60 miles southwest of Whitefish. Montana Highway 40 runs east from Whitefish to US Highway 2 which provides access to Glacier National Park.

A train depot is located on the north side of Whitefish and provides public transportation via Amtrak. The Burlington Northern Santa Fe Railroad freight rail service also runs through Whitefish.

Commercial Real Estate

The central business district was developed over the last century. Most businesses along Central Avenue have “western” style facades. The look of the area has basically remained unchanged as buildings are periodically purchased and renovated. Small local shops, bars and restaurants are mixed with professional and governmental offices and financial institutions.

There are a relatively large number of local businesses that cater to seasonal residents and tourists. The central business district has generally been in the revitalization stage of development since 2004.

In 2009 work began on publicly funded street renovations for Central Avenue which included installation of curbing and landscaping. These street renovations are part of a long term beautification plan for the central business district.



A new City Hall building was completed in 2017 in downtown Whitefish. The new building is approximately 20,000 square feet in size and includes spaces for municipal offices, a parking garage, and retail spaces.

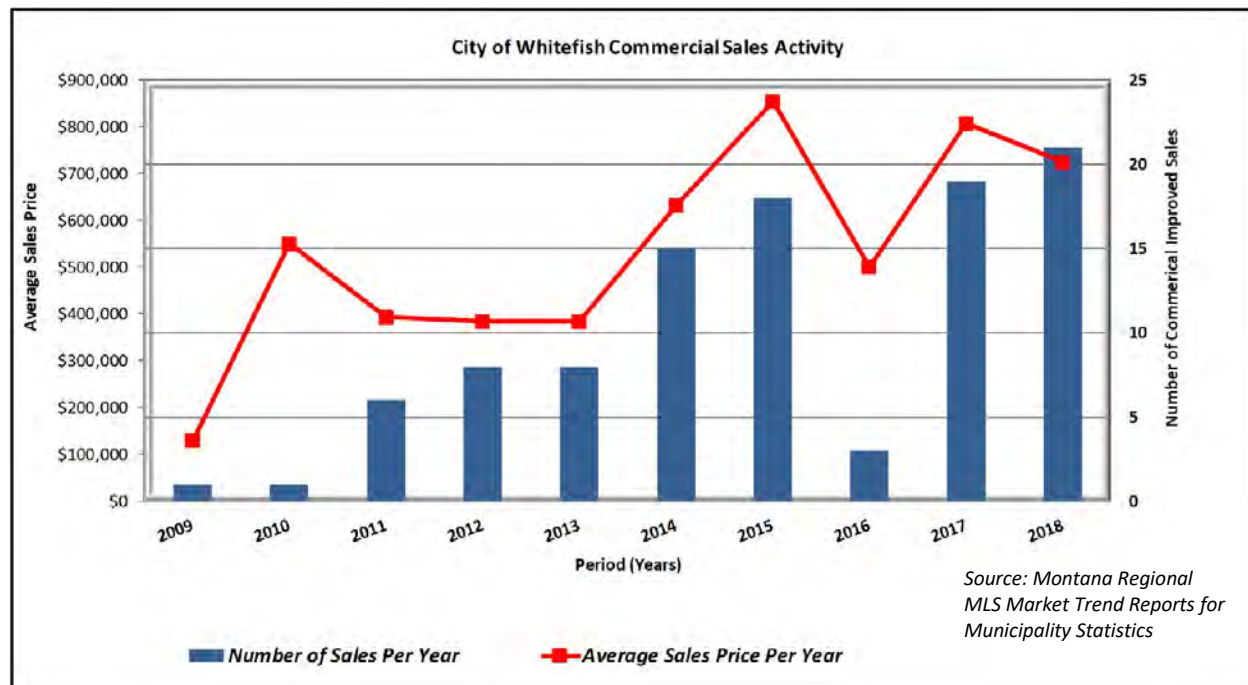
The “Railway District” is located west of the central business district. This area was also undergoing revitalization in recent years. It was growing in popularity due to the commercial zoning and close proximity to the central business district. The property in this area have typically offered a more affordable option than Central Avenue for business owners requiring retail and office space.

Baker Avenue is a secondary commercial thoroughfare of Whitefish. There are various offices, retail buildings, and light industrial businesses along Baker Avenue. Other commercial improvements along Baker Avenue include an aquatic and fitness center completed in 2004 and a recently completed emergency services center.

There are also businesses along the US Highway 93 corridor on the south side of Whitefish. These include professional offices, banks, grocery stores, car dealerships, gas stations, motels, restaurants and retail businesses. The new North Valley Hospital facility and a medical campus with a number of physician’s offices was recently completed along this corridor.

There were 42 commercial building permits issued in 2018 in Whitefish. That total is up slightly from 41 permits issued 2017. These totals include commercial renovations and alterations as well as new construction.

The chart below depicts sales volume and average sales price per year for improved commercial sales for the past ten years in the municipal areas of Whitefish;

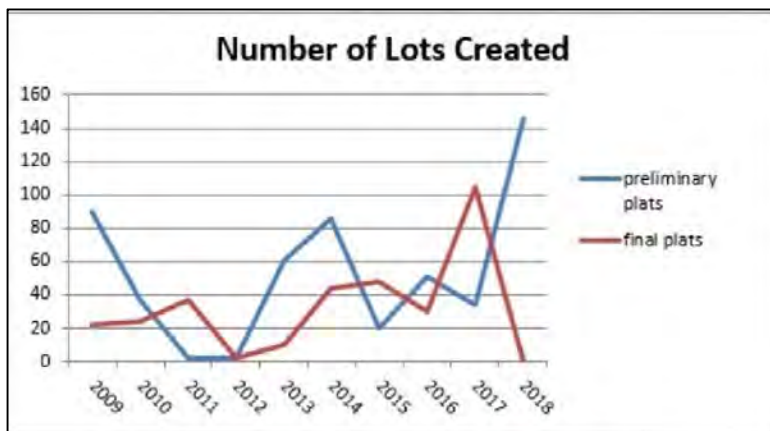


The peak in volume for improved commercial property occurred in 2018 and peak pricing for the decade occurred in 2015. Annual Demand increased from a low of 1 sale in 2009 to 21 in 2018. This data only represents existing commercial property that transferred via the area MLS. There are relatively few commercial sales in Whitefish each year. Due to the small data set, statistical analysis is difficult and the data is subject to wide swings. The number of commercial building permits issued for new construction in Whitefish was 11 in 2016, 5 in 2017, and 5 in 2018. The building permit data is also an indicator of demand.

Residential Development & Absorption

According to the City of Whitefish Planning and Building Department 2018 Annual Report, the city expanded its boundaries by 31.1 acres in 2018. Over the past decade, the city has increased in size approximately 309 acres due to annexation. A chart depicting the number of subdivision lots awarded preliminary and final plat approval in the city is to the right.

The annual total number of lots in subdivisions awarded final plat approval decreased in 2018 compared to 2017; however, the number of subdivisions award preliminary plat approval increased significantly from 2017 to 2018.



Residential construction permits issued in Whitefish from 2009 through 2018 are detailed on the table below.

Residential Construction Permits - Whitefish										
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family	14	23	36	51	75	72	48	49	57	64
Townhouse/Duplex	0	0	2	6	6	6	12	16	22	40
Multi-Family	0	3	0	3	0	15	7	91	24	54
Manufactured Home	0	0	0	0	0	0	0	0	0	0
Total	14	26	38	60	81	93	67	156	103	158

The total number of residential construction permits has generally increased each year since 2009. The number of permits issued in 2018 is the highest for the period.

The chart below depicts sales volume and median price per property for all improved residential sales since 2009 in the municipal areas of Whitefish;



The peak in volume for improved residential property for the decade occurred in 2017. Peak pricing occurred in 2018.

Conclusion

In conclusion, continued growth and expansion for the greater Whitefish area is considered likely in the long term. In 2018, the City of Whitefish annexed 31.1 acres into the city limits. 2018 saw increases in the numbers of commercial and residential building permits issued. The average home price increased 13% from 2017 to 2018. The demand for workforce and multi-family type housing is expected to spur growth in the commercial and residential sectors. A Workforce Housing Needs Assessment conducted by the City of Whitefish in 2016 concluded that there would be a need for 980 new residential units by 2020. While the current state of the Whitefish real estate market appears strong, the economies of local markets are tied to overall national economic health. Challenges like workforce housing and growth in the residential and commercial real estate markets are dependent on the health of the national economy, local job creation, and housing affordability. Overall the outlook for Whitefish is positive but guarded.

MAP OF WHITEFISH AND SURROUNDING AREAS



SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 8)

**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 Beaver 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 Steve & Jennifer Burrough; Lonnie & Catherine Collinsworth; Barnes Revocable Trusts; John Ulitsch; Keri Thorn & Richard Graves; Ginger Theissen & Nicolette Ward; and Felicia & Dave Hutchison. 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 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 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 seven (7) cabin sites identified in the Supplemental Appraisal Instructions.

The subject property must be valued with the actual or hypothetical condition that the cabin site or home site has legal access.

All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparable sales used should preferably be most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county. Use comparable sales of like properties.

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

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

Supplemental Appraisal Instructions: 2019 Beaver Lake Appraisals

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

Subject Properties Located on Beaver Lake in Flathead County:

Sale #	Acres	Legal Description
983	2.361 ±	Lot 4, Beaver Lake T31N-R22W, Sec. 20, Flathead County
984	2.238 ±	Lot 5, Beaver Lake T31N-R22W, Sec. 20, Flathead County
985	1.802 ±	Lot 7, Beaver Lake T31N-R22W, Sec. 20, Flathead County
986	2.41 ±	Lot 10, Beaver Lake T31N-R22W, Sec. 20, Flathead County
987	2.011 ±	Lot 11A, Beaver Lake T31N-R22W, Sec. 20, Flathead County
988	1.296 ±	Lot 13, Beaver Lake T31N-R22W, Sec. 20, Flathead County
989	1.235 ±	Lot 18, Beaver Lake T31N-R22W, Sec. 20, Flathead County

DNRC Contact Information:

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

Lessees:

(see DNRC contact for lessee information)

Sale 983 Steve & Jennifer Burrough	Sale 984 Lonnie & Catherine Collinsworth	Sale 985 Barnes Revocable Trusts	Sale 988 John Ulitsch
Sale 987 Keri Thorn & Richard Graves	Sale 988 Ginger Theissen & Nicolette Ward	Sale 989 Felicia & Dave Hutchison	

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



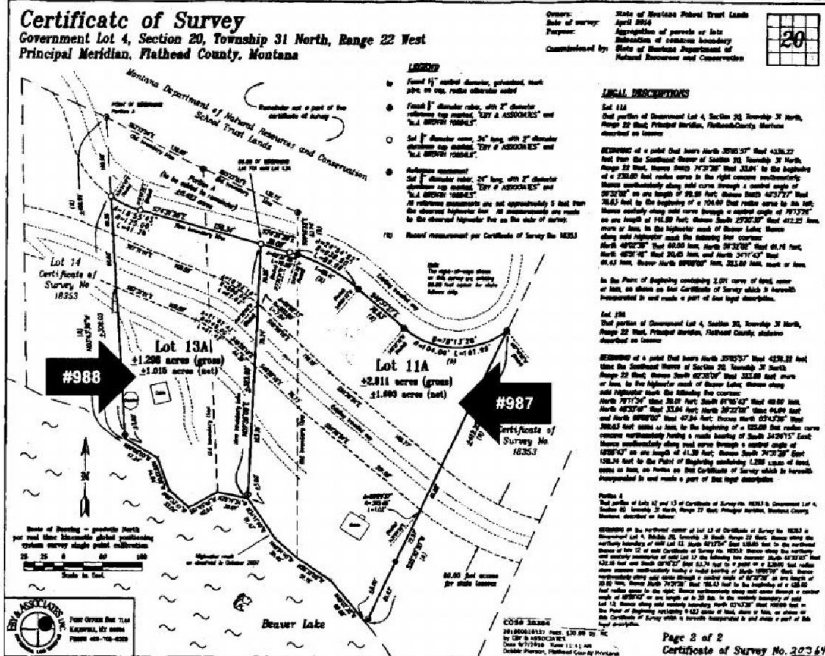
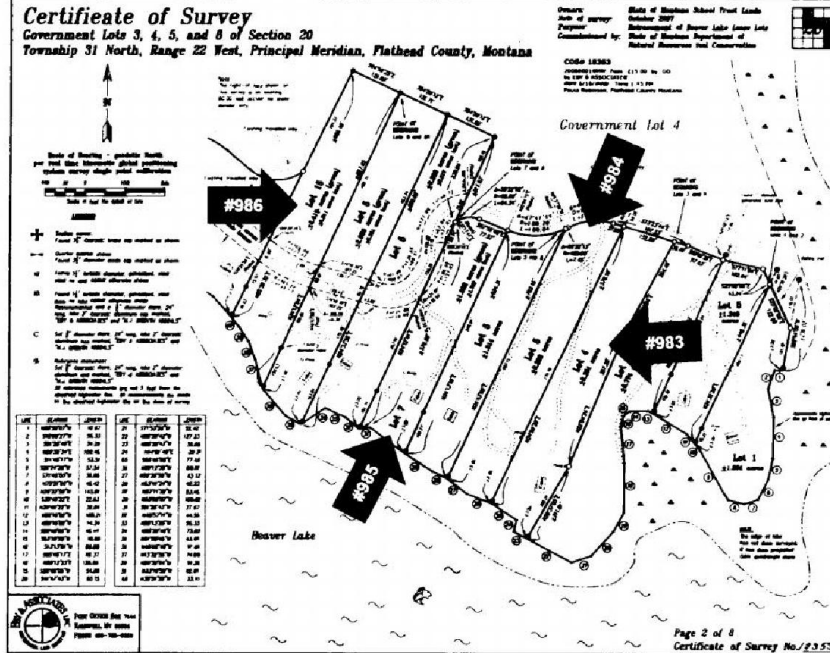
Beaver Lake
T31N-R22W, Sec. 20, Flathead County



Rev 201610

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SALE PARCELS SURVEYS



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