

APPRAISAL REPORT OF:

**LOTS 6, 10, 15, 22, & 23 OF # 4921
SEELEY LAKE, MISSOULA COUNTY, MONTANA**



PREPARED FOR:

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

MARKET VALUES AS OF:

July 8, 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

October 15, 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 6, 10, 15, 22, and 23 of COS #4921, Section 20, Township 15 North, Range 14 West,
Seeley Lake, Missoula County, Montana

Dear Ms. Motichka:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 8, 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.

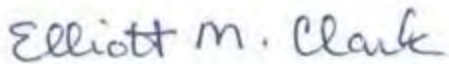
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We were not provided with soil studies for the subject sites. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any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

19-025ec

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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 6, 10, 15, 22, & 23, COS #4921, Section 20, Township 15 North, Range 14 West, Missoula County, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-063-0018.00
Flood Zone	Area Not Mapped by FEMA
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	October 15, 2019
Inspection Date(s)	July 8, 2019
Effective Date of Value(s)	July 8, 2019
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuation Section of Report & Page 115 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 115 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 115 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 1 to 3 month marketing and exposure times. The appraised values for subject lots, as improved, are based upon 3 to 6 month marketing and exposure times. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

APPRAISER INFORMATION

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

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

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

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



Dated Signed: October 15, 2019
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: October 15, 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 6, 10, 15, 22, and 23 of COS #4921, Elbow Lake, Seeley Lake, Missoula County, Montana.

The appraisers were asked to provide opinions of the market values of the fee simple interests in the sites and improvements for the subject property for decisions regarding potential sale of the properties.

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on July 8, 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, Missoula County Records, and the area Multiple Listing Service.

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

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

Extraordinary Assumption(s)

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

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:

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

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

IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County
6	1026	4921	S20/T16N/R14W	Missoula
10	1027	4921	S20/T16N/R14W	Missoula
15	1028	4921	S20/T16N/R14W	Missoula
22	1037	4921	S20/T16N/R14W	Missoula
23	1029	4921	S20/T16N/R14W	Missoula

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject properties by the client. This report was prepared for the 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
6	1026	Jim & Rebecca Sparks
10	1027	Jeffrey Denning & Terry Martin-Denning
15	1028	Gayla Nicholson & Jeff Dickerson
22	1037	Steve & Annette M. Jarvis
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning

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

July 8, 2019

EFFECTIVE DATE OF MARKET VALUES

July 8, 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

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	Last Transfer Document
6	1026	Jim & Rebecca Sparks	Bill of Sale (Book 977, Page 944) Recorded 4/13/2017. Per Lessee's the price paid for the improvements was \$170,000.
10	1027	Jeffrey Denning & Terry Martin-Denning	Bill of Sale (Book 793, Page 598) Recorded 3/13/2007.
15	1028	Gayla Nicholson & Jeff Dickerson	No Bill of Sale located. Per Lessee, the leasehold improvements transferred on 2/15/2019 for \$22,000.
22	1037	Steve & Annette M. Jarvis	Bill of Sale (Book 988, Page 1099) Recorded 10/31/2007
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	Bill of Sale (Book 983, Page 1291) Recorded 8/03/2017. Leasehold improvements transferred for \$65,000.

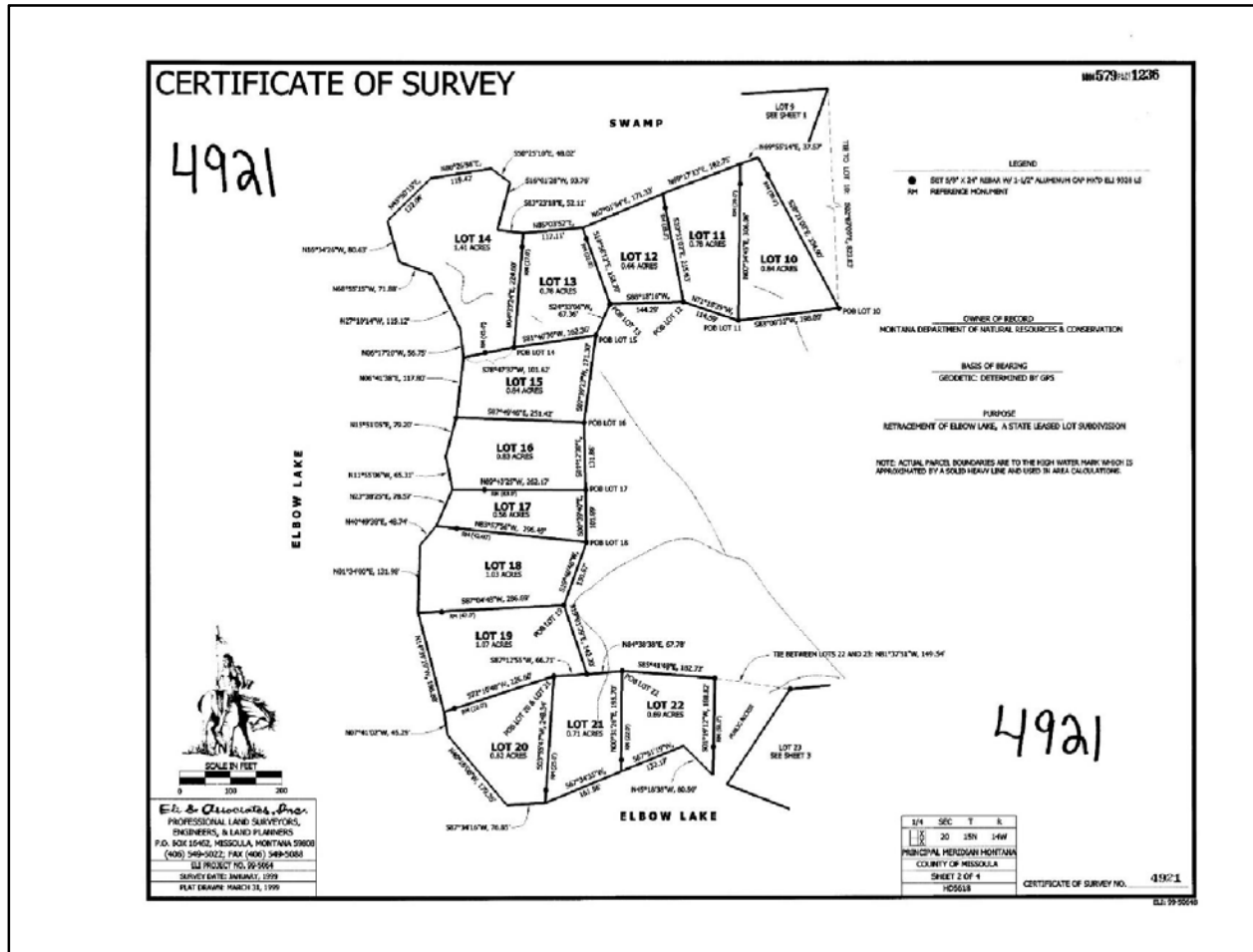
USE/MARKETING HISTORIES

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;

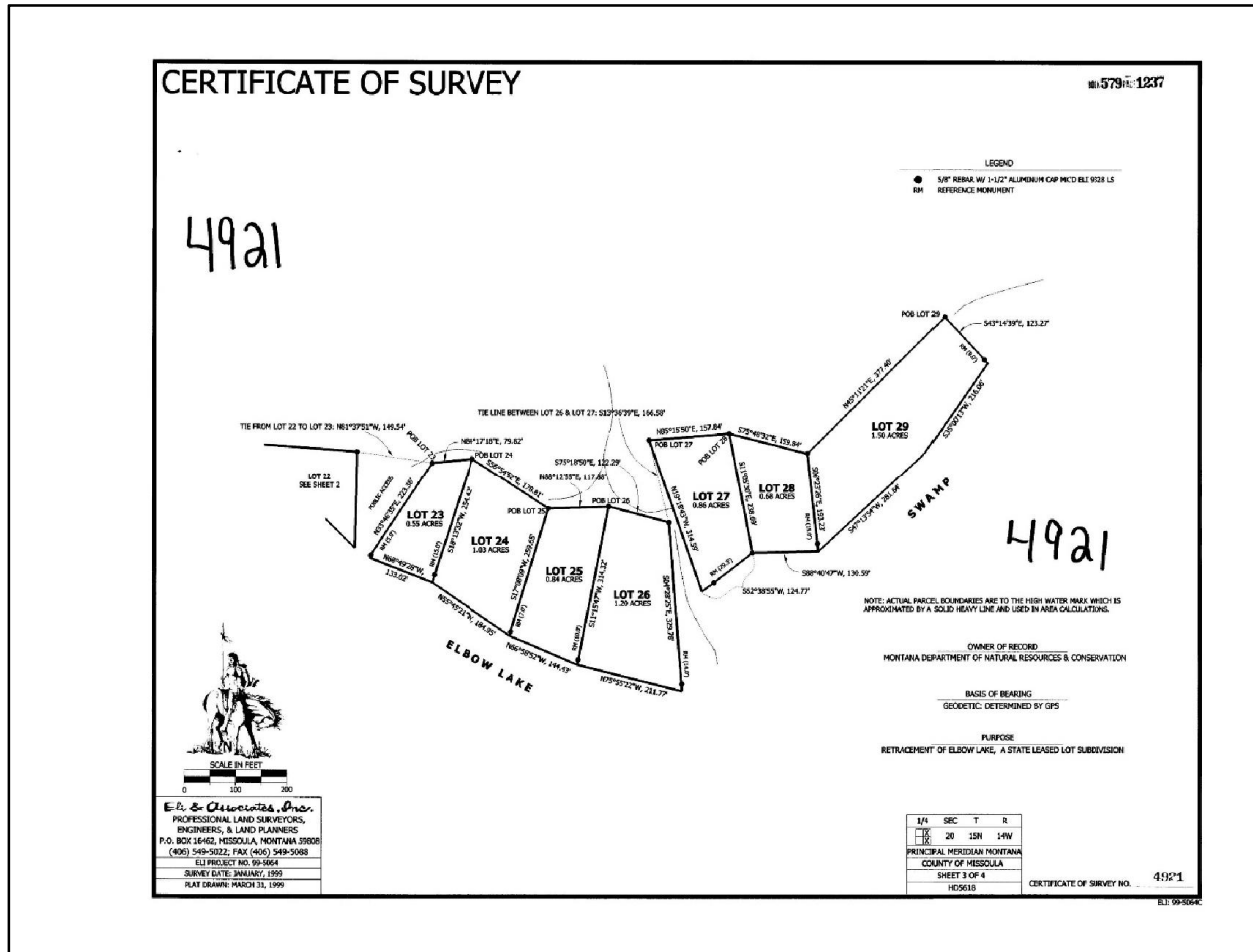
Lot #	Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
6	1026	Jim & Rebecca Sparks	1960 (Renovated)	N/A
10	1027	Jeffrey Denning & Terry Martin-Denning	1965	N/A
15	1028	Gayla Nicholson & Jeff Dickerson	1960	N/A
22	1037	Steve & Annette M. Jarvis	1955 (Renovated)	N/A
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	1972	MLS Listing 21708439. Listed for \$67,000 and sold for \$65,000 in 28 days.

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.

Subject Lots 10, 15, and 22 are on page 2 COS #4921 below;

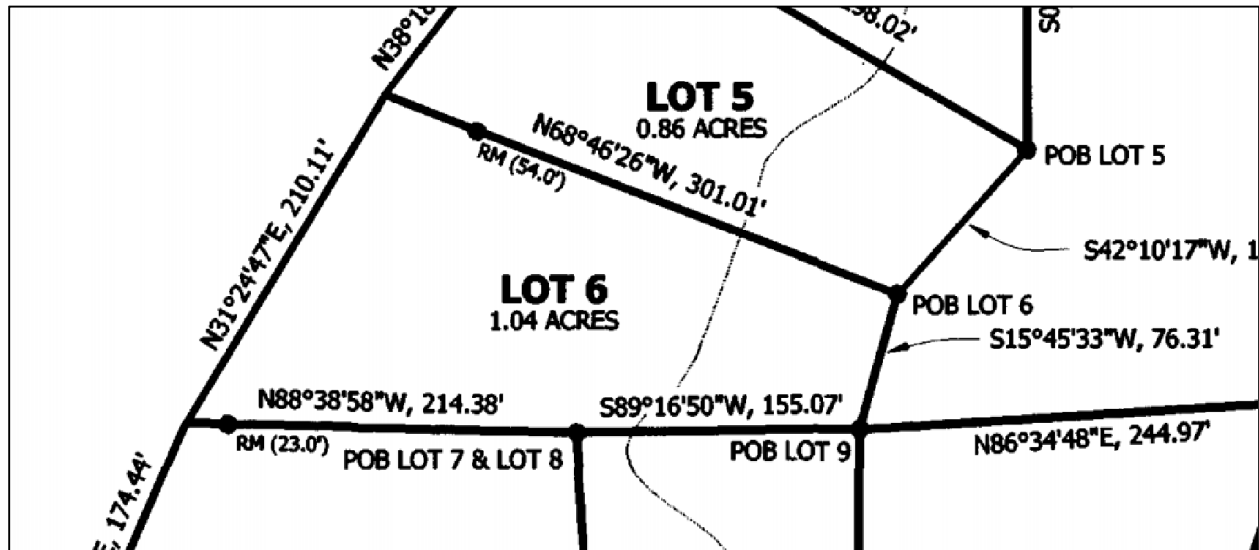


Subject Lot 23 is on Page 3 of COS#4921 below;

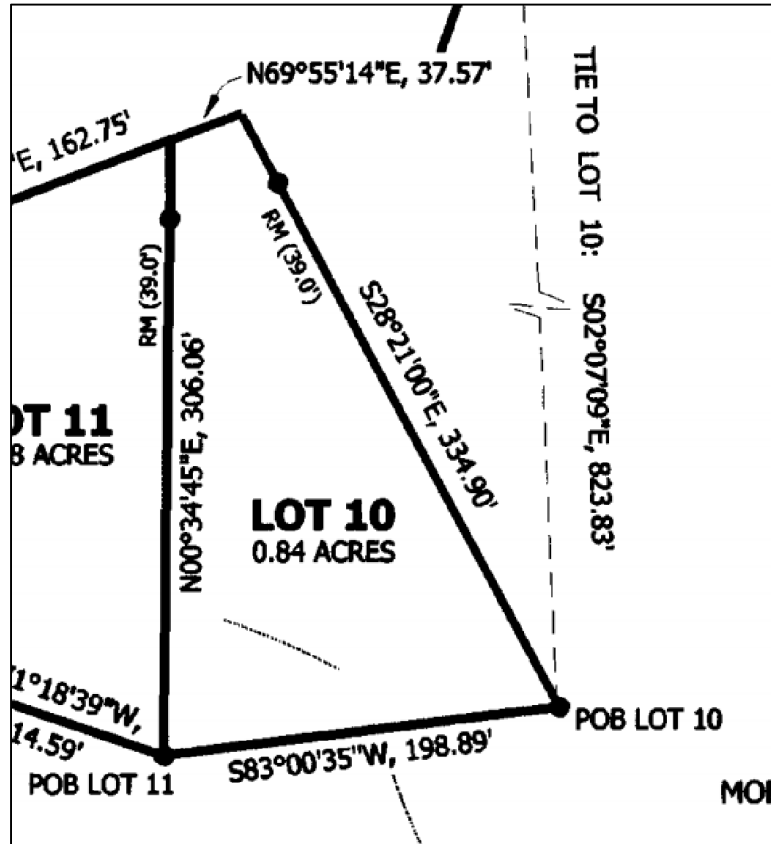


Enlarged views of each site as part of COS #4921 are included on the following pages.

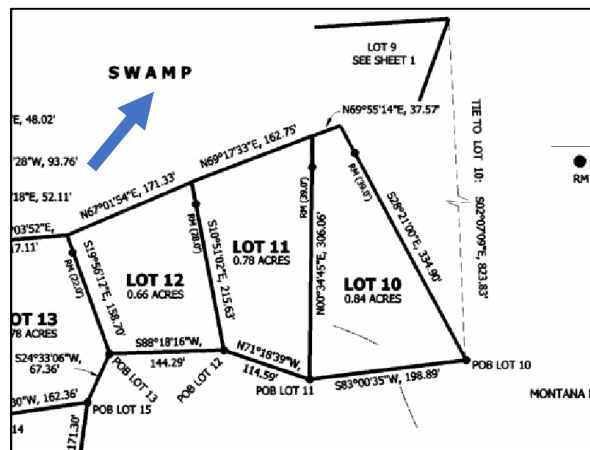
LOT 6
Enlarged View of COS #4921



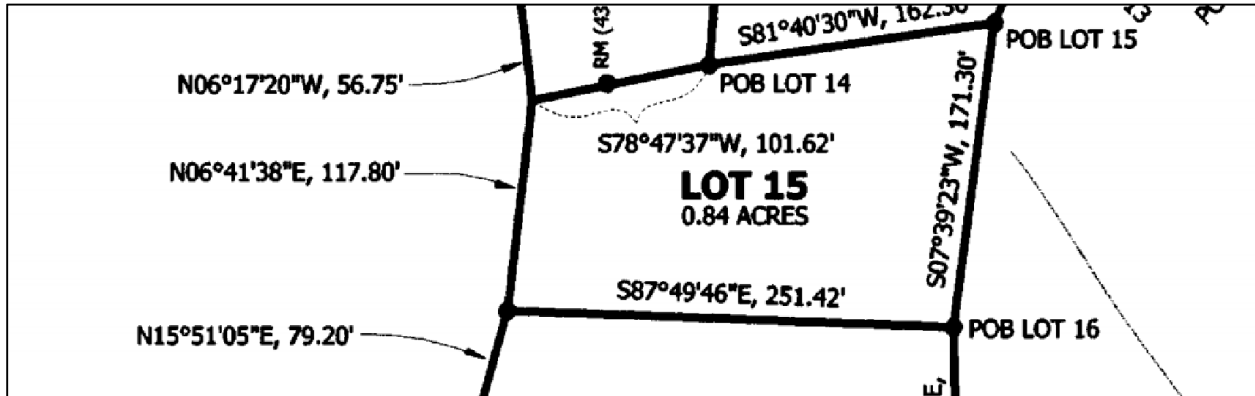
LOT 10
Enlarged View of COS #4921



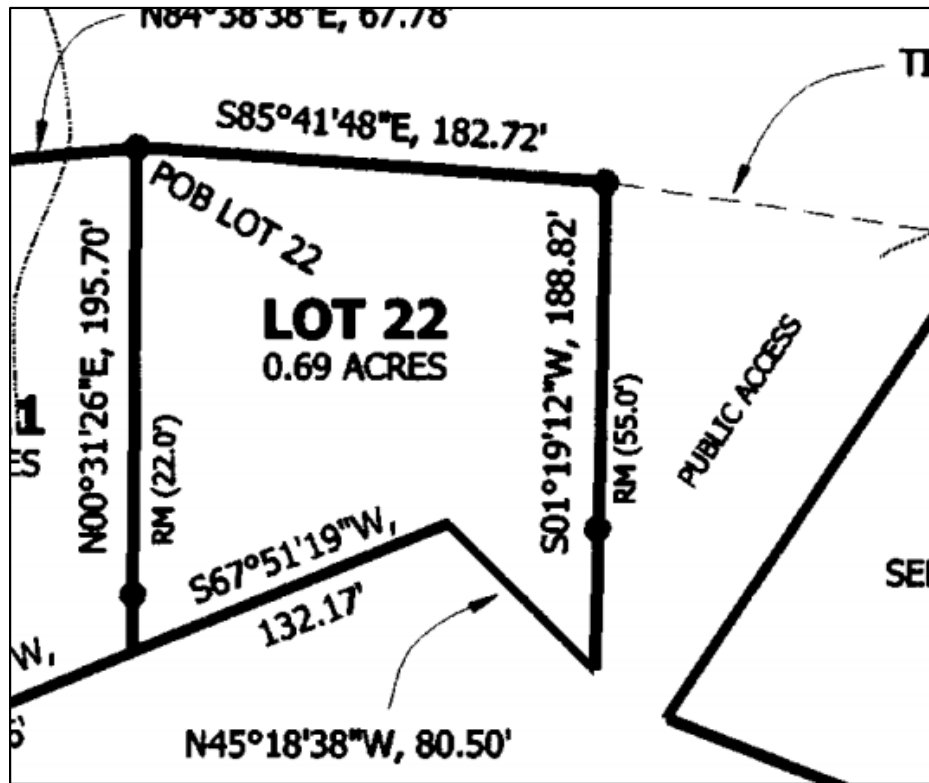
Waterfront portion adjacent to Lot 10 is identified on the survey as "Swamp" as noted below



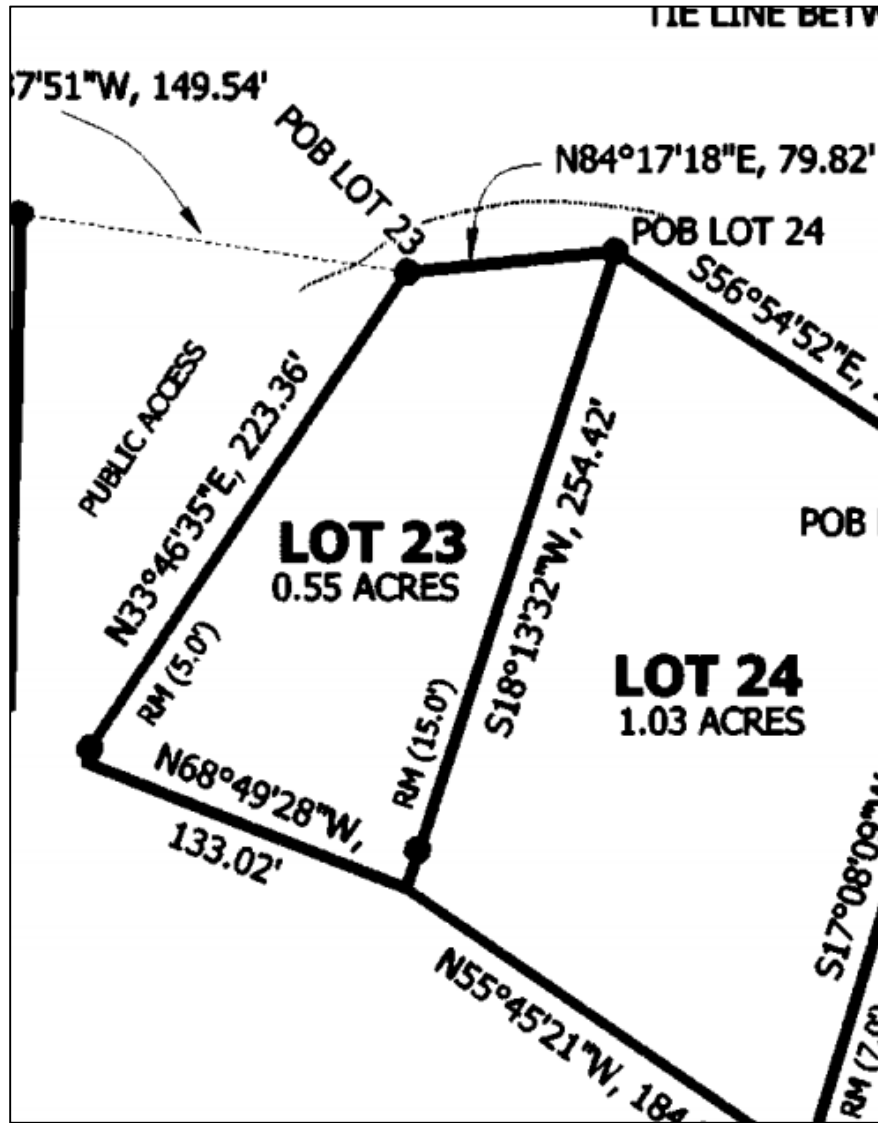
LOT 15
Enlarged View of COS #4921



LOT 22
Enlarged View of COS #4921



LOT 23
Enlarged View of COS #4921



ACCESS AND VIEWS

The subject properties have vehicular access from driveways off of Elbow Loop. The subject lots all have frontage along the east side of the Elbow Lake which is a wide portion of the Clearwater River. Access and water frontage for each site is described on the table below;

Lot #	Sale #	Lessee	Address	Water Frontage	Access
6	1026	Jim & Rebecca Sparks	1112 Elbow Loop North	210.11 Feet of Frontage Along Elbow Lake	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to several additional lots.)
10	1027	Jeffrey Denning & Terry Martin-Denning	166 Elbow Loop South	37.57 Feet of Frontage Along Elbow Lake	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to Lots 11 and 12.)
15	1028	Gayla Nicholson & Jeff Dickerson	290 Elbow Loop South	117.80 Feet of Frontage Along Elbow Lake	Driveway from Elbow Loop (A 20'+ wide portion of Elbow Loop runs within property boundaries and provides access to Lots 13 and 14; the remainder of the NE corner of Lot 15 will be encumbered by a driveway reservation benefiting Lot 13.)
22	1037	Steve & Annette M. Jarvis	769 Elbow Loop South	212.67 Feet of Frontage Along Elbow Lake	Driveway from Elbow Loop
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	759 Elbow Loop South	133.02 Feet of Frontage Along Elbow Lake	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to Lot 22.)

As of the report effective date Lot 6 included frontage along a relatively deep portion of Elbow Lake. The remaining lots included frontage along relatively shallow portions of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

IMPROVEMENTS

Subject Lots all included improvements. The improvements on the subject lots are described on the tables below.

Sale #	1026	1027	1028
Lot #	6	10	15
Residence SF	1,134 SF	1,059 SF	384 SF
Construction Type	Wood Frame	Wood Frame	Wood Fram
Foundation	Crawl Space	Piers	Piers
Quality	Average	Average	Average
Condition	Good	Average	Average
Year Built	1960 (Renovated)	1965	1960
# of Bedrooms	2	1	2
# of Bathrooms	1	0	0
Porches	48 Sf Deck, 120 SF Covered Proch, 200 SF Deck, 72 SF Patio, & 96 SF Deck	56 SF Balcony, 184 SF Deck, & 411 SF Deck	302 Sf Deck
Outbuildings	36 SF Pump House, 16 SF Outhouse, & 805 SF Storage Building	42 SF Outhouse & 34 SF Outdoor Shower Enclosure	16 SF Outhouse
Well/Septic	Lake Water/Septic	Well/None	Well (Pump not Installed)/None
Landscaping	Lawn/Retaining Wall	Lawn	Lawn

Sale #	1037	1029
Lot #	22	23
Residence SF	974 SF	515 SF
Construction Type	Wood Frame	Wood Frame
Foundation	Slab	Piers
Quality	Average	Average
Condition	Very Good	Average
Year Built	1955 (Renovated)	1972
# of Bedrooms	2	1
# of Bathrooms	1	0
Porches	None	245 SF Covered Porch
Outbuildings	270 SF Attached Garage, 48 Sf Shed, & 20 SF Outhouse	25 SF Outhouse
Well/Septic	Well/Septic	Well/Septic
Landscaping	Lawn	Lawn

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

We were provided with Land Status Reports by the Montana Department of Natural Resources. These reports detail recorded easements relative to each subject property. The easements (as well as descriptions of access easements not yet recorded) are summarized on the table below;

Lot #	Sale #	Lessee	Access	Easement Affecting Property
6	1026	Jim & Rebecca Sparks	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to several additional lots.)	Various easements for access along Elbow Loop to privately owned parcels and Easements to Blackfoot Telephone Cooperative, and Missoula Electric.
10	1027	Jeffrey Denning & Terry Martin-Denning	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to Lots 11 and 12.)	Various easements for access along Elbow Loop to privately owned parcels and Easements to Blackfoot Telephone Cooperative, and Missoula Electric.
15	1028	Gayla Nicholson & Jeff Dickerson	Driveway from Elbow Loop (A 20'+ wide portion of Elbow Loop runs within property boundaries and provides access to Lots 13 and 14; the remainder of the NE corner of Lot 15 will be encumbered by a driveway reservation benefiting Lot 13.)	Various easements for access along Elbow Loop to privately owned parcels and Easements to Blackfoot Telephone Cooperative, and Missoula Electric. This property is bisected by Elbow Loop and a portion of Lot 15 on the north side of the road is reserved for use by Lot 13 (total encumbered area is 0.104 acres +/-).
22	1037	Steve & Annette M. Jarvis	Driveway from Elbow Loop	Various easements for access along Elbow Loop to privately owned parcels and Easements to Blackfoot Telephone Cooperative, and Missoula Electric.
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	Driveway from Elbow Loop (A 20' wide portion of Elbow Loop runs within property boundaries and provides access to Lot 22.)	Various easements for access along Elbow Loop to privately owned parcels and Easements to Blackfoot Telephone Cooperative, and Missoula Electric.

Lots 6, 10, 15, and 23 include portions of Elbow Loop within the lot boundaries which also provide access to additional lots. Lot 15 includes an additional encumbrance. Lot 22 does not include easements or access issues that negatively impact the value. Lots 6, 10, 15, and 23 include easements that negatively impact value. If additional easements, restrictions, or encroachments other than those noted in this report are present on the subject properties, the values concluded in this report may be affected.

ZONING

The subject properties are in an area of Missoula County that is not zoned.

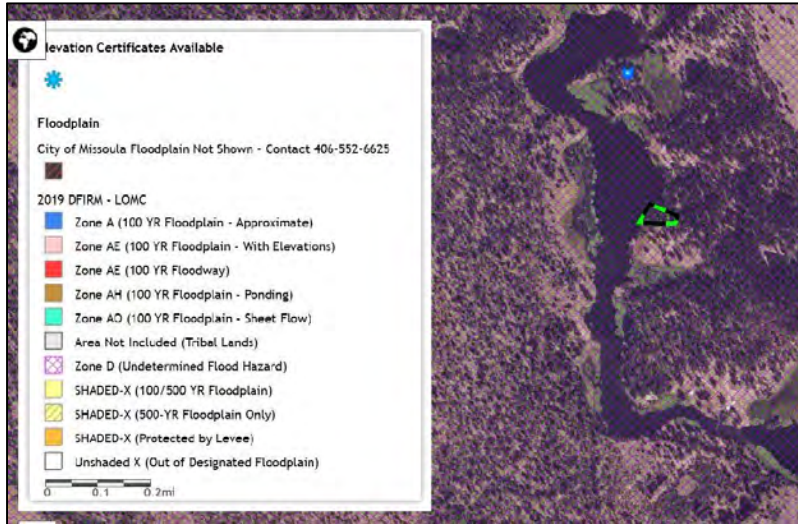
ASSESSMENT/REAL PROPERTY TAXES

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
6	1026	Jim & Rebecca Sparks	0000041002	\$67,900	\$537.81
10	1027	Jeffrey Denning & Terry Martin-Denning	0001069800	\$51,140	\$404.68
15	1028	Gayla Nicholson & Jeff Dickerson	0002208202	\$35,610	\$282.11
22	1037	Steve & Annette M. Jarvis	0002387803	\$60,150	\$476.23
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	0001043702	\$42,890	\$339.57

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to information from Missoula County, the subject properties are located in an area of undetermined flood risk. A flood map image of the subject area from Missoula County GIS is below;



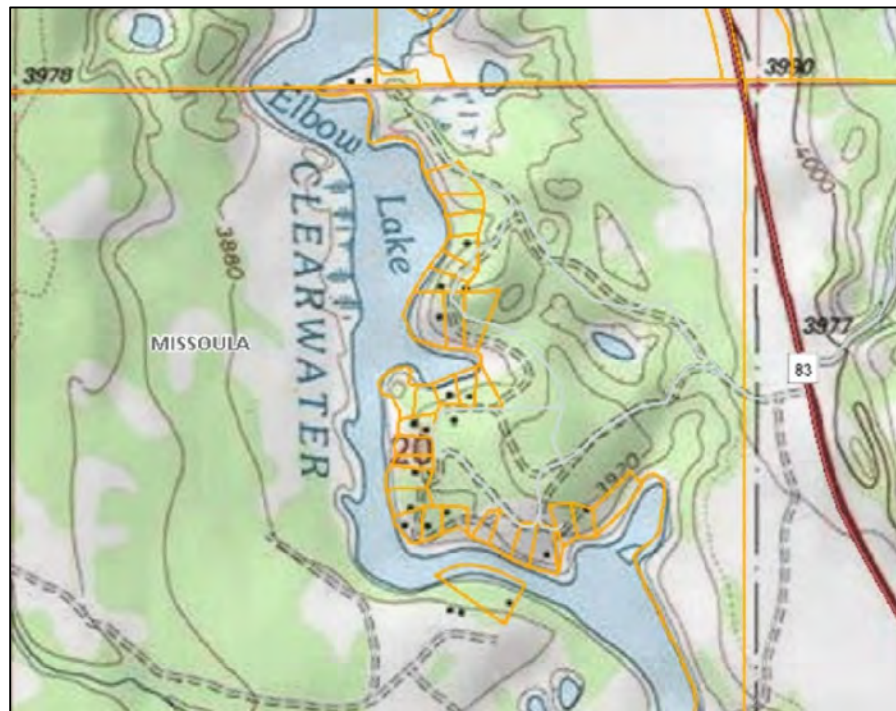
It appears that drainage and storm water runoff are adequate and/or properly designed and engineered for the subject sites. There is sufficient level space on each subject site to accommodate the subject existing improvements. The lots include varying degrees of slope. Topography descriptions are below;

Lot #	Sale #	Lessee	Topography
6	1026	Jim & Rebecca Sparks	Level & Sloping Areas with Slope to Elbow Lake
10	1027	Jeffrey Denning & Terry Martin-Denning	Level & Sloping Areas with Slope to Elbow Lake
15	1028	Gayla Nicholson & Jeff Dickerson	Generally Sloping
22	1037	Steve & Annette M. Jarvis	Generally Level with Some Slope
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	Level & Sloping Areas with Slope to Elbow Lake

The subject lots include native vegetation and/or limited landscaping.

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

A topographical image of the subject lots from the Missoula County GIS is below;



UTILITIES

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

Lot #	Sale #	Lessees	Septic Tank	Water Source	Water Right	Notes
6	1026	Jim & Rebecca Sparks	Yes	Lake Water	No	No Septic Permit on File with Missoula County
10	1027	Jeffrey Denning & Terry Martin-Denning	No	Well	No	N/A
15	1028	Gayla Nicholson & Jeff Dickerson	No	Well (Pump not Installed)	No	N/A
22	1037	Steve & Annette M. Jarvis	Yes	Well	No	2018 Septic Permit on File with Missoula County
23	1029	Greg Browning, Autumn Browning, Brian Browning, & Erin Browning	Yes	Well	No	2018 Septic Permit on File with Missoula County

PUBLIC SAFETY AND SERVICES

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

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 6 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.: Elbow Lake Lot 6				
Property Address:	1112 Elbow Loop N.				
City:	Seeley Lake	County:	State:	MT	ZipCode:
Owner:					
Client:	Client Address:				
Appraiser Name:	Inspection Date:				
SKETCH					
<p style="text-align: right; font-size: small;">Sketch by Apex Slat</p>					
AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN
Code	Description	Facto	Net Size	Perimete	Net Total
GBA1	First Floor	1.0	1134.0	157.0	1134.0
GBA5	Storage Bldg	1.0	804.8	135.0	804.8
OTH	Pump House	1.0	36.0	24.0	
	Outhouse	1.0	16.0	16.0	52.0
P/P	Deck	1.0	48.0	28.0	
	Covered Por	1.0	120.0	44.0	
	Deck	1.0	200.0	60.0	
	Patio	1.0	72.0	34.0	
	Deck	1.0	96.0	44.0	536.0
Net BUILDIN		cnt	2 (rounded		1,939
Name	Base x	Height x	Width =	Area	
First Floor	11.0 x		10.5 =	115.5	
	33.0 x		24.5 =	808.5	
	21.0 x		10.0 =	210.0	
Storage Bldg	40.5 x		16.5 =	668.3	
	13.0 x		2.0 =	26.0	
	13.0 x		8.5 =	110.5	
6 total items			(rounded	1,939	

LOT 6 - SUBJECT PHOTOGRAPHS



Cabin on Lot 6



Cabin and Driveway



South Side of Cabin



West Side of Cabin



North Side of Cabin



East Side of Cabin

ADDITIONAL PHOTOGRAPHS



Living Room



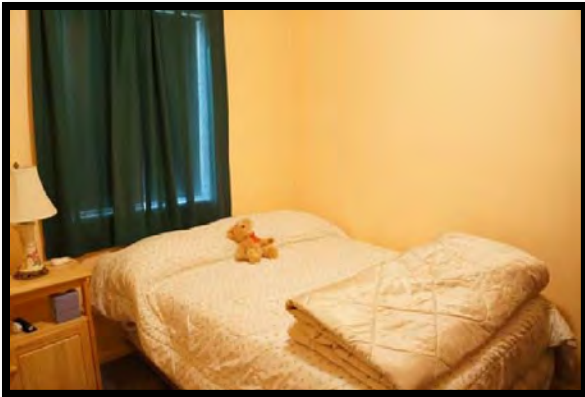
Sunroom



Bedroom



Kitchen

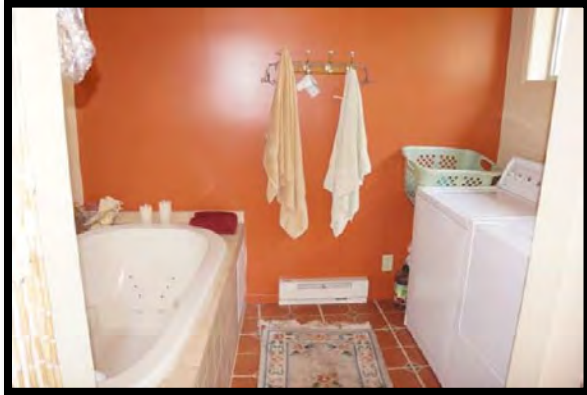


Bedroom



Bathroom

ADDITIONAL PHOTOGRAPHS



Bathroom/Laundry



Covered Deck



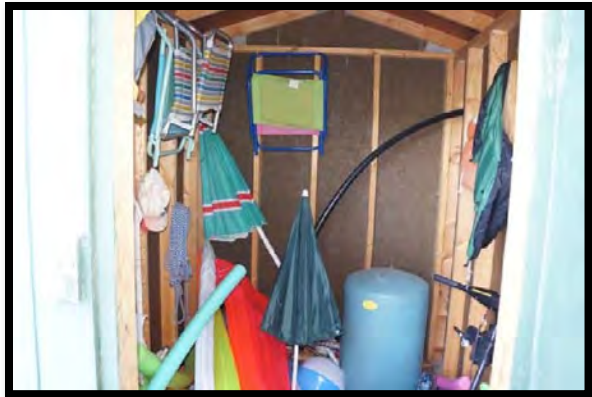
Storage Building



Storage Building



Pump House



Pump House Interior

ADDITIONAL PHOTOGRAPHS



View of Dock and Pump House from Lot 6



Elbow Lake from Dock



Elbow Lake Looking South



Elbow Lake Looking North



View along Lake Frontage Looking South



View along Lake Frontage Looking North.

ADDITIONAL PHOTOGRAPHS



Lot 6 Looking West from East Portion of Lot



Lot 6 Interior Looking toward Elbow Lake



Well



View Looking West along North Portion of Lot 6



Elbow Loop North Looking South



Elbow Loop North Looking North

ADDITIONAL PHOTOGRAPHS

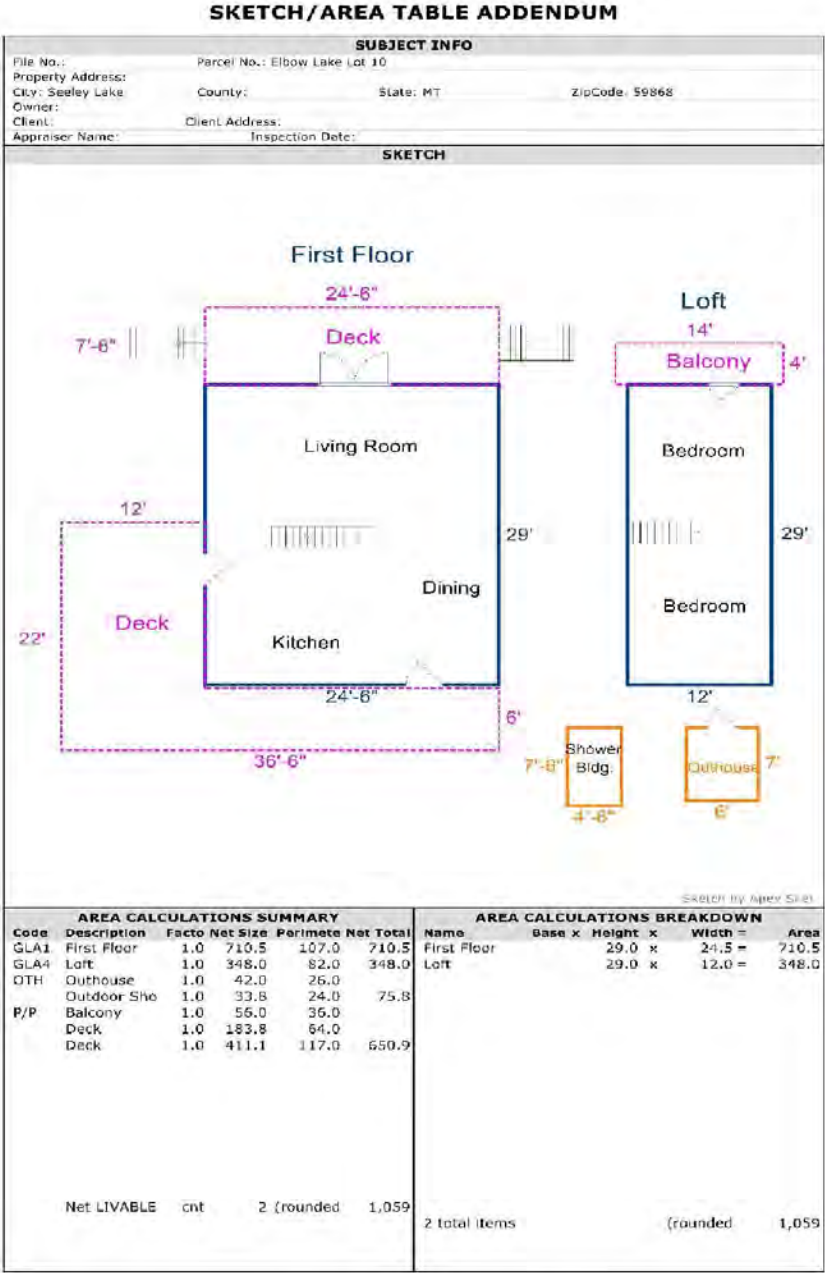


View West along Approximate South Property Boundary



Elbow Loop North Within Lot 6

LOT 10 - BUILDING SKETCH



LOT 10 - SUBJECT PHOTOGRAPHS



Cabin on Lot 10



Cabin and Deck



Southwest Side of Cabin



Front of Cabin from Driveway



Cabin Interior



Kitchen Area

ADDITIONAL PHOTOGRAPHS



Living Area



Stairs to Loft



Loft Bedroom



Woodstove



Loft Balcony



Deck

ADDITIONAL PHOTOGRAPHS



Outhouse



Outhouse Interior



Outdoor Shower



Northwest Property Boundary Marker



View East along North Property Boundary



Elbow Lake Looking Northwest from North Portion of Lot 10

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking North



View of Lot 10 Looking South from Northeast Property Corner



Elbow Lake Looking West



View Looking Southwest from Northeast Property Corner



Lot 10 Interior Looking toward Elbow Lake

ADDITIONAL PHOTOGRAPHS



Lot 10 Interior



Southeast Property Boundary Marker Looking Northwest



View West along South Property Boundary



Southwest Property Boundary Looking North



Southwest Property Boundary Marker Looking East



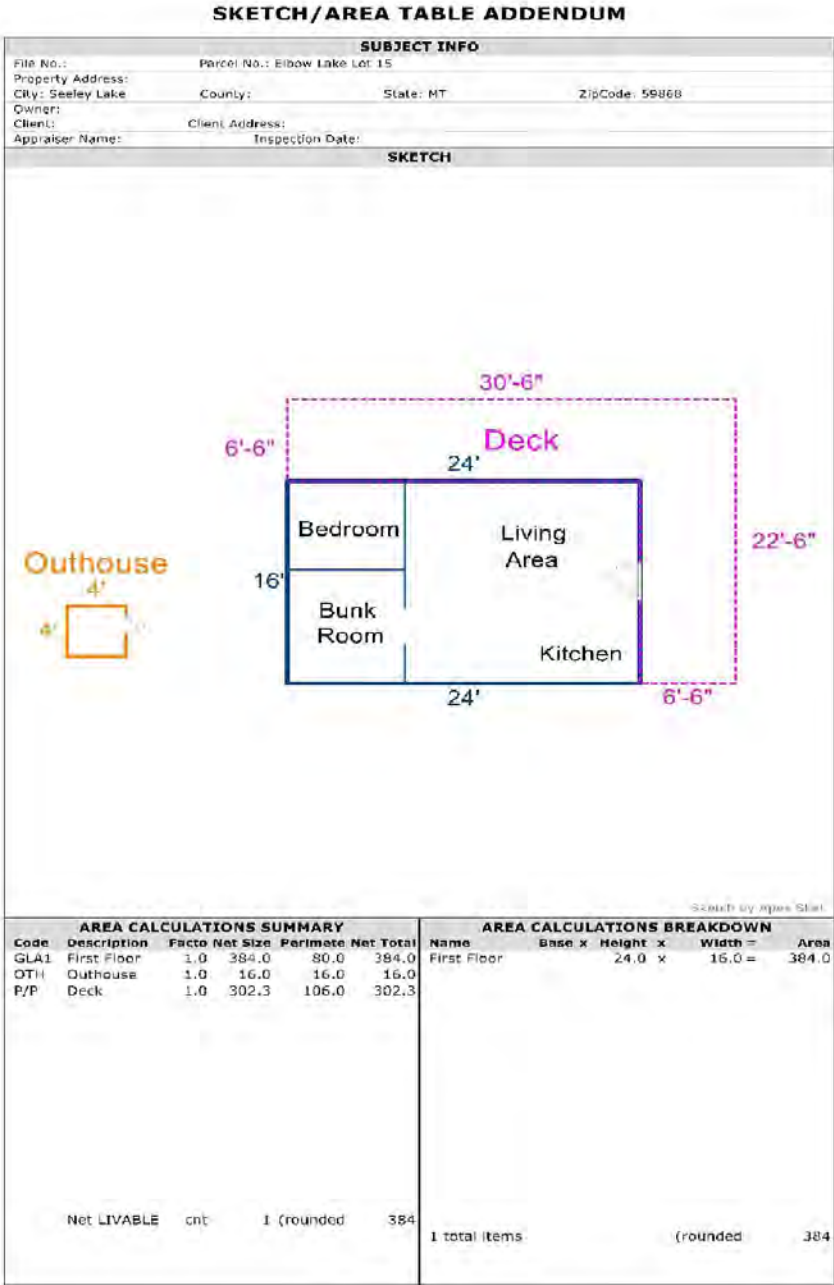
Lot 10 and Cabin from South Portion of Property

ADDITIONAL PHOTOGRAPHS



Driveway to Lot 10 Looking Southeast

LOT 15 - BUILDING SKETCH



LOT 15 - SUBJECT PHOTOGRAPHS



Cabin on Lot 15



Cabin and Deck



South Side of Cabin



East Side of Cabin



West Side of Cabin

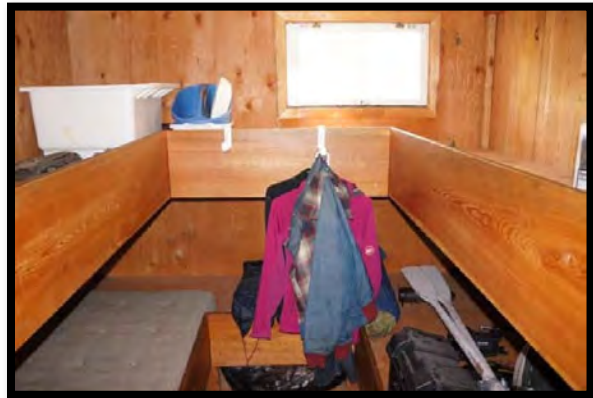


Living Area

ADDITIONAL PHOTOGRAPHS



Bedroom



Bunk Room



Kitchen



Deck on West Side of Cabin



View toward Elbow Lake from Deck



Outhouse

ADDITIONAL PHOTOGRAPHS



Lot 15 Interior Looking West toward Elbow Lake



Lot 15 Interior Looking East toward Cabin



Elbow Lake Frontage Looking West



Shallow Lake Frontage



Southeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking North

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking South



Northeast Property Boundary Marker Looking West



Southwest Property Boundary Marker Looking West



Southwest Property Boundary Marker Looking North



Approximate Northwest Property Boundary Marker Looking South View Looking Southwest from Northwest Corner of Property

ADDITIONAL PHOTOGRAPHS



View East along North Property Boundary



Elbow Loop South Looking Northwest



Driveway Looking East toward Elbow Loop South

LOT 22 - BUILDING SKETCH

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.:	Elbow Lake Lot 22			
Property Address:	County:	State:	MT		
City: Seeley Lake			ZipCode: 59868		
Owner:	Client Address:				
Client:	Inspection Date:				
Appraiser Name:					

SKETCH

The sketch shows a rectangular building footprint. The top section is a Garage (27' wide, 10' high). Below it is a row of three rooms: a Bedroom (left), a Bath (center, flanked by two closets 'C'), and another Bedroom (right). The bottom section consists of a large Living Room on the left and a combined Kitchen and Dining area on the right. The overall width is 28'-6" and the overall depth is 34'-2". To the right of the main building, there is a Wood Shed (12' x 4') and an Outhouse (5' x 4').

AREA CALCULATIONS SUMMARY					AREA CALCULATIONS BREAKDOWN					
Code	Description	Factor	Net Size	Perimeter	Net Total	Name	Base x	Height x	Width =	Area
GLA1	First Floor	1.0	973.8	125.3	973.8	First Floor	34.2 x		28.5 =	973.8
GAR	Garage	1.0	270.0	74.0	270.0					
OTH	Wood Shed	1.0	48.0	32.0						
	Outhouse	1.0	20.0	16.0	68.0					
Net LIVABLE cnt 1 (rounded) 974						1 total items (rounded) 974				

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LOT 22 - SUBJECT PHOTOGRAPHS



Cabin on Lot 22



East Side of Cabin



North Side of Cabin



West Side of Cabin

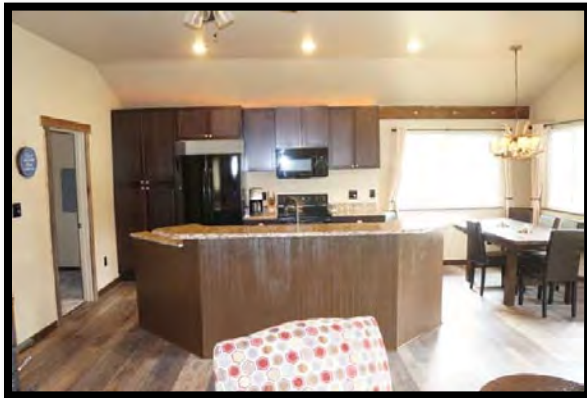


Living Room



Kitchen

ADDITIONAL PHOTOGRAPHS



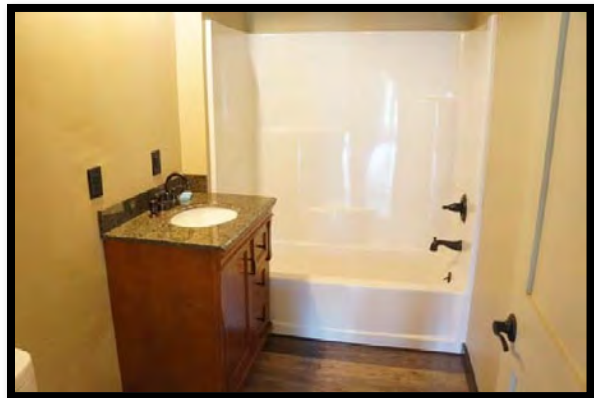
Kitchen and Dining Area



Bedroom



Bedroom



Bathroom



Garage Interior



Outhouse

ADDITIONAL PHOTOGRAPHS



Outhouse Interior



Septic Tank and Drain Field Area



Firepit



Well



View of Elbow Lake Looking South



Shallow Area along Waterfront

ADDITIONAL PHOTOGRAPHS



Lot 22 Interior Looking NW near SE Property Corner



View West along South Property Boundary



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East

ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker Looking North

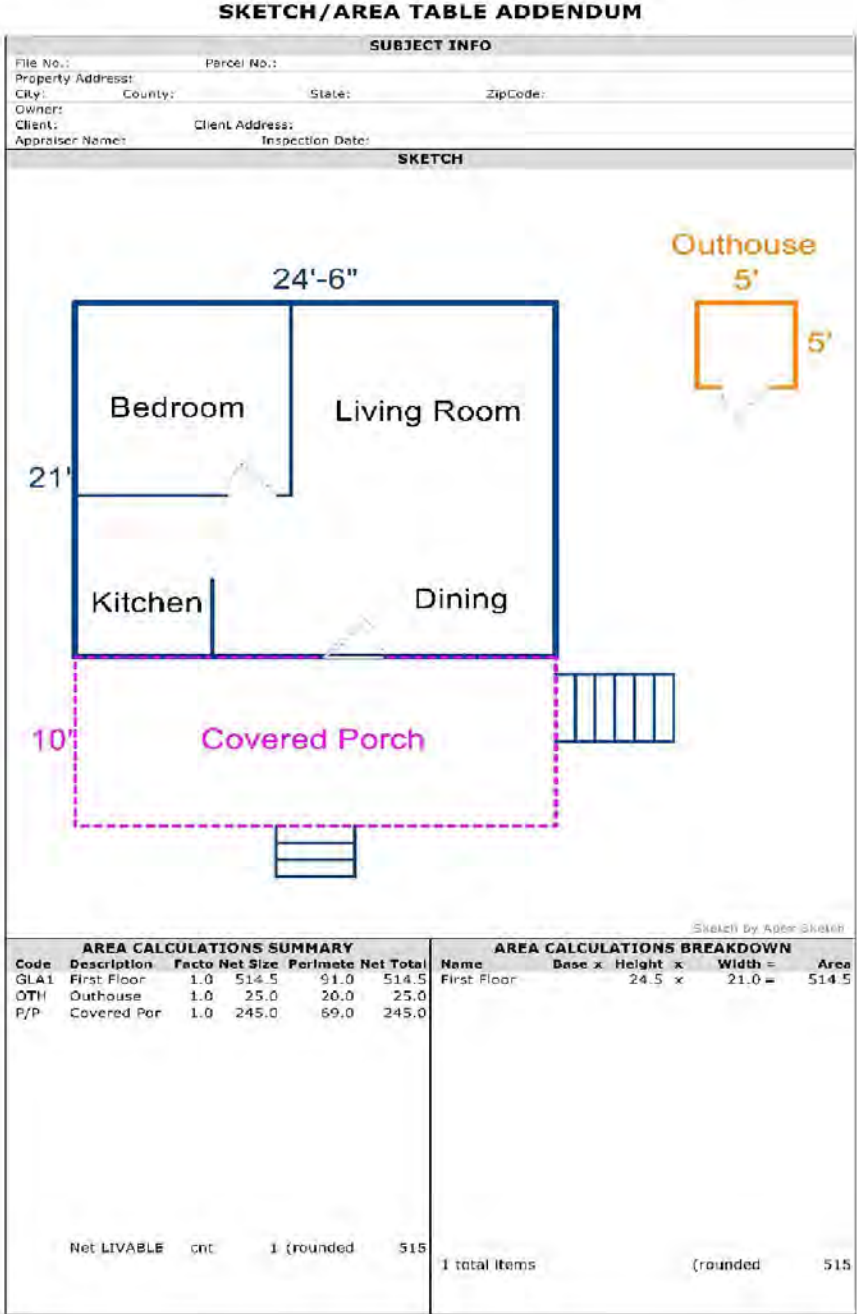


Southwest Property Boundary Marker Looking East



Driveway Looking East

LOT 23 - BUILDING SKETCH



LOT 23 - SUBJECT PHOTOGRAPHS



Cabin on Lot 23



East Side of Cabin



North Side of Cabin



West Side of Cabin



Living Room



Kitchen

ADDITIONAL PHOTOGRAPHS



Kitchen and Dining Area



Bedroom



Outhouse



Outhouse Interior



Firepit Area and View of Elbow Lake Looking West



Floating Dock

ADDITIONAL PHOTOGRAPHS



Elbow Lake Looking East from Dock



Elbow Lake Looking West from Dock



Southwest Property Boundary Marker Looking East



Southwest Property Boundary Looking North



View toward Cabin from Waterfront Area



View along Water Frontage Looking East

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View West along South Property Boundary



Northwest Property Boundary Marker Looking South



View East along North Property Boundary



Lot 23 Looking South from North Portion of Property



Northeast Property Boundary Marker

ADDITIONAL PHOTOGRAPHS



View South along East Property Boundary



Driveway to Elbow Loop South



Weir on Elbow Lake Outlet to East of Lot 23



Driveway to Elbow Loop South

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject sites range in size from 0.550 up to 1.040 in gross acres. All of the sites include residential improvements. The subject properties all have frontage on a portion of the Clearwater River also known as Elbow Lake in the unincorporated community of Seeley Lake, Montana.

Area Land Use Trends

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

Potential Users of Subject Property

The potential users of the subject lots would be market participants seeking to own recreational/residential riverfront property with boat access to Seeley 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 (vacant and improved) with frontage along Elbow Lake. No sales (other than those from MT DNRC to the Lessees) with frontage on Elbow Lake were located. For this reason, it was necessary to expand the search for to include properties with frontage along other portions of the Clearwater River.

Vacant Sites with Frontage on Seeley Lake Outlet or the Clearwater River

The search parameters include vacant sites and/or sites with improvements that contribute less than \$80,000 with frontage along the Clearwater River. The market data located is on the following page.

Riverfront Lot* Listings & Sales									
Clearwater River									
Address	Water Frontage Name	Sale Date	List Date	Sales Price	List Price	Improvement Value	Price Less Improvements	Site Acres	Days on Market
Lot 12, River Watch	Clearwater River	ACTIVE	Mar-19	N/A	\$109,900	\$0	\$109,900	2.44	77
138 Little Wheel Ct	Clearwater River	2018		\$213,500		\$65,000	\$148,500	1.38	49
1025 Riverview Dr	Clearwater River	2017		\$225,000		\$75,000	\$150,000	2.66	82
388 Overland Trail	Clearwater River	2016		\$130,000		\$0	\$130,000	2.02	75
973 Riverview Dr	Clearwater River	2015		\$215,000		\$50,000	\$165,000	1.93	82
*Sales or Listings with improvements of \$80,000 of contributory value or less utilized in this analysis.									

Residential Improved Properties with Frontage on Seeley Lake Outlet or the Clearwater River

We conducted a search for sales of homes with frontage along Seeley Lake Outlet or the Clearwater River that transferred via the area MLS. The results are below;

Sale Date	Sold Price	Waterfront Name	Days on Market
2013	\$260,000	Clearwater River	157
Average Days on Market			157
2015	\$310,000	Clearwater River	474
Average Days on Market			474
2016	\$210,000	Clearwater River	106
2016	\$687,000	Clearwater River	69
2016	\$330,000	Clearwater River	42
2016	\$450,000	Clearwater River	497
Average Days on Market			179
2017	\$225,000	Clearwater River	169
Average Days on Market			169
2018	\$213,500	Clearwater River	49
2018	\$254,000	Clearwater River	161
Average Days on Market			105
2019	\$459,900	Clearwater River	688
2019	\$346,900	Clearwater River	392
Average Days on Market			540

This data indicates that there have been from 0 to 4 home sales each year on the Clearwater River from 2013 to 2019 Year-to-Date. Sales prices have fluctuated depending upon the characteristics of the lot and home.

Competitive Supply

Vacant Sites with Frontage on the Clearwater River

We located one active listing of a vacant site with frontage along the Clearwater River as of the report effective date. The list price for this property is \$109,900. The active listing is south of Salmon Lake on the portion of the Clearwater River known as Black Lake.

Residential Improved Properties with Frontage on the Clearwater River

There were 4 active listings of homes on site with frontage along the Clearwater River as of the report effective date. These four properties were listed for \$169,000, \$425,000, \$575,000, and \$1,115,000. None are considered similar to the subject properties as improved.

Interaction of Supply and Demand

Vacant Sites with Frontage on the Clearwater River

There were no lots considered truly similar to the subject lots available for sale as of the report effective date.

Residential Improved Properties with Frontage on the Clearwater River

There were no lots with improvements similar to the subject properties available for sale as of the report effective date.

Subject Marketability Conclusion

Vacant Sites with Frontage on the Clearwater River

The subject sites are considered to have similar marketability compared to other sites along the Clearwater River.

Residential Improved Properties with Frontage on the Clearwater River

The subject properties, as improved, are considered to have similar marketability compared to other properties with similar improvements and frontage along the Clearwater River.

Estimated Marketing and Exposure Times

The most recent sales of sites (or sites within minimal improvements) with frontage along the Clearwater River were marketed for an average of 71 days. Based upon this data, **marketing times** between 1 to 3 months are considered appropriate for subject properties as if vacant. If subject properties had sold, as if vacant, on the effective date of this report, at the appraised values concluded, 1 to 3 month **exposure times** would have been reasonable.

The one improved sale with frontage along the Clearwater River that sold via the area MLS during 2017 was marketed for 169 days or approximately 6 months. The two improved sales that closed in 2018 were marketed for an average of 105 days or approximately 3.5 months. **Marketing times** between 3 to 6 months are appropriate for subject properties as improved. If the subject properties had sold, as improved, on the effective date of this report, at the appraised values concluded in this report, 3 to 6 month **exposure times** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

SUBJECT PROPERTIES - AS IF VACANT

Legally Permissible

The subject properties are in an area of Missoula County that is not zoned. There are a wide variety of legally permissible uses.

Physically Possible

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

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

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

AS IMPROVED

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

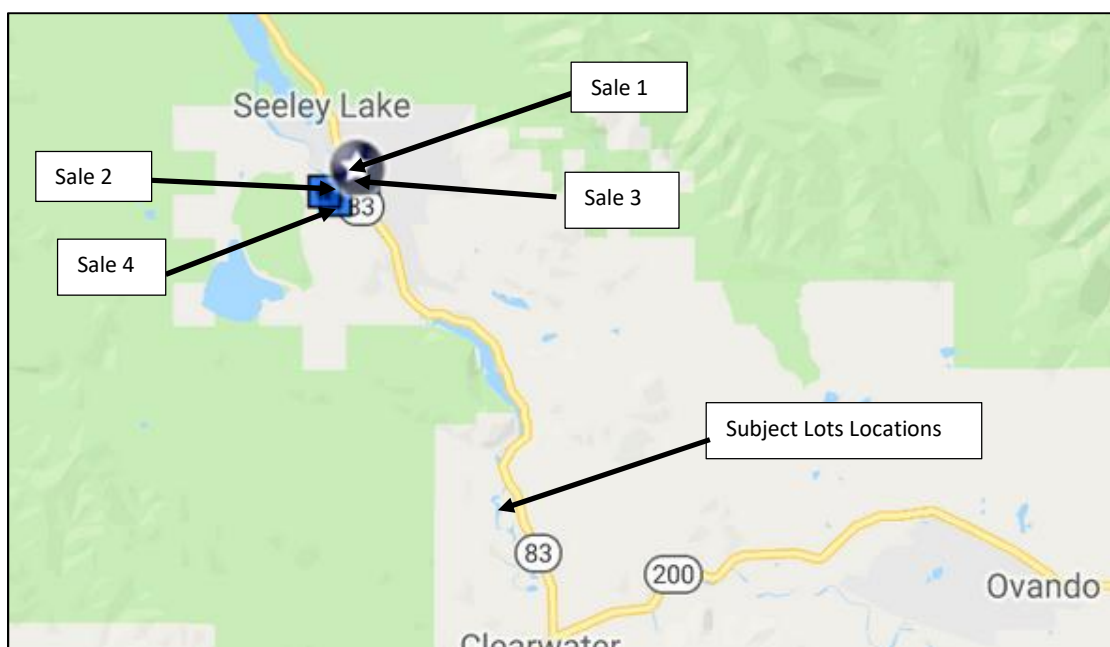
LOT SALES

We conducted a search for sales of sites along the subject portion of the Clearwater River known as Elbow Lake that closed during the past three years. 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 further back in time and to properties with frontage along other portions of the Clearwater River and less navigable creeks. We located four sales of vacant sites or sites with minimal improvements relatively near the subject sites. We analyzed price per lot compared to price per front footage for the riverfront lot sales in the subject market area. Analysis of the price per lot resulted in a closer statistical relationship than the price per front foot. Additionally, the recognized unit of comparison for area river front and creek front properties is the price per lot. These comparables are described on the table below;

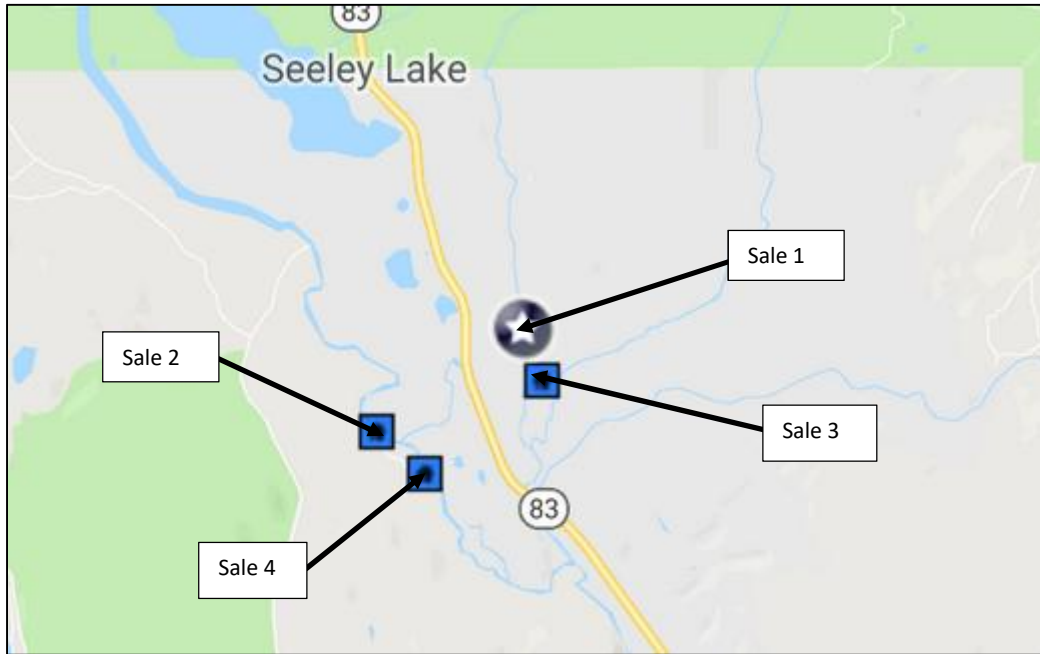
Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price	Less Value of Improvements	Adjusted Sales Price
1	123 Rainbow Court	Seeley Lake	2.470	2019	\$130,000	-\$5,000	\$125,000
2	138 Little Wheel Court	Seeley Lake	1.380	2018	\$213,500	-\$65,000	\$148,500
3	533 Rainbow Court	Seeley Lake	1.370	2018	\$80,000	\$0	\$80,000
4	388 Overland Trail	Seeley Lake	2.020	2016	\$130,000	\$0	\$130,000

A complete description of each comparable is included in the individual land comparable write-ups provided in this section of this report. Maps depicting the locations of the subject properties in relation to the comparable sales are below and on the following page;


Map of Comparable Lot Sales



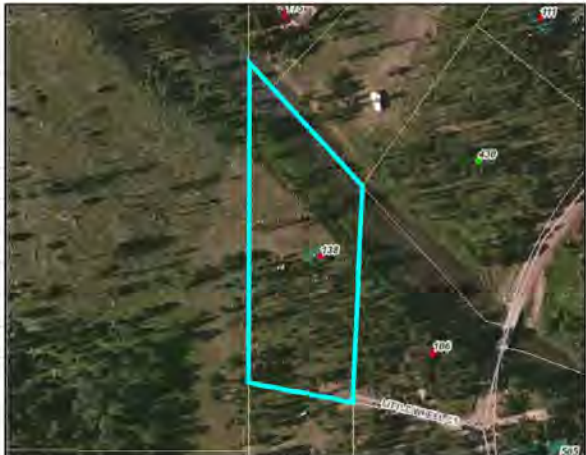
Zoomed In View of Comparable Lot Sales




LAND SALE 1

COMPARABLE SALE INFORMATION				
	Location		123 Rainbow Court	
	City/State		Seeley Lake	
	County		Missoula	
	Assessor Number		0005901694	
	Zoning		Unzoned Portion of Missoula Co.	
	Site Size: Acres		2.470	
	Square Feet		107,593	
	Date of Sale		May 30, 2019	
	Sales Price		\$130,000	
	Less Cost of Improvements*		\$5,000	
	Sales Price Adjusted		\$125,000	
	MLS #		21907240	
ANALYSIS OF SALE				
Price per Acre		\$50,607	Price per Square Foot	\$1.16
			Price Per Front Foot	\$625
TRANSFER INFORMATION				
Grantor	Eldron R. Pfile	Grantee	Kevin Wetherell 2018 Legacy Trust	
Type of Instrument	Warranty Deed	Document #	201907407	
Financing/Conditions	Conventional/Market	Marketing Time	13 Days on Market	
Legal Description	Lot 89 of the Amended Plat or Trail Creek Addition of Phase VI to the Double Arrow Ranch	Verified By	Wayne Heaton, Listing Agent	
		Intended Use/Comments	Purchased for Residential Use	
Section/Township/Range	S11/T16NR15W			
PROPERTY DETAILS				
Access	Gravel Subdivision Road	View	Creek, Mountains	
Topography	Level, slight slope to creek	Lot Dimensions	Various	
Flood Plain	According to Flood Map # 30063C0740E, the property is not located in an area of elevated flood risk.	Improvements	Well	
Feet of Water Frontage	Approximately 200' along Morrell Creek	Value of Improvements	\$5,000	
Utilities	Electricity, Telephone, Access to Community Water System	Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential. This property transferred for \$98,500 on September 1, 2016.	
Report File # 19-025ec				


LAND SALE 2

COMPARABLE SALE INFORMATION				
		Location	138 Little Wheel Court	
		City/State	Seeley Lake	
		County	Missoula	
		Assessor Number	0005472574	
		Zoning	Unzoned	
		Site Size: Acres	1.380	
		Square Feet	60,113	
		Date of Sale	November 15, 2018	
		Sales Price	\$213,500	
		Less Cost of Improvements*	\$65,000	
Sales Price Adjusted	\$148,500			
MLS #	21812251			
ANALYSIS OF SALE				
Price per Acre		\$107,609	Price per Square Foot	\$2.47
			Price Per Front Foot	\$621
TRANSFER INFORMATION				
Grantor		Gary W. Parks & Pamela M. Kamera	Grantee	Fred H. Pippin & Tami Pippin
Type of Instrument		Warranty Deed	Document #	201820347
			Marketing Time	49 Days on Market
Financing/Conditions		Conventional/Market	Verified By	Kim Koppen, Selling Agent
Legal Description		Lot 171, Double Arrow Ranch, Phase 1A, Missoula County,	Intended Use/Comments	Purchased for Residential Purposes
Section/Township/Range		S15/T16NR15W		
PROPERTY DETAILS				
Access		Gravel Subdivision Road	View	River, Mountains
Topography		Level	Lot Dimensions	Various
Flood Plain		According to Flood Map # 30063C0740E, only portions of the property directly adjacent to the river are in an area of Elevated Flood Risk.	Improvements	The site is improved with a 560 SF home constructed in 1994. Based a depreciated cost analysis, the improvements on this property contributed approximately \$65,000 to the sale price.
Feet of Water Frontage		239.11 Front Feet on the Clearwater River	Value of Improvements	\$65,000
Utilities		Electricity, Telephone, Community Water, & Septic System	Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential.
Report File # 19-024ec				

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location		533 Rainbow Court
	City/State		Seeley Lake
	County		Missoula
	Assessor Number		0005901758
	Zoning		Unzoned Portion of Missoula Co.
	Site Size: Acres		1.370
	Square Feet		59,677
	Date of Sale		May 3, 2018
	Sales Price		\$80,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$80,000
	MLS #		21803478
ANALYSIS OF SALE			
Price per Acre	\$58,394	Price per Square Foot	\$1.34
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Alan Davis & Shizuko Davis	Grantee	Jeffrey S. Sargent
Type of Instrument	Warranty Deed	Document #	201807034
		Marketing Time	733 Days on Market
Financing/Conditions	Cash/Market	Verified By	Scott Kennedy, Listing Agent
Legal Description	Lot 95 of the Amended Plat of Trail Creek Addition - Phase 6 to the Double Arrow Ranch	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S11/T16N/R15W		
PROPERTY DETAILS			
Access	Gravel Subdivision Road	View	Trees, Mountains, Creek
Topography	Rolling	Lot Dimensions	Lengthy. In appraisal workfile.
Flood Plain	According to Flood Map #300630740E, the property is in an area of low flood risk.	Improvements	None
Feet of Water Frontage	Property is located along a tributary to Morrell Creek. The water frontage is approximately 120 Front Feet.	Value of Improvements	\$0
Utilities	Electricity, Telephone at Road	Miscellaneous	Property is within the Double Arrow Ranch Subdivision and is subject to CC&R's. The total cumulative days on market was 2,911 days. However, there was a gap of approximately 1 year when the property was not marketed.
Report File # 19-022ec			

LAND SALE 4

COMPARABLE SALE INFORMATION			
	Location		388 Overland Trail
	City/State		Seeley Lake
	County		Missoula
	Assessor Number		0005472247
	Zoning		Unzoned
	Site Size: Acres		2.020
	Square Feet		87,991
	Date of Sale		June 29, 2016
	Sales Price		\$130,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$130,000
	MLS #		21603267
ANALYSIS OF SALE			
Price per Acre	\$64,356	Price per Square Foot	\$1.48
		Price Per Front Foot	\$813
TRANSFER INFORMATION			
Owner	Mabel Lee Higgins	Grantee	Nathan W. Williams & Christi Ann Williams
Type of Instrument	Warranty Deed	Document #	201610559
Financing/Conditions	Cash/Market	Marketing Time Verified By	75 Days on Market Robin Matthews-Barnes, Listing Agent
Legal Description	Lot 138 of Double Arrow Ranch Phase 1A	Intended Use/Comments	Marketed for Residential Use
Section/Township/Range	S15/T16NR15W		
PROPERTY DETAILS			
Access	Gravel Subdivision Road	View	River, Mountains
Topography	Level	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30063C0740E, approximately half of this property (portion bordering the river) is in an area of Elevated Flood Risk.	Improvements	None
Feet of Water Frontage	160 Front Feet on the Clearwater River	Value of Improvements	\$0
Utilities	Electricity, Telephone, Access to Community Water System	Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential.
Report File # 16-015ec			

HOME SALES

We conducted a search for sales of homes on sites along the Elbow Lake portion of the Clearwater River. Few comparable sales were located. For this reason, it was necessary to utilize sales without water frontage. The most applicable and recent comparable sales located are described on the table below;

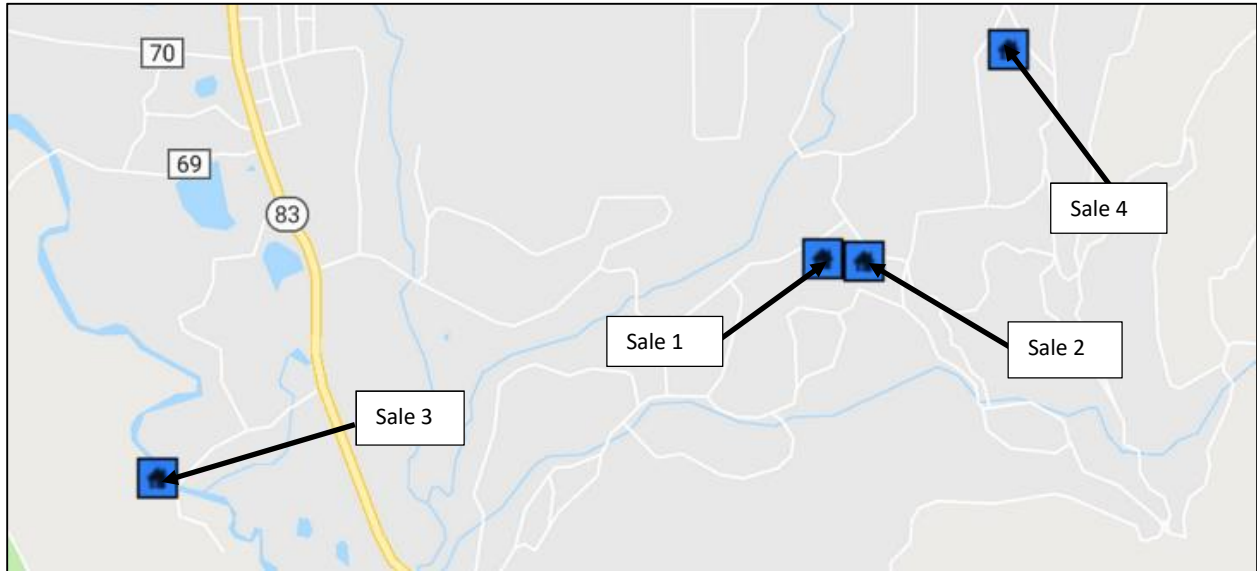
Home Sales							
Sale #	Address	City	Water Frontage	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	269 S Grayling Ct	Seeley Lake	None	2019	\$129,000	\$32,000	\$97,000
2	721 Montana Dr	Seeley Lake	None	2019	\$235,000	\$50,000	\$185,000
3	138 Little Wheel Circle	Seeley Lake	Clearwater River	2018	\$213,500	\$148,500	\$65,000
4	183 Pinewood Circle	Seeley Lake	None	2018	\$218,000	\$40,000	\$178,000

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


Map of Comparable Home Sales



Zoomed In View of Comparable Home Sales





HOME SALE 1

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


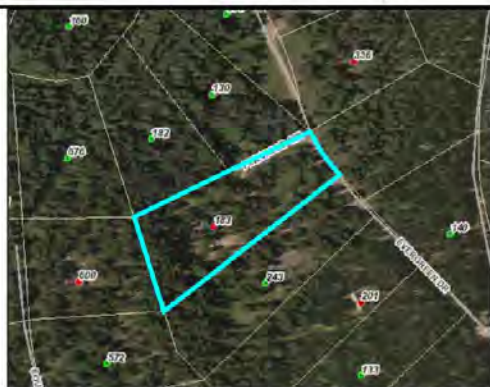
HOME SALE 2

COMPARABLE SALE INFORMATION			
	Location		721 Montana Drive
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		0001570609
	Zoning		Unzoned
	Site Size: Acres		2.120
	Square Feet		92,347
	Date of Sale		March 15, 2019
	Sales Price		\$235,000
	Adjustment to Sales Price		\$0
	Adjusted Sales Price		\$235,000
	MLS #		21808552
	TRANSFER INFORMATION		
Grantor	Emily Rindal	Grantee	Jo Anne Martin
Recording Data	Warranty Deed #201903389	Marketing Time	252 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Kevin Wetherell, Listing Agent
Legal Description	Lot 231 of Double Arrow Ranch Phase IV, Seeley Lake, Missoula County, Montana	Intended Use	Residential
Section/Township/Range	S12/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$235,000
Access	Gravel Subdivision Road	Estimated Site Value	\$50,000
House Square Feet	1,055	Sales Price of Improvements	\$185,000
Bedroom/Bathrooms	2BR/1.5BA	Improvement Price/SF	\$175
Year Built or Renovated	2005		
Basement	Crawl Space		
Construction	Wood Frame		
Quality	Good		
Condition	Good		
Water/Sewer	Well/Septic		
Utilities	Electricity/Telephone		
Topography	Level		
Garage	N/A		
Outbuildings	440 SF Detached Garage		
Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to residential. The contributory site value for this sale was determined based upon recent sales of similar vacant sites.		
		Report File # 19-025ec	

HOME SALE 3

COMPARABLE SALE INFORMATION			
			
	Location	138 Little Wheel Court	
	City/State	Seeley Lake, MT	
	County	Missoula	
	Assessor Number	0005472574	
	Zoning	Unzoned	
	Site Size: Acres	1.380	
	Square Feet	60,113	
	Date of Sale	November 15, 2018	
	Sales Price	\$213,500	
	Adjustment to Sales Price	\$0	
	Adjusted Sales Price	\$213,500	
	MLS #	21812251	
TRANSFER INFORMATION			
Grantor	Gary W. Parks & Pamela M. Kamera	Grantee	Fred H. Pippin & Tami Pippin
Recording Data	Warranty Deed #201903389	Marketing Time	49 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Kim Koppen, Selling Agent
Legal Description	Lot 171 of Double Arrow Ranch Phase 1A, Seeley Lake, Missoula County, Montana	Intended Use	Residential
Section/Township/Range	S15/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$213,500
Access	Gravel Subdivision Road	Estimated Site Value	\$148,500
House Square Feet	560	Sales Price of Improvements	\$65,000
Bedroom/Bathrooms	1BR/1BA	Improvement Price/SF	\$116
Year Built or Renovated	1994		
Basement	Concrete Slab		
Construction	Log Frame		
Quality	Average		
Condition	Average		
Water/Sewer	Well/Septic		
Utilities	Electricity/Telephone		
Topography	Level		
Garage	N/A		
Outbuildings	48 SF Shed		
Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to residential. The contributory site value for this sale was determined based upon depreciated cost estimates for the improvement and input from the selling agent.		
		Report File # 19-025ec	

HOME SALE 4

COMPARABLE SALE INFORMATION			
	Location		183 Pinewood Circle
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		0001502801
	Zoning		Unzoned
	Site Size: Acres		2.850
	Square Feet		124,146
	Date of Sale		March 30, 2018
	Sales Price		\$218,000
	Adjustment to Sales Price		\$0
	Adjusted Sales Price		\$218,000
	MLS #		21608723
TRANSFER INFORMATION			
Grantor	Gayleen E. Tangsrud	Grantee	Grant Copenhaver
Recording Data	Warranty Deed #201903389	Marketing Time	606 Days on Market
Financing/Conditions	VA/Market	Verified By	Scott Kennedy, Listing Agent
Legal Description	Lot 179 of Double Arrow Ranch Phase IV, Seeley Lake, Missoula County, Montana	Intended Use	Residential
Section/Township/Range	S6/T16N/R14W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage	N/A	Sales Price	\$218,000
Access	Gravel Subdivision Road	Estimated Site Value	\$40,000
House Square Feet	1,200	Sales Price of Improvements	\$178,000
Bedroom/Bathrooms	2BR/1BA	Improvement Price/SF	\$148
Year Built or Renovated	2008		
Basement	Concrete Slab		
Construction	Wood Framed		
Quality	Good		
Condition	Good		
Water/Sewer	Well/Septic		
Utilities	Electricity/Telephone		
Topography	Level		
Garage	N/A		
Outbuildings	768 SF Garage		
Miscellaneous	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to residential. The contributory site value was based upon recent sales of similar vacant sites.		
		Report File # 19-025ec	

PROPERTY VALUATIONS

LOT 6

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 6, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		123 Rainbow Ct	138 Little Wheel Ct	533 Rainbow Ct	388 Overland Trail
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$130,000	\$213,500	\$80,000	\$130,000
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$65,000	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		05/30/19	11/15/18	05/03/18	06/29/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000
SITE SIZE/ACRES	1.040	2.470	1.380	1.370	2.020
ADJUSTED SALES PRICE		\$125,000	\$148,500	\$80,000	\$130,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Morrell Creek	Clearwater River	Tributary of Morrell Creek	Clearwater River
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Level & Sloping	Level	Level	Rolling	Level
FRONTAGE/ACCESS	Private Gravel Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	1.040	2.470	1.380	1.370	2.020
TOTAL PERCENTAGE ADJUSTMENT		-5%	-5%	-5%	-5%
TOTAL ADJUSTMENT ADJUSTMENT		-\$6,250	-\$7,425	-\$4,000	-\$6,500
ADJUSTED PRICE		\$118,750	\$141,075	\$76,000	\$123,500

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: The 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 prices paid for comparables were cash or cash equivalent; therefore, no adjustments were necessary 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 2016, 2018, and 2019. The sales utilized were the most recent located. There are few sales each year of vacant lots with water frontage in the subject market area. Land Sales 2 and 3 closed approximately 8 and 14 months respectively prior to the report effective date. Land Sale 4 closed approximately 3 years prior to the report effective date.

There was a prior transfer of Land Sale 1 in September of 2016 for \$98,500. The May 2019 sale of this same property for \$130,000 indicates a positive change in market conditions for this site of approximately 10% per year. Based upon the sale and re-sale of Land Sale 1, market conditions for waterfront properties have improved each year in Seeley Lake since 2016.

Land Sales 2 and 3 both closed 2018 and are considered inferior to the subject in this category. Land Sale 4 sold in 2016 and is more inferior compared to the subject in this category. Since there is only one sale and re-sale available, there is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustments were made; however, the dates of sale (and resulting positive changes in market conditions as of the report effective date) for the comparables are addressed in the Reconciliation as appropriate.

Location/Waterfront Name: The subject property includes frontage along a portion of the Clearwater River known as Elbow Lake. As of the report effective date Lot 6 included frontage along a relatively deep portion of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

Land Sales 2 and 4 include frontage along the Clearwater River. Land Sales 1 and 3 include frontage along Morrell Creek or a tributary of Morrell Creek. Morrell Creek is considered to have more limited navigability than the subject portion of the Clearwater River. There is not sufficient market data on which to develop a credible adjustment in this category. For this reason, the subject waterfrontage is addressed in the Reconciliation of this section of the report.

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

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

Topography: The subject and comparables include areas suitable for improvements and no adjustments were necessary.

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

Zoning: The subject property and the comparables are in areas with no zoning. No adjustments were necessary in this category.

Easements Affecting Value: The subject site includes a 20' wide portion of Elbow Loop within the lot boundaries. The location of the road is considered to have a negative impact on the value of this site. The comparables do not include easements that affect value. There was not sufficient market data on which to base a credible adjustment in this category; however, some downward adjustment was considered necessary for the comparables. Downward adjustments of 5% were applied to the comparables. This adjustment percentage is considered reasonable and indicative of the actions of market participants relative to the road location.

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

Size/Acres: The comparables are larger than the subject site in acreage. There is no market data suggesting that an adjustment for size is necessary in the size ranges of the subject and comparables. Similar sites are purchased on a per lot basis. For this reason, no adjustment was made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$118,750, \$141,075, \$76,000, and \$123,500. Land Sales 1 and 3 are considered inferior compared to the subject based upon water frontage. Most weight is accorded the indications from Land Sales 2 and 4. These sales are accorded equal weight. Placing equal weight on these sales that closed in 2018 and 2016 respectively (both sale dates are considered to be inferior characteristics of these sales compared to the subject as of the report effective date) offsets the superior location of these sales (within Double Arrow Ranch Subdivision). Please see discussion under Market Conditions for support that the market conditions have improved each year since 2016. The average of the value indications from Land Sales 2 and 4 is \$132,500. A market value of \$132,500 is well supported by this analysis for the subject site as if vacant.

Site Value as if Vacant

\$132,500

Improvement Value Estimate

Home Sales 1, 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 6, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		269 S Grayling Ct	721 Montana Dr	138 Little Wheel Ct	183 Pinewood Circle
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/21/19	03/15/19	11/15/18	03/30/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LESS SITE VALUE		(\$32,000)	(\$50,000)	(\$148,500)	(\$40,000)
ADJUSTED IMPROVEMENT PRICE		\$97,000	\$185,000	\$65,000	\$178,000
ADJUSTMENT FOR:					
LOCATION/SITE	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Good
		\$0	-\$9,250	\$0	-\$8,900
CONDITION	Good	Good	Good	Average	Good
		\$0	\$0	\$3,250	\$0
BATHROOMS	1	1	1.5	1	1
		\$0	-\$2,500	\$0	\$0
HOUSE SIZE/SF	1,134	634	1,055	560	1,200
		\$37,000	\$5,846	\$42,476	-\$4,884
FINISHED BASEMENT/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Pump House, Outhouse, Storage Building	Inferior	Superior	Inferior	Superior
		\$3,400	-\$6,600	\$5,400	-\$12,600
TOTAL ADJUSTMENT		\$40,400	-\$12,504	\$51,126	-\$26,384
NET ADJUSTMENT PERCENTAGE		42%	-7%	79%	-15%
ADJUSTED PRICE INDICATION		\$137,400	\$172,496	\$116,126	\$151,616

Discussion of Adjustments

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

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

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

Quality: The subject residence and Improved Sales 1 and 3 are similar in overall quality and no adjustment was necessary in this category. Improved Sales 2 and 4 are superior in overall quality compared to the subject. There is little definitive market data available on which to base an adjustment in this category. A downward adjustment of 5% was made to Improved Sales 2 and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Condition: The subject residence and Improved Sales 1, 2, and 4 are similar in overall condition and no adjustments were necessary in this category for these sales. Improved Sale 3 is inferior in condition compared to the subject. There is little definitive market data available on which to base an adjustment in this category. An upward adjustment of 5% was made to Improved Sale 3 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence and Improved Sales 1, 3, and 4 include 1 bathroom. These sales required no adjustment in this category. Improved Sale 2 includes 1.5 bathrooms. A downward adjustment of \$2,500 per difference in half bathroom count was made to Improved Sale 2 in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$74 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 do not include 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 values of the subject outbuildings were estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Pump House	36	Section 17/Page 12	\$12.90	\$464
Storage Shed	805	Section 17/Page 12	\$12.90	\$10,385
Out House	25	Lump Sum Estimate		\$2,000
Total Cost New				\$12,849
Less Depreciation - Age/Life - 10/20 Years = 50%				<u>-\$6,424</u>
Depreciated Cost Estimate				\$6,424
Rounded To				\$6,400

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$137,400, \$172,496, \$116,126 and \$151,616. All weight is accorded the adjusted indication from Improved Sale 2 as it required the least net adjustment and is considered most similar to the subject residence. A market value of \$172,500 (rounded to the nearest \$500 from the value indication) 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	\$132,500
Subject Improvements Value	<u>\$172,500</u>
Total Value Indication	\$305,000

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 #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		123 Rainbow Ct	138 Little Wheel Ct	533 Rainbow Ct	388 Overland Trail
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$130,000	\$213,500	\$80,000	\$130,000
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$65,000	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		05/30/19	11/15/18	05/03/18	06/29/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000
SITE SIZE/ACRES	0.840	2.470	1.380	1.370	2.020
ADJUSTED SALES PRICE		\$125,000	\$148,500	\$80,000	\$130,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Morrell Creek	Clearwater River	Tributary of Morrell Creek	Clearwater River
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Level & Sloping	Level	Level	Rolling	Level
FRONTAGE/ACCESS	Private Gravel Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.840	2.470	1.380	1.370	2.020
TOTAL PERCENTAGE ADJUSTMENT		-5%	-5%	-5%	-5%
TOTAL ADJUSTMENT ADJUSTMENT		-\$6,250	-\$7,425	-\$4,000	-\$6,500
ADJUSTED PRICE		\$118,750	\$141,075	\$76,000	\$123,500

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: The 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 prices paid for comparables were cash or cash equivalent; therefore, no adjustments were necessary 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 2016, 2018, and 2019. The sales utilized were the most recent located. There are few sales each year of vacant lots with water frontage in the subject market area. Land Sales 2 and 3 closed approximately 8 and 14 months respectively prior to the report effective date. Land Sale 4 closed approximately 3 years prior to the report effective date.

There was a prior transfer of Land Sale 1 in September of 2016 for \$98,500. The May 2019 sale of this same property for \$130,000 indicates a positive change in market conditions for this site of approximately 10% per year. Based upon the sale and re-sale of Land Sale 1, market conditions for waterfront properties have improved each year in Seeley Lake since 2016.

Land Sales 2 and 3 both closed 2018 and are considered inferior to the subject in this category. Land Sale 4 sold in 2016 and is more inferior compared to the subject in this category. Since there is only one sale and re-sale available, there is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustments were made; however, the dates of sale (and resulting positive changes in market conditions as of the report effective date) for the comparables are addressed in the Reconciliation as appropriate.

Location/Waterfront Name: The subject property includes frontage along a portion of the Clearwater River known as Elbow Lake. As of the report effective date, The subject property included frontage along a relatively shallow portion of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

Land Sales 2 and 4 include frontage along the Clearwater River. Land Sales 1 and 3 include frontage along Morrell Creek or a tributary of Morrell Creek. Morrell Creek is considered to have more limited navigability than the subject portion of the Clearwater River. There is not sufficient market data on which to develop a credible adjustment in this category. For this reason, the subject waterfrontage is addressed in the Reconciliation of this section of the report.

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

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

Topography: The subject and comparables include areas suitable for improvements and no adjustments were necessary.

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

Zoning: The subject property and the comparables are in areas with no zoning. No adjustments were necessary in this category.

Easements Affecting Value: The subject site includes a 20' wide portion of Elbow Loop within the lot boundaries. The location of the road is considered to have a negative impact on the value of this site. The comparables do not include easements that affect value. There was not sufficient market data on which to base a credible adjustment in this category; however, some downward adjustment was considered necessary for the comparables. Downward adjustments of 5% were applied to the comparables. This adjustment percentage is considered reasonable and indicative of the actions of market participants relative to the road location.

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

Size/Acres: The comparables are larger than the subject site in acreage. There is no market data suggesting that an adjustment for size is necessary in the size ranges of the subject and comparables. Similar sites are purchased on a per lot basis. For this reason, no adjustment was made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$118,750, \$141,075, \$76,000, and \$123,500. Land Sales 2 and 4 are considered superior to the subject based upon water frontage. Most weight is accorded the indications from Land Sales 1 and 3. These sales are considered to have the most similar marketability to the subject property. Most weight is placed on Land Sale 3 because it is on a relatively narrow tributary of Morrell Creek and better reflects the subject water frontage. Also, Land Sale 3 closed in the spring of 2018 which offsets the superior location of these sales (within Double Arrow Ranch Subdivision). Please see discussion under Market Conditions for support that the market conditions have improved each year since 2016. By placing most weight on Land Sale 3 (2/3 of the weight) and less weight on Land Sale 1 (1/3 of the weight), the value indication is \$90,250. This is rounded to the nearest \$500. A market value of \$90,000 is well supported by this analysis for the subject site as if vacant.

Site Value as if Vacant

\$90,000

Improvement Value Estimate

Home Sales 1, 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 10, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		269 S Grayling Ct	721 Montana Dr	138 Little Wheel Ct	183 Pinewood Circle
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/21/19	03/15/19	11/15/18	03/30/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LESS SITE VALUE		(\$32,000)	(\$50,000)	(\$148,500)	(\$40,000)
ADJUSTED IMPROVEMENT PRICE		\$97,000	\$185,000	\$65,000	\$178,000
ADJUSTMENT FOR:					
LOCATION/SITE	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Good
		\$0	-\$9,250	\$0	-\$8,900
CONDITION	Average	Good	Good	Average	Good
		-\$4,850	-\$9,250	\$0	-\$8,900
BATHROOMS	0	1	1.5	1	1
		-\$5,000	-\$7,500	-\$5,000	-\$5,000
HOUSE SIZE/SF	1,059	634	1,055	560	1,200
		\$31,450	\$296	\$36,926	-\$10,434
FINISHED BASEMENT/sf	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Outhouse & Outdoor Shower Enclosure	Superior	Superior	Inferior	Superior
		-\$900	-\$10,900	\$1,100	-\$16,900
TOTAL ADJUSTMENT		\$20,700	-\$36,604	\$33,026	-\$50,134
NET ADJUSTMENT PERCENTAGE		21%	-20%	51%	-28%
ADJUSTED PRICE INDICATION		\$117,700	\$148,396	\$98,026	\$127,866

Discussion of Adjustments

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

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

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

Quality: The subject residence and Improved Sales 1 and 3 are similar in overall quality and no adjustment was necessary in this category. Improved Sales 2 and 4 are superior in overall quality compared to the subject. There is little definitive market data available on which to base an adjustment in this category. A downward adjustment of 5% was made to Improved Sales 2 and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Condition: The subject residence and Improved Sale 3 are similar in overall condition and no adjustment was necessary in this category for this sale. Improved Sales 1, 2, and 4 are superior in condition compared to the subject. There is little definitive market data available on which to base an adjustment in this category. Downward adjustments of 5% were made to Improved Sales 1, 2, and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes no bathroom. The improved sales either include 1 or 1.5 bathrooms. Downward adjustments of \$5,000 per difference in number of full baths and \$2,500 per difference in half bathroom count were made to the improved sales in this category. The resulting adjustment amounts are considered reasonable and indicative of the actions of market participants with regard to bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$74 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 do not include 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 values of the subject outbuildings were estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Shower Enclosure	34	Section 17/Page 12	\$12.90	\$439
Outhouse	42	Lump Sum		\$2,000
Total Cost New				\$2,439
Less Depreciation - Age/Life - 3/20 Years = 15%				<u>-\$366</u>
Depreciated Cost Estimate				\$2,073
Rounded To				\$2,100

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$117,700, \$148,396, \$98,026 and \$127,866. Equal weight is accorded to the adjusted indications of Improved Sales 1, 2, and 4 as these sales required the lowest net adjustment and are considered most similar to the subject residence. The average of these indications is \$131,321. A market value of \$131,500 (rounded to the nearest \$500 from the value indication) 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	\$ 90,000
Subject Improvements Value	<u>\$131,500</u>
Total Value Indication	\$221,500

LOT 15

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 15 , COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		123 Rainbow Ct	138 Little Wheel Ct	533 Rainbow Ct	388 Overland Trail
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$130,000	\$213,500	\$80,000	\$130,000
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$65,000	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		05/30/19	11/15/18	05/03/18	06/29/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000
SITE SIZE/ACRES	0.840	2.470	1.380	1.370	2.020
ADJUSTED SALES PRICE		\$125,000	\$148,500	\$80,000	\$130,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Morrell Creek	Clearwater River	Tributary of Morrell Creek	Clearwater River
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Sloping	Level	Level	Rolling	Level
FRONTAGE/ACCESS	Private Gravel Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.840	2.470	1.380	1.370	2.020
TOTAL PERCENTAGE ADJUSTMENT		-10%	-10%	-10%	-10%
TOTAL ADJUSTMENT ADJUSTMENT		-\$12,500	-\$14,850	-\$8,000	-\$13,000
ADJUSTED PRICE		\$112,500	\$133,650	\$72,000	\$117,000

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: The 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 prices paid for comparables were cash or cash equivalent; therefore, no adjustments were necessary 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 2016, 2018, and 2019. The sales utilized were the most recent located. There are few sales each year of vacant lots with water frontage in the subject market area. Land Sales 2 and 3 closed approximately 8 and 14 months respectively prior to the report effective date. Land Sale 4 closed approximately 3 years prior to the report effective date.

There was a prior transfer of Land Sale 1 in September of 2016 for \$98,500. The May 2019 sale of this same property for \$130,000 indicates a positive change in market conditions for this site of approximately 10% per year. Based upon the sale and re-sale of Land Sale 1, market conditions for waterfront properties have improved each year in Seeley Lake since 2016.

Land Sales 2 and 3 both closed 2018 and are considered inferior to the subject in this category. Land Sale 4 sold in 2016 and is more inferior compared to the subject in this category. Since there is only one sale and re-sale available, there is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustments were made; however, the dates of sale (and resulting positive changes in market conditions as of the report effective date) for the comparables are addressed in the Reconciliation as appropriate.

Location/Waterfront Name: The subject property includes frontage along a portion of the Clearwater River known as Elbow Lake. As of the report effective date, The subject property included frontage along a relatively shallow portion of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

Land Sales 2 and 4 include frontage along the Clearwater River. Land Sales 1 and 3 include frontage along Morrell Creek or a tributary of Morrell Creek. Morrell Creek is considered to have more limited navigability than the subject portion of the Clearwater River. There is not sufficient market data on which to develop a credible adjustment in this category. For this reason, the subject waterfrontage is addressed in the Reconciliation of this section of the report.

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

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

Topography: The subject and comparables include areas suitable for improvements and no adjustments were necessary.

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

Zoning: The subject property and the comparables are in areas with no zoning. No adjustments were necessary in this category.

Easements Affecting Value: The subject site includes a 20' wide portion of Elbow Loop within the lot boundaries. The location of the road is considered to have a negative impact on the value of this site. This site also includes an additional encumbrance of 0.697 acres which is reserved for the use of Lot 13. This encumbrance impacts the usable area of the subject site. The comparables do not include easements that affect value. There was not sufficient market data on which to base a credible adjustment in this category; however, some downward adjustment was considered necessary for the comparables. Downward adjustments of 10% (due to the two types of encumbrances) were applied to the comparables. This adjustment percentage is considered reasonable and indicative of the actions of market participants relative to the road location.

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

Size/Acres: The comparables are larger than the subject site in acreage. There is no market data suggesting that an adjustment for size is necessary in the size ranges of the subject and comparables. Similar sites are purchased on a per lot basis. For this reason, no adjustment was made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$112,500, \$133,650, \$72,000, and \$117,000. Land Sales 2 and 4 are considered superior to the subject based upon water frontage. Most weight is accorded the indications from Land Sales 1 and 3. These sales are considered to have the most similar marketability to the subject property. Most weight is placed on Land Sale 3 because it is on a relatively narrow tributary of Morrell Creek and better reflects the subject water frontage. Also, Land Sale 3 closed in the spring of 2018 which offsets the superior location of these sales (within Double Arrow Ranch Subdivision). Please see discussion under Market Conditions for support that the market conditions have improved each year since 2016. By placing most weight on Land Sale 3 (2/3 of the weight) and less weight on Land Sale 1 (1/3 of the weight), the value indication is \$85,500. This is rounded to the nearest \$500. A market value of \$85,500 is well supported by this analysis for the subject site as if vacant.

Site Value as if Vacant

\$85,500

Improvement Value Estimate

Home Sales 1, 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 15, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		269 S Grayling Ct	721 Montana Dr	138 Little Wheel Ct	183 Pinewood Circle
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/21/19	03/15/19	11/15/18	03/30/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LESS SITE VALUE		(\$32,000)	(\$50,000)	(\$148,500)	(\$40,000)
ADJUSTED IMPROVEMENT PRICE		\$97,000	\$185,000	\$65,000	\$178,000
ADJUSTMENT FOR:					
LOCATION/SITE	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Good
		\$0	-\$9,250	\$0	-\$8,900
CONDITION	Average	Good	Good	Average	Good
		-\$4,850	-\$9,250	\$0	-\$8,900
BATHROOMS	0	1	1.5	1	1
		-\$5,000	-\$7,500	-\$5,000	-\$5,000
HOUSE SIZE/SF	384	634	1,055	560	1,200
		-\$18,500	-\$49,654	-\$13,024	-\$60,384
FINISHED BASEMENT/sf	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Outhouse	Superior	Superior	Equal	Superior
		-\$2,000	-\$12,000	\$0	-\$18,000
TOTAL ADJUSTMENT		-\$30,350	-\$87,654	-\$18,024	-\$101,184
NET ADJUSTMENT PERCENTAGE		-31%	-47%	-28%	-57%
ADJUSTED PRICE INDICATION		\$66,650	\$97,346	\$46,976	\$76,816

Discussion of Adjustments

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

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

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

Quality: The subject residence and Improved Sales 1 and 3 are similar in overall quality and no adjustment was necessary in this category. Improved Sales 2 and 4 are superior in overall quality compared to the subject. There is little definitive market data available on which to base an adjustment in this category. A downward adjustment of 5% was made to Improved Sales 2 and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Condition: The subject residence and Improved Sale 3 are similar in overall condition and no adjustment was necessary in this category for this sale. Improved Sales 1, 2, and 4 are superior in condition compared to the subject. There is little definitive market data available on which to base an adjustment in this category. Downward adjustments of 5% were made to Improved Sales 1, 2, and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes no bathroom. The improved sales either include 1 or 1.5 bathrooms. Downward adjustments of \$5,000 per difference in number of full baths and \$2,500 per difference in half bathroom count were made to the improved sales in this category. The resulting adjustment amounts are considered reasonable and indicative of the actions of market participants with regard to bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$74 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 do not include 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 values of the subject outbuildings were estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Out House	25	Lump Sum Estimate		\$2,000
Total Cost New				\$2,000
Less Depreciation - Age/Life - 10/20 Years = 50%				<u>-\$1,000</u>
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 \$66,650, \$97,346, \$46,976 and \$76,816. Equal weight is accorded to the adjusted indications of Improved Sales 1 and 3 as these sales required the lowest net adjustment and are considered most similar to the subject residence. The average of these indications is \$58,813. A market value of \$59,000 (rounded to the nearest \$500 from the value indication) 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	\$ 85,500
Subject Improvements Value	<u>\$ 59,000</u>
Total Value Indication	\$144,500

LOT 22

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 22 , COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		123 Rainbow Ct	138 Little Wheel Ct	533 Rainbow Ct	388 Overland Trail
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$130,000	\$213,500	\$80,000	\$130,000
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$65,000	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		05/30/19	11/15/18	05/03/18	06/29/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000
SITE SIZE/ACRES	0.690	2.470	1.380	1.370	2.020
ADJUSTED SALES PRICE		\$125,000	\$148,500	\$80,000	\$130,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Morrell Creek	Clearwater River	Tributary of Morrell Creek	Clearwater River
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Level & Sloping	Level	Level	Rolling	Level
FRONTAGE/ACCESS	Private Gravel Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
EASEMENTS AFFECTING USE	No	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.690	2.470	1.380	1.370	2.020
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000

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: The 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 prices paid for comparables were cash or cash equivalent; therefore, no adjustments were necessary 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 2016, 2018, and 2019. The sales utilized were the most recent located. There are few sales each year of vacant lots with water frontage in the subject market area. Land Sales 2 and 3 closed approximately 8 and 14 months respectively prior to the report effective date. Land Sale 4 closed approximately 3 years prior to the report effective date.

There was a prior transfer of Land Sale 1 in September of 2016 for \$98,500. The May 2019 sale of this same property for \$130,000 indicates a positive change in market conditions for this site of approximately 10% per year. Based upon the sale and re-sale of Land Sale 1, market conditions for waterfront properties have improved each year in Seeley Lake since 2016.

Land Sales 2 and 3 both closed 2018 and are considered inferior to the subject in this category. Land Sale 4 sold in 2016 and is more inferior compared to the subject in this category. Since there is only one sale and re-sale available, there is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustments were made; however, the dates of sale (and resulting positive changes in market conditions as of the report effective date) for the comparables are addressed in the Reconciliation as appropriate.

Location/Waterfront Name: The subject property includes frontage along a portion of the Clearwater River known as Elbow Lake. As of the report effective date, The subject property included frontage along a relatively shallow portion of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

Land Sales 2 and 4 include frontage along the Clearwater River. Land Sales 1 and 3 include frontage along Morrell Creek or a tributary of Morrell Creek. Morrell Creek is considered to have more limited navigability than the subject portion of the Clearwater River. There is not sufficient market data on which to develop a credible adjustment in this category. For this reason, the subject waterfrontage is addressed in the Reconciliation of this section of the report.

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

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

Topography: The subject and comparables include areas suitable for improvements and no adjustments were necessary.

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

Zoning: The subject property and the comparables are in areas with no zoning. No adjustments were necessary in this category.

Easements Affecting Value: There are no easements affecting value associated with the subject or comparables. No adjustment was necessary in this category.

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

Size/Acres: The comparables are larger than the subject site in acreage. There is no market data suggesting that an adjustment for size is necessary in the size ranges of the subject and comparables. Similar sites are purchased on a per lot basis. For this reason, no adjustment was made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$125,000, \$148,500, \$80,000, and \$130,000. Land Sales 2 and 4 are considered superior to the subject based upon water frontage. Most weight is accorded the indications from Land Sales 1 and 3. These sales are considered to have the most similar marketability to the subject property. Most weight is placed on Land Sale 3 because it is on a relatively narrow tributary of Morrell Creek and better reflects the subject water frontage. Also, Land Sale 3 closed in the spring of 2018 which offsets the superior location of these sales (within Double Arrow Ranch Subdivision). Please see discussion under Market Conditions for support that the market conditions have improved each year since 2016. By placing most weight on Land Sale 3 (2/3 of the weight) and less weight on Land Sale 1 (1/3 of the weight), the value indication is \$95,000. This is rounded to the nearest \$500. A market value of \$95,000 is well supported by this analysis for the subject site as if vacant.

Site Value as if Vacant

\$95,000

Improvement Value Estimate

Home Sales 1, 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 22, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		269 S Grayling Ct	721 Montana Dr	138 Little Wheel Ct	183 Pinewood Circle
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/21/19	03/15/19	11/15/18	03/30/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LESS SITE VALUE		(\$32,000)	(\$50,000)	(\$148,500)	(\$40,000)
ADJUSTED IMPROVEMENT PRICE		\$97,000	\$185,000	\$65,000	\$178,000
ADJUSTMENT FOR:					
LOCATION/SITE	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Good
		\$0	-\$9,250	\$0	-\$8,900
CONDITION	Very Good	Good	Good	Average	Good
		\$4,850	\$9,250	\$6,500	\$8,900
BATHROOMS	1	1	1.5	1	1
		\$0	-\$2,500	\$0	\$0
HOUSE SIZE/SF	974	634	1,055	560	1,200
		\$25,160	-\$5,994	\$30,636	-\$16,724
FINISHED BASEMENT/sf	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Attached Garage, Shed, & Outhouse	Superior	Superior	Inferior	Superior
		-\$1,000	-\$11,000	\$1,000	-\$17,000
TOTAL ADJUSTMENT		\$29,010	-\$19,494	\$38,136	-\$33,724
NET ADJUSTMENT PERCENTAGE		30%	-11%	59%	-19%
ADJUSTED PRICE INDICATION		\$126,010	\$165,506	\$103,136	\$144,276

Discussion of Adjustments

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

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

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

Quality: The subject residence and Improved Sales 1 and 3 are similar in overall quality and no adjustment was necessary in this category. Improved Sales 2 and 4 are superior in overall quality compared to the subject. There is little definitive market data available on which to base an adjustment in this category. A downward adjustment of 5% was made to Improved Sales 2 and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Condition: The subject residence was recently renovated and is superior to the improved sales in condition. There is little definitive market data available on which to base an adjustment in this category. Upward adjustments of 5% per condition rating difference were made to the improved sales in this category. The resulting adjustment percentages are considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence and Improved Sales 1, 3, and 4 include 1 bathroom. These sales required no adjustment in this category. Improved Sale 2 includes 1.5 bathrooms. A downward adjustment of \$2,500 per difference in half bathroom count was made to Improved Sale 2 in this category. This adjustment amount is considered reasonable and indicative of the actions of market participants with regard to bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$74 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 do not include 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 values of the subject outbuildings were estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Garage	270	Section 12/Page 35	\$38.68	\$10,444
Shed	120	Section 17/Page 12	\$12.90	\$1,548
Outhouse	20	Lump Sum		\$2,000
Total Cost New				\$13,992
Less Depreciation - Age/Life - 5/20 Years = 25%				<u>-\$3,498</u>
Depreciated Cost Estimate				\$10,494
Rounded To				\$10,500

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$126,010, \$165,506, \$103,136 and \$144,276. All weight is accorded the adjusted indication from Improved Sale 2 as it required the least net adjustment and is considered most similar to the subject residence. A market value of \$165,500 (rounded to the nearest \$500 from the value indication) 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	\$ 95,000
Subject Improvements Value	<u>\$165,500</u>
Total Value Indication	\$260,500

LOT 23

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 23 , COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		123 Rainbow Ct	138 Little Wheel Ct	533 Rainbow Ct	388 Overland Trail
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$130,000	\$213,500	\$80,000	\$130,000
ADJUSTMENT FOR IMPROVEMENTS		-\$5,000	-\$65,000	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		05/30/19	11/15/18	05/03/18	06/29/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$125,000	\$148,500	\$80,000	\$130,000
SITE SIZE/ACRES	0.550	2.470	1.380	1.370	2.020
ADJUSTED SALES PRICE		\$125,000	\$148,500	\$80,000	\$130,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Morrell Creek	Clearwater River	Tributary of Morrell Creek	Clearwater River
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
TOPOGRAPHY	Level & Sloping	Level	Level	Rolling	Level
FRONTAGE/ACCESS	Private Gravel Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road	Gravel Subdivision Road
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
EASEMENTS AFFECTING USE	Yes	No	No	No	No
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
SITE SIZE/ACRES	0.550	2.470	1.380	1.370	2.020
TOTAL PERCENTAGE ADJUSTMENT		-5%	-5%	-5%	-5%
TOTAL ADJUSTMENT ADJUSTMENT		-\$6,250	-\$7,425	-\$4,000	-\$6,500
ADJUSTED PRICE		\$118,750	\$141,075	\$76,000	\$123,500

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: The 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 prices paid for comparables were cash or cash equivalent; therefore, no adjustments were necessary 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 2016, 2018, and 2019. The sales utilized were the most recent located. There are few sales each year of vacant lots with water frontage in the subject market area. Land Sales 2 and 3 closed approximately 8 and 14 months respectively prior to the report effective date. Land Sale 4 closed approximately 3 years prior to the report effective date.

There was a prior transfer of Land Sale 1 in September of 2016 for \$98,500. The May 2019 sale of this same property for \$130,000 indicates a positive change in market conditions for this site of approximately 10% per year. Based upon the sale and re-sale of Land Sale 1, market conditions for waterfront properties have improved each year in Seeley Lake since 2016.

Land Sales 2 and 3 both closed 2018 and are considered inferior to the subject in this category. Land Sale 4 sold in 2016 and is more inferior compared to the subject in this category. Since there is only one sale and re-sale available, there is not sufficient market data available on which to base an adjustment in this category. For that reason, no adjustments were made; however, the dates of sale (and resulting positive changes in market conditions as of the report effective date) for the comparables are addressed in the Reconciliation as appropriate.

Location/Waterfront Name: The subject property includes frontage along a portion of the Clearwater River known as Elbow Lake. As of the report effective date, The subject property included frontage along a relatively shallow portion of Elbow Lake. A letter dated June 21, 2019 from Montana Fish, Wildlife & Parks and the Montana Department of Natural Resources was sent to all Lessees of lots with frontage along Elbow Lake. This letter stated these agencies would be “removing the channel-spanning rock dam structures in the vicinity of Elbow Lake in the Fall of 2019”. Construction of a new structure would not be allowable. A copy of this letter is included in the Addendum portion of this report.

Removal of this structure will likely result in lower water levels for Elbow Lake. **Based upon this information, the values concluded in this report are based upon the subject lots including river frontage along the Clearwater River versus lake frontage.**

Land Sales 2 and 4 include frontage along the Clearwater River. Land Sales 1 and 3 include frontage along Morrell Creek or a tributary of Morrell Creek. Morrell Creek is considered to have more limited navigability than the subject portion of the Clearwater River. There is not sufficient market data on which to develop a credible adjustment in this category. For this reason, the subject waterfrontage is addressed in the Reconciliation of this section of the report.

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

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

Topography: The subject and comparables include areas suitable for improvements and no adjustments were necessary.

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

Zoning: The subject property and the comparables are in areas with no zoning. No adjustments were necessary in this category.

Easements Affecting Value: The subject site includes a 20' wide portion of Elbow Loop within the lot boundaries. The location of the road is considered to have a negative impact on the value of this site. The comparables do not include easements that affect value. There was not sufficient market data on which to base a credible adjustment in this category; however, some downward adjustment was considered necessary for the comparables. Downward adjustments of 5% were applied to the comparables. This adjustment percentage is considered reasonable and indicative of the actions of market participants relative to the road location.

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

Size/Acres: The comparables are larger than the subject site in acreage. There is no market data suggesting that an adjustment for size is necessary in the size ranges of the subject and comparables. Similar sites are purchased on a per lot basis. For this reason, no adjustment was made in this category.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$118,750, \$141,075, \$76,000, and \$123,500. Land Sales 2 and 4 are considered superior to the subject based upon water frontage. Most weight is accorded the indications from Land Sales 1 and 3. These sales are considered to have the most similar marketability to the subject property. Most weight is placed on Land Sale 3 because it is on a relatively narrow tributary of Morrell Creek and better reflects the subject water frontage. Also, Land Sale 3 closed in the spring of 2018 which offsets the superior location of these sales (within Double Arrow Ranch Subdivision). Please see discussion under Market Conditions for support that the market conditions have improved each year since 2016. By placing most weight on Land Sale 3 (2/3 of the weight) and less weight on Land Sale 1 (1/3 of the weight), the value indication is \$90,250. This is rounded to the nearest \$500. A market value of \$90,000 is well supported by this analysis for the subject site as if vacant.

Site Value as if Vacant

\$90,000

Improvement Value Estimate

Home Sales 1, 2, 3, and 4 are appropriate comparables for this subject residence. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 23, COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		269 S Grayling Ct	721 Montana Dr	138 Little Wheel Ct	183 Pinewood Circle
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		03/21/19	03/15/19	11/15/18	03/30/18
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$129,000	\$235,000	\$213,500	\$218,000
LESS SITE VALUE		(\$32,000)	(\$50,000)	(\$148,500)	(\$40,000)
ADJUSTED IMPROVEMENT PRICE		\$97,000	\$185,000	\$65,000	\$178,000
ADJUSTMENT FOR:					
LOCATION/SITE	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake	Seeley Lake
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Good
		\$0	-\$9,250	\$0	-\$8,900
CONDITION	Average	Good	Good	Average	Good
		-\$4,850	-\$9,250	\$0	-\$8,900
BATHROOMS	0	1	1.5	1	1
		-\$5,000	-\$7,500	-\$5,000	-\$5,000
HOUSE SIZE/SF	515	634	1,055	560	1,200
		-\$8,806	-\$39,960	-\$3,330	-\$50,690
FINISHED BASEMENT/sf	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Outhouse	Superior	Superior	Equal	Superior
		-\$2,000	-\$12,000	\$0	-\$18,000
TOTAL ADJUSTMENT		-\$20,656	-\$77,960	-\$8,330	-\$91,490
NET ADJUSTMENT PERCENTAGE		-21%	-42%	-13%	-51%
ADJUSTED PRICE INDICATION		\$76,344	\$107,040	\$56,670	\$86,510

Discussion of Adjustments

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

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

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

Quality: The subject residence and Improved Sales 1 and 3 are similar in overall quality and no adjustment was necessary in this category. Improved Sales 2 and 4 are superior in overall quality compared to the subject. There is little definitive market data available on which to base an adjustment in this category. A downward adjustment of 5% was made to Improved Sales 2 and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Condition: The subject residence and Improved Sale 3 are similar in overall condition and no adjustment was necessary in this category for this sale. Improved Sales 1, 2, and 4 are superior in condition compared to the subject. There is little definitive market data available on which to base an adjustment in this category. Downward adjustments of 5% were made to Improved Sales 1, 2, and 4 in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Bathrooms: The subject residence includes no bathroom. The improved sales either include 1 or 1.5 bathrooms. Downward adjustments of \$5,000 per difference in number of full baths and \$2,500 per difference in half bathroom count were made to the improved sales in this category. The resulting adjustment amounts are considered reasonable and indicative of the actions of market participants with regard to bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$74 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 do not include 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 values of the subject outbuildings were estimated based upon depreciated cost calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Out House	25	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 \$76,344, \$107,040, \$56,670 and \$86,510. Equal weight is accorded to the adjusted indications of Improved Sales 1 and 3 as these sales required the lowest net adjustment and are considered most similar to the subject residence. The average of these indications is \$66,507. A market value of \$66,500 (rounded to the nearest \$500 from the value indication) 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	\$ 90,000
Subject Improvements Value	<u>\$ 66,500</u>
Total Value Indication	\$156,500

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
6	\$132,500	\$172,500	\$305,000	7/8/2019
10	\$90,000	\$131,500	\$221,500	7/8/2019
15	\$85,500	\$59,000	\$144,500	7/8/2019
22	\$95,000	\$165,500	\$260,500	7/8/2019
23	\$90,000	\$66,500	\$156,500	7/8/2019

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://ebiz.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

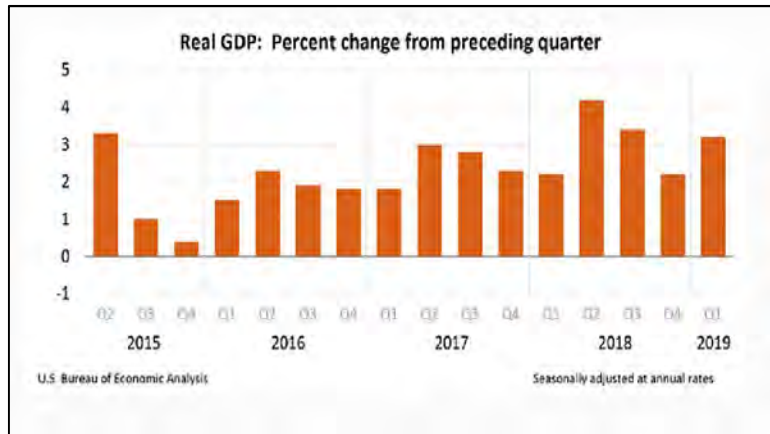


Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
<https://ebiz.mt.gov/pol>

ADDENDUM

NATIONAL ECONOMIC DATA

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



STATE ECONOMIC DATA

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

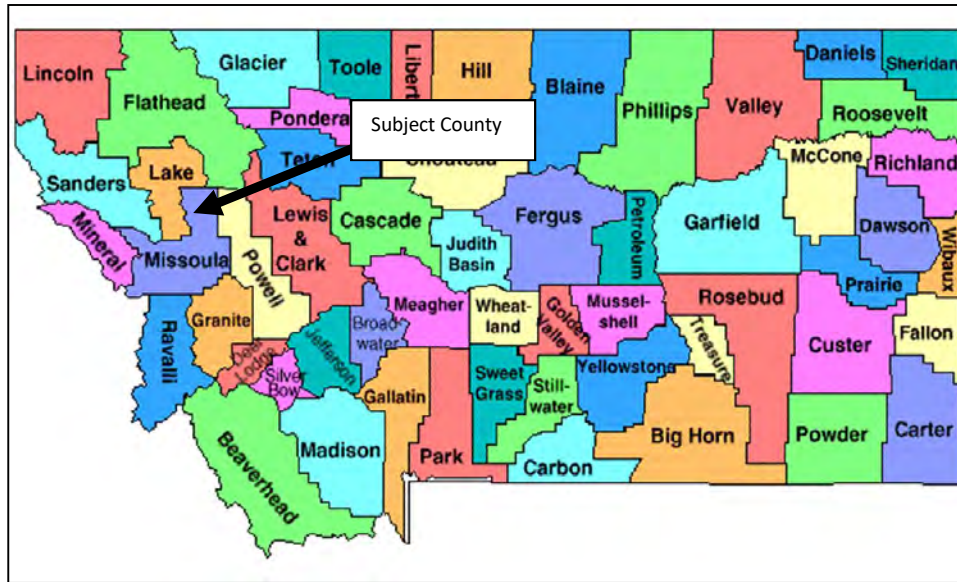
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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

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

MISSOULA COUNTY DATA

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



Geographical Information

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

City and Communities

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

Population

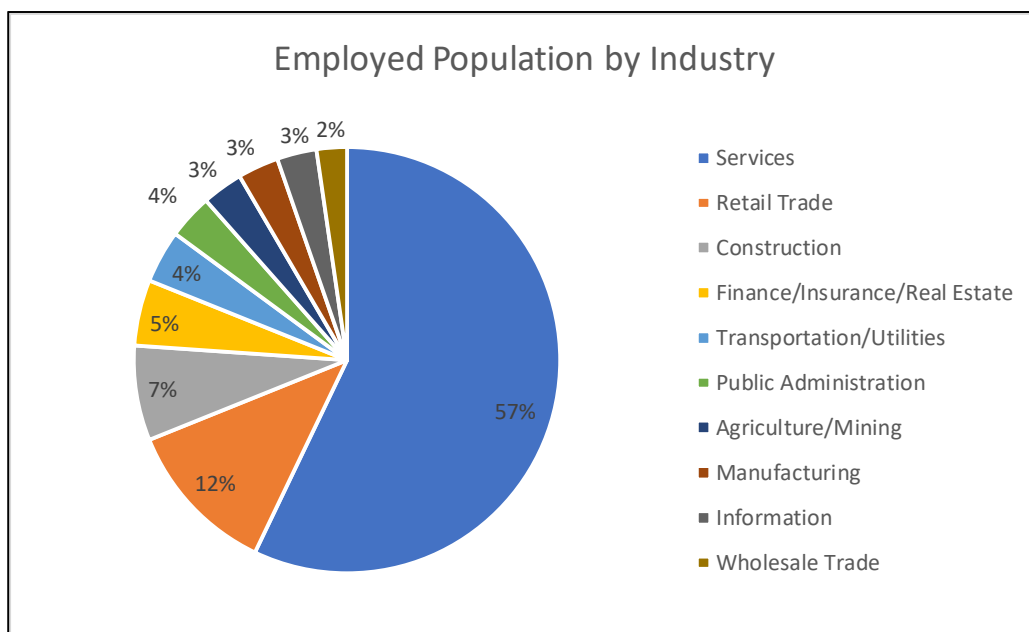
Missoula County is the 2nd most populous county in Montana. The 2018 county population estimate from ESRI based upon US Census Bureau data was 119,907. The population is projected to increase to 124,573 by 2023 or 1.26% per year.

Income

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

Employment

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



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

Real Estate

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

Education & Healthcare

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

Linkages & Transportation

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

County Data Conclusion

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

SEELEY LAKE DATA

General Information

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

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



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

Geography

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

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

Population

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

Economy/Income

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

Housing & Real Estate

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

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

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

Recreation

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

Conclusion

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

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

ATTACHMENT A

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:
2019 Elbow 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 Jim & Rebecca Sparks; Jeffrey Denning & Terry Martin-Denning; Craig & Leonard Swartz; Steve Jarvis; and Greg, Autumn, Brian, & Erin Browning. 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 five (5) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

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

Supplemental Appraisal Instructions: 2019 Elbow Lake Appraisals

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

Subject Properties Located in Elbow Lake in Missoula County:

Sale #	Acres	Legal Description
1026	1.04 ±	Lot 6, Elbow Lake T15N-R14W, Sec. 20, Missoula County
1027	0.84 ±	Lot 10, Elbow Lake T15N-R14W, Sec. 20, Missoula County
1028	0.84 ±	Lot 15, Elbow Lake T15N-R14W, Sec. 20, Missoula County
1037	0.69 ±	Lot 22, Elbow Lake T15N-R14W, Sec. 20, Missoula County
1029	0.55 ±	Lot 23, Elbow Lake T15N-R14W, Sec. 20, Missoula County

DNRC Contact Information:

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

Lessees:

(see DNRC Contact for lessee information)

Sale 1026 Jim & Rebecca Sparks	Sale 1027 Jeffrey Denning & Terry Martin-Denning	Sale 1026 Craig & Leonard Swartz
Sale 1037 Steve Jarvis	Sale 1029 Greg, Autumn, Brian, & Erin Browning	

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

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

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

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

MISSOULA COUNTY SALE LOCATION MAP



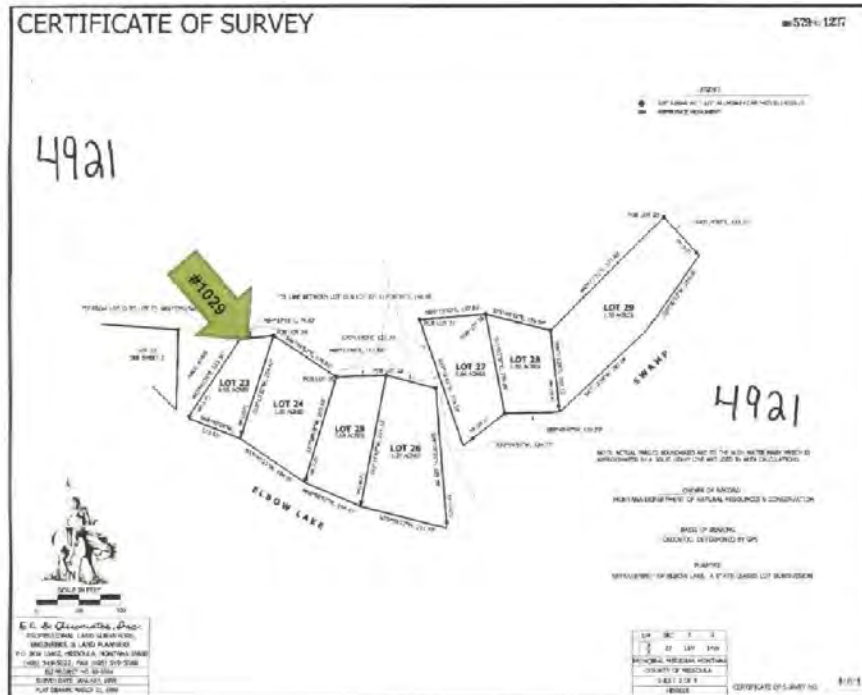
Elbow Lake

T15N-R14W, Sec. 20, Missoula County



Rev 201610

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LETTER REGARDING ROCK DAM REMOVAL

FWP.MT.GOV



THE **OUTSIDE** IS IN US ALL



ROCK DAM REMOVAL

[REDACTED]
June 21, 2019

Dear Lessee or Landowner:

This letter is to inform you that Montana Department of Natural Resources & Conservation (DNRC) in conjunction with Montana Department of Fish, Wildlife & Parks (DFWP) will be removing the channel-spanning rock dam structure(s) in the vicinity of Elbow Lake in the Fall of 2019. Unauthorized structures will be removed by the most efficient means possible while following normal permitting guidelines.

The structure(s) will be removed for the following reasons:

- Channel spanning dams impede the migration of native fish, including bull trout, a species listed as threatened under the federal Endangered Species Act;
- Dam structures illegally impound water to the detriment of downstream water right holders; and
- Dams in this reach are not authorized by DNRC, DFWP, the Missoula Conservation District, US Army Corps of Engineers, or any other entity that either owns the streambed or possesses authority for permitting such a structure. Therefore their placement not only violates permitting requirements but is a trespass to State Trust Land administered by DNRC.

Due to the need to follow state law and to keep this waterway clear of unauthorized structures, future trespass through construction of rock dams will be subject to enforcement actions, including citations and fines.

Our hope is that residents and visitors to this area understand the importance of responsible and lawful management of Montana's waterways, the state's water right laws, and the need to protect fisheries resources.

Sincerely,

Michael O'Herron
Area Manager
Southwestern Land Office, DNRC

Sincerely,

Randy Arnold
Regional Supervisor
Region 2, DFWP

Cc: DNRC SWLO
DNRC REMB
DFWP Region 2
US Army Corps of Engineers
Missoula Conservation District
[REDACTED]