

APPRAISAL REPORT OF:

SALE #'S 973, 974, & 975
SANDERS COUNTY, MONTANA



PREPARED FOR:

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

MARKET VALUES AS OF:
April 23, 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 21, 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: Sale 973 (COS #3579, Section 12, T23N-R27W), Sale 974 (COS # 3581, Section 26, T24N-R27W), & Sale 975 (COS # 3580, Section 26, T23N-R27W), Sanders County, Montana

Dear Ms. Motichka:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on April 23, 2019. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. These visual inspections, reviews, and analyses were made in order to prepare the attached summary appraisal report.

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

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

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

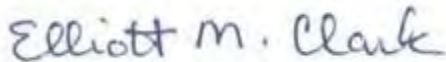
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We were not provided with soil studies for the subject sites. We assume that the soils are capable of supporting construction similar to that in similar area subdivisions without unusual soil preparation. We are also unaware of the presence of any hazardous material, groundwater contamination, or toxic materials that may be on or in the subject sites. Should any of these conditions be present, the values stated in this report could be affected.

We certify that, to the best of our knowledge and belief, the statements and opinions contained in this appraisal report are full true and correct. We certify that we have no interest in the subject properties and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimates of the properties.

This appraisal assignment was not made nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations. This appraisal is subject to the attached Certification of Appraisal and Statement of Limiting Conditions. We further certify that this appraisal was made in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP).

Respectfully submitted,



Elliott M. Clark, MAI
Montana Certified General Real Estate Appraiser
REA-RAG-LIC-683



Christopher D. Clark
Montana Licensed Real Estate Appraiser
REA-RAL-LIC-841

19-026ec

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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	Sale 973 (COS #3579, Section 12, T23N-R27W), Sale 974 (COS # 3581, Section 26, T24N-R27W), & Sale 975 (COS # 3580, Section 26, T23N-R27W), Sanders, Montana
Site Sizes	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-089-0001.00
Flood Zone	Assumed to be in Areas of Minimal Flood Hazard Panel 30089C0090D, 30089C0875D, & 30089C1375D – Dated June 5, 2012
Zoning	None

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 21, 2019
Inspection Date(s)	April 23, 2019
Effective Date of Value(s)	April 23, 2019
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuations Section of Report & Page 80 of Report
Individual Improvement Values	Property Valuations Section of Report & Page 80 of Report
Individual Total Market Values	Property Valuations Section of Report & Page 80 of Report

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

MARKETING & EXPOSURE TIME

The appraised values for the properties (as if vacant and as improved) are based upon 12 to 18 month marketing and exposure times. Both are addressed in the Subject Market Analysis section 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 21, 2019
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: October 21, 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 identified as Montana Department of Natural Resources and Conservation Sale #'s 973, 974, 975 in Sanders County, Montana.

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

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on April 23, 2019. We measured the improvements on the properties and walked the subject sites.

Scope of Research

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

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

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

Extraordinary Assumption(s)

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

There are no **Extraordinary Assumptions** associated with the values concluded in this report.

Hypothetical Conditions

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

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

Highest & Best Use

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

Appraisal Process

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

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

Environmental

The appraisers do not possess the requisite expertise and experience with respect to the detection and measurement of hazardous substances, unstable soils, or freshwater wetlands. Therefore, this assignment does not cover the presence or absence of such substances as discussed in the Limiting Conditions section of this report. However, any visual or obviously known problems affecting the properties will be reported and any impact on the value will be discussed.

General Data Sources

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

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

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

IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Sale #	Section/Township/Range	County
973	S12/T23N/R27W	Sanders
974	S26/T24N/R27W	Sanders
975	S26/T23N/R27W	Sanders

INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Sale #	Lessee
973	Kenneth & Katrina Strowbridge
974	George Croft & Pam Sandall
975	Deborah Allen

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

PURPOSE OF THE APPRAISAL

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

DATE OF PROPERTY VIEWINGS

April 23, 2019

EFFECTIVE DATE OF MARKET VALUES

April 23, 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 all owned by the State of Montana. The improvements on the subject lots are owned by the lessees. The lessees and information regarding the most recent transfer documents located for the improvements are identified below;

Sale #	Lessee	Last Transfer Document
973	Kenneth & Katrina Strowbridge	Bill of Sale Recorded 3/8/2010 as Document #68701
974	George Croft & Pam Sandall	None Located
975	Deborah Allen	Quit Claim Deed Recorded 12/21/2012 as Document #76679

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 all of the subject lots. The house construction dates and any recent listing information for the improvements via the area MLS for each applicable property are below;

Sale #	Lessee	Address	House Built	Listing History of Improvements via Area MLS
973	Kenneth & Katrina Strowbridge	N/A	2015	N/A
974	George Croft & Pam Sandall	N/A	2012	N/A
975	Deborah Allen	N/A	1928	N/A

According to our research, none of the subject improvements were available for sale via the area MLS as of the report effective date.

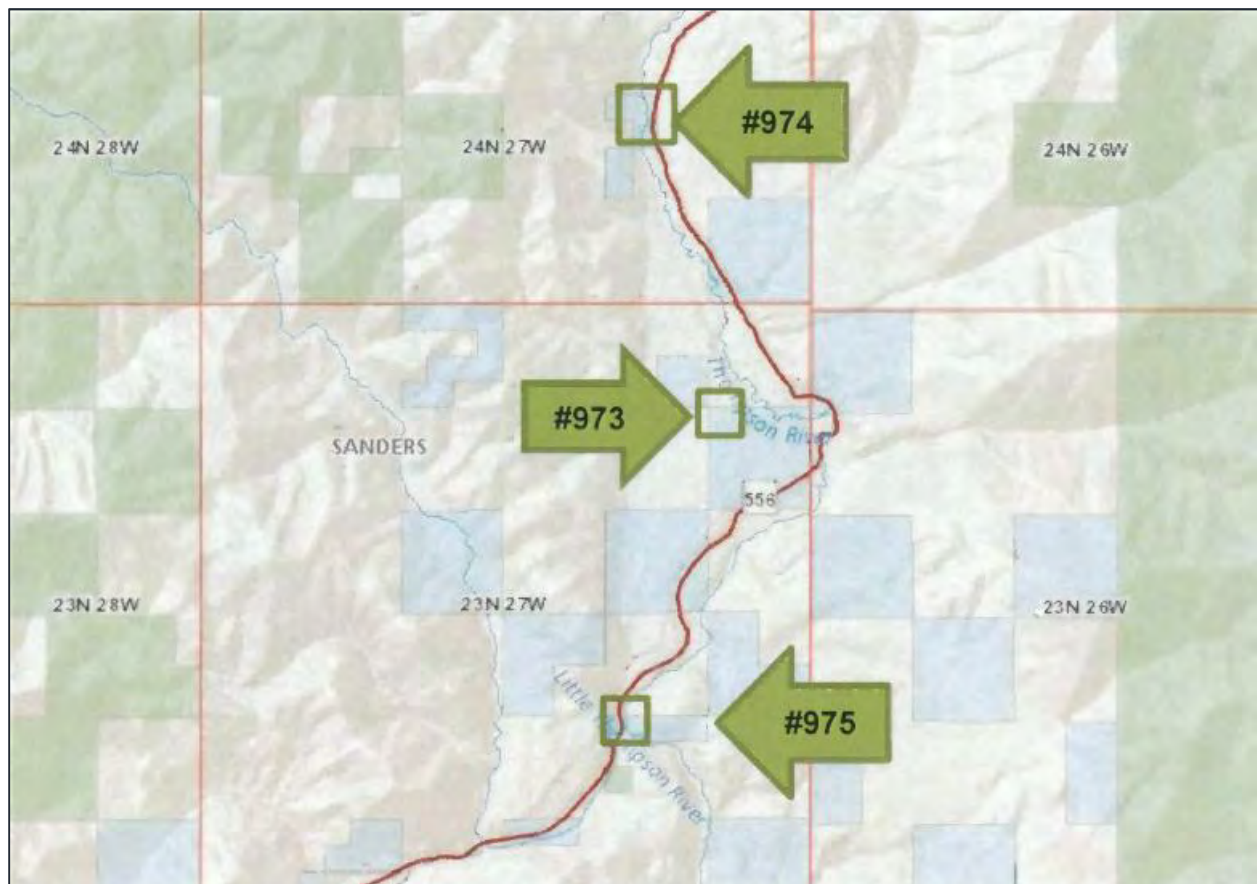
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

The subject properties are in rural areas of Sanders County, Montana. The subject properties are described on the table below;

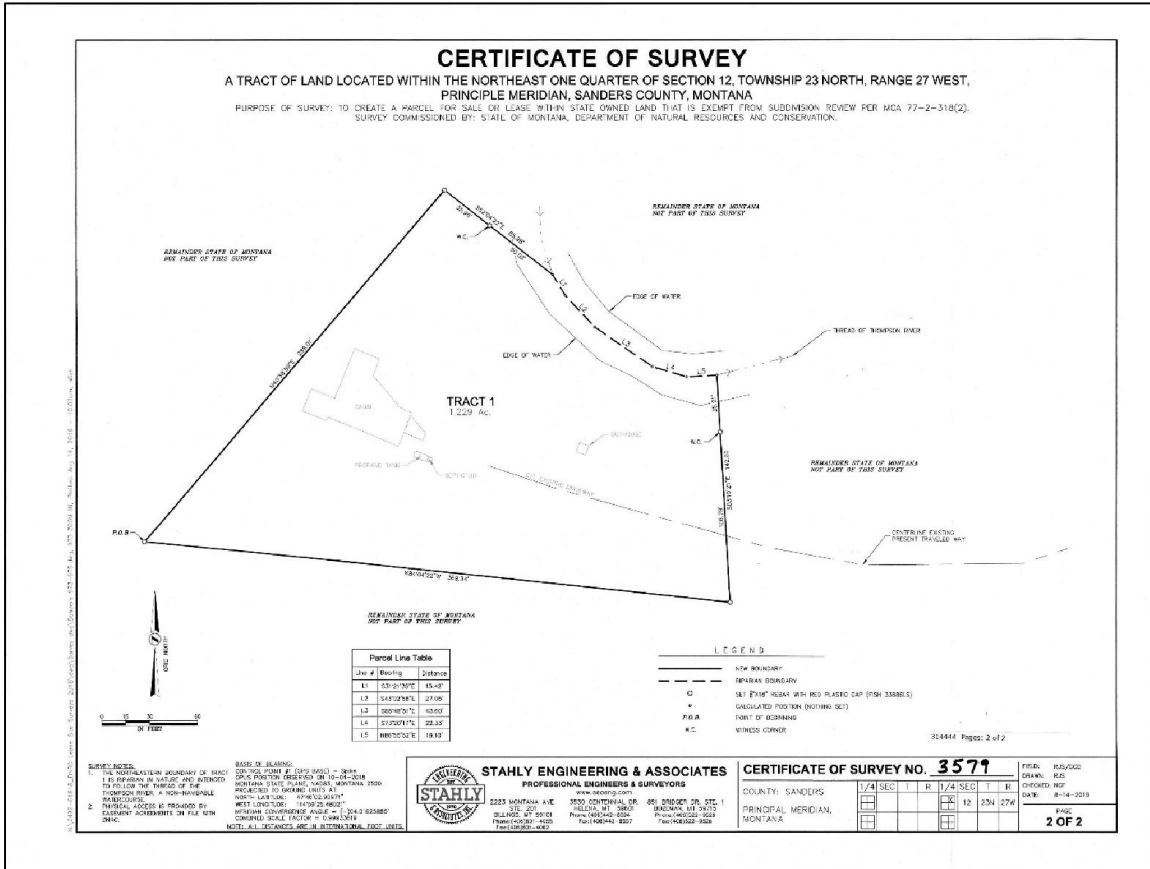
Sale #	Lessee	Certificate of Survey	Section/Township/Range	County	Gross Acres
973	Kenneth & Katrina Strowbridge	COS # 3579	S12/T23N/R27W	Sanders	1.229
974	George Croft & Pam Sandall	COS # 3581	S26/T24N/R27W	Sanders	1.421
975	Deborah Allen	COS # 3580	S26/T23N/R27W	Sanders	0.918

The general locations of the subject property are noted on the image below which was included in the Scope of Work prepared by the MT DNRC.



Individual images depicting an unrecorded survey for each site and area aerial images are included on the following pages.

SALE 973
COS # 3579
(Sale 973 Identified as Tract 1)



Aerial View of Subject Property & Surrounding Area



COS #3581
(Sale 974 Identified as Tract 1)

Aerial View of Subject Property & Surrounding Area



(Sale 975 Identified as Tract 1)

[illegible]

Aerial View of Subject Property & Surrounding Area



ACCESS AND VIEWS

The subject sites all have frontage along and views of the Thompson River. Specific access to each subject parcel is identified on the table below;

Sale #	Lessee	Access
973	Kenneth & Katrina Strowbridge	Approximately 0.50 Mile Long Driveway from MT Hwy 556
974	George Croft & Pam Sandall	Approximately 0.17 Mile Long Driveway from MT Hwy 556
975	Deborah Allen	Driveway Directly from MT Hwy 556

IMPROVEMENTS

The improvements on the subject lots are described on the table below.

Sale #	973	974	975
Residence SF	957	910	709
Construction Type	Wood Frame	Wood Frame	Wood Frame
Foundation	Concrete Slab	Crawl Space	Post & Pier
Quality	Good	Good	Average
Condition	Good	Good	Fair
Year Built	2015 (Approximate)	2012	1928
# of Bedrooms	2	3	1
# of Bathrooms	1	0	0
Porches	244 Sf Covered Deck, 70 SF Patio, & 140 SF Parking Pad	434 Sf Deck	252 Sf Covered Porch & 160 SF Deck
Outbuildings	151 SF Attached Garage, 162 SF Bunk House, & 25 SF Outhouse	54 SF Outhouse with 1,000 Gallon Sealed Tank	200 SF Storage Building & 25 SF Outhouse
Well/Septic	Water Tank/1,000 Holding Tank	None/Outhouse with Tank	None/None
Landscaping/Notes	Cleared Areas, Fire Pit, & Gravel Driveway	Cleared Areas & Gravel Driveway	Cleared Areas

Mr. Ken Strowbridge (Lessee for Sale # 973) provided receipts for building costs for his cabin. We totaled the receipts provided on the spreadsheet below;

Building Costs Provided by Lessee for Sale #973	
Item	Cost
WBC - Various	\$3,915.35
Propane Line & Fittings	\$593.19
Water Heater	\$460.00
Solar Batteries	\$900.00
Kitchen & Bathroom Sinks	\$332.35
Bathroom Faucet	\$199.45
Waste Holding Tank - Various	\$1,344.57
Shower Head & Faucet	\$237.80
Toilet	\$149.99
Largent Construction - Cabin Construction - Various	\$30,500.00
Kitchen Appliances	\$3,833.82
Spray Insulation	\$4,269.00
Sheetrock/Plumbing	\$2,156.00
Flooring - Costco	\$1,519.62
Stair Railing & Stairs	\$724.00
Carpet - Cost Less Carpet	\$926.60
Kitchen Cabinets	\$7,900.00
Total	\$59,961.74

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

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

Sale #	Lessee	Easement Affecting Property
973	Kenneth & Katrina Strowbridge	Easement AT&T for Buried Fiber Optic Cable, Reciprocal Right-of-Way to Plum Creek Timberlands, LP for Road, Easement to Sanders County for Road, Right-of-Way Deed to Anaconda Copper Mining Company for a Private Logging Road, Right-of-Way Deed to Northern Pacific Railway Co. for a Road for Timber & Land Administration, & Right of Way Deed to the US Forest Service for Big Prairie Rd.
974	George Croft & Pam Sandall	Reciprocal Right-of-Way to Plum Creek Timberlands, LP for Road
975	Deborah Allen	Easement AT&T for Buried Fiber Optic Cable, Reciprocal Right-of-Way to Christopher H. Stobie & ruby Stobie for Road, Reciprocal Right-of-Way to Plum Creek Timberlands, LP for Road, USDA Forest Service Reciprocal Right-of-Way for Road and Utilities, Easement to Sanders County for Road, Right-of-Way Deed to Anaconda Copper Mining Company for a Private Logging Road, Right-of-Way to Sanders County for a Public Road, & Right-of-Way Deed to Burlington Northern, Inc for Road for Land Resource Management or Utilization.

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 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;

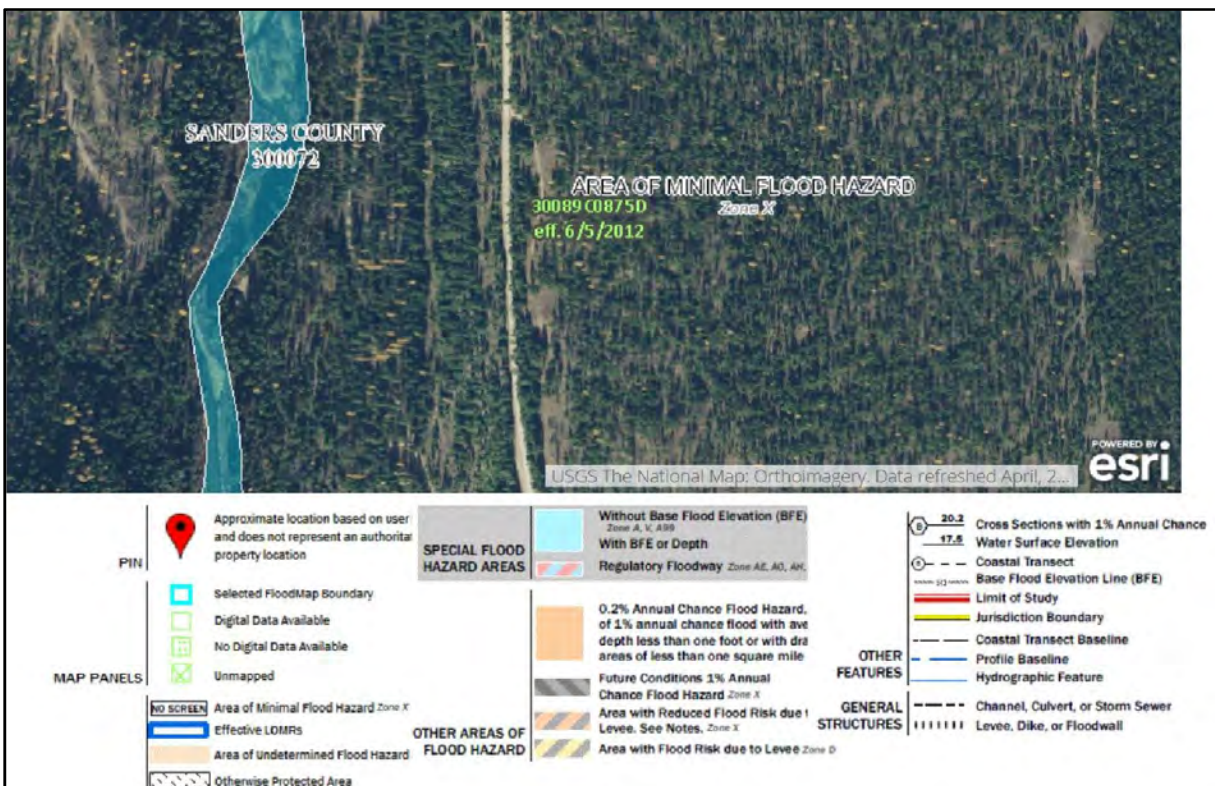
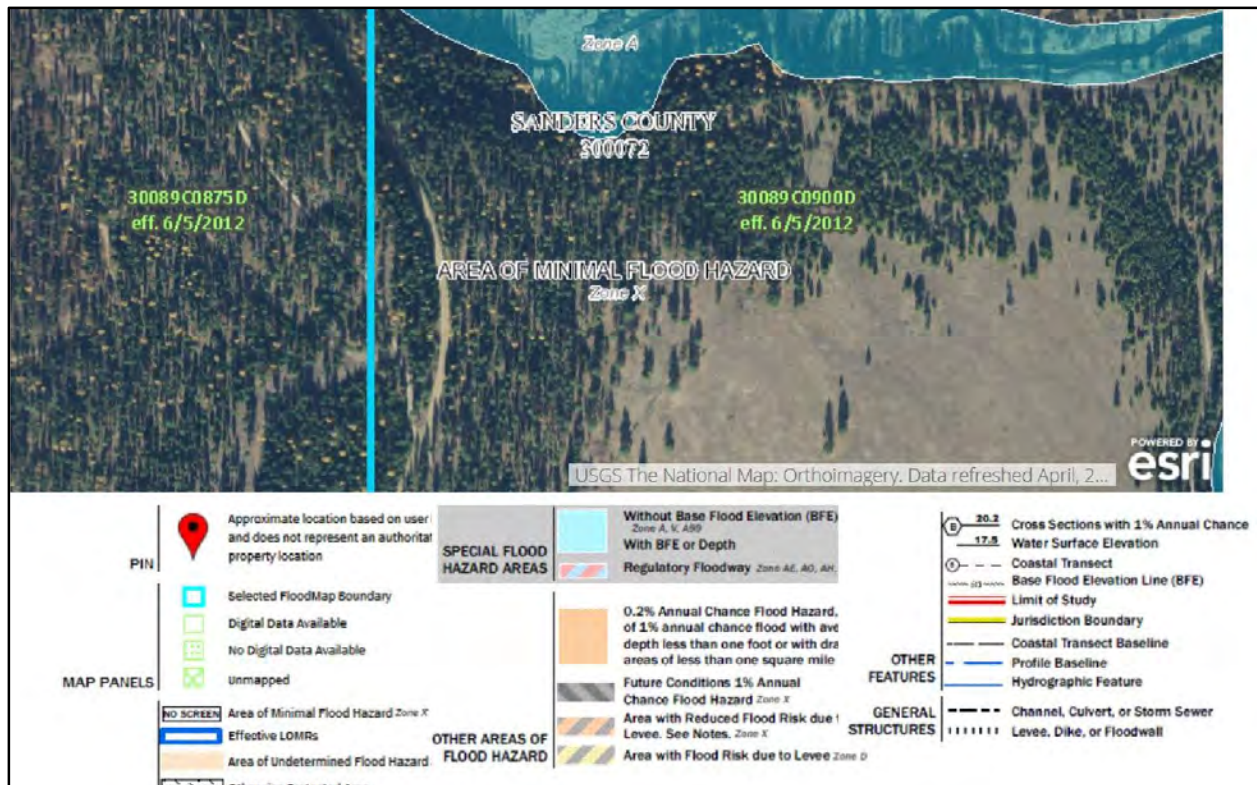
Tax Bills for Improvements				
Sale #	Lessees	Assessor # for Improvements	2018 Taxable Market Value	2018 Tax Bill Amount
973	Kenneth & Katrina Strowbridge	0006439	\$32,560	\$318.94
974	George Croft & Pam Sandall	0006436	\$150	\$125.87
975	Deborah Allen	0006409	\$25,340	\$275.73

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

The topographies and proximities to water are described on the table below;

Sale #	Lessee	Topography	Water Frontage	Access
973	Kenneth & Katrina Strowbridge	Mostly Sloping with Level Bench	127.50 Feet of Frontage Along Thompson River	Approximately 0.50 Mile Long Driveway from MT Hwy 556
974	George Croft & Pam Sandall	Rolling Topography with Slope to River	211.20 Feet of Frontage Along Thompson River	Approximately 0.17 Mile Long Driveway from MT Hwy 556
975	Deborah Allen	Generally Level with Some Slope Toward	261.12 Feet of Frontage Along Thompson River	Driveway Directly from MT Hwy 556

According to FEMA Map Panels in the vicinities of the subject properties (30089C0900D, 30089C0875D, & 30089C1375D, all dated June 5, 2012), it appears that the subject properties are all or predominantly in areas of minimal flood risk and are valued as such in this report. It is important to note that land immediately adjacent to the Thompson River is identified as a Special Flood Area. **We were not able to definitively determine flood risk for each property.** The referenced map panels are included on the following pages.





Mr. Strowbridge (Lessee for Sale # 973) provided pictures of spring flooding. He stated that “We have leased this for almost 10 years and it has flooded at least half of those years. We also cannot access our cabin in the winter because the roads are not maintained.”

A picture provided by Mr. Strowbridge depicting spring flooding is below;



According to Mr. Strowbridge, the flooding has extended over his fire pit area but has not reached his home to date. The home is on a bench area above the river.

We assume that drainage and storm water runoff is adequate and was properly designed and engineered for the subject sites. We have not been provided with a soil studies for the subject sites. We assume the soils can accommodate the type of construction, which is typically seen in the subject area.

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

The subject lots all have some degree of lawn and/or landscaping. None of the lots have landscaping that significantly impacts value.

UTILITIES

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

Sale #	Lessees	Septic Tank	Water Source	Water Right	Notes
973	Kenneth & Katrina Strowbridge	Yes	None	No	Flush Toilet in Residence & Older Outhouse on Site
974	George Croft & Pam Sandall	No	None	No	Outhouse with 1,000 gallon Sealed Tank
975	Deborah Allen	No	None	Yes	Older Outhouse

PUBLIC SAFETY AND SERVICES

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

SITE SUITABILITY

The subject lots are legally and physically suited for residential/recreational improvements that do not require connection to electricity generated by a power company. As noted, there is no electricity of telephone service in the subject area.

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

SALE #973

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.: 19-026ec		Parcel No.: 973			
Property Address: Thompson River Cabin Sites					
City: Thompson Falls		County:	State: MT	ZipCode:	
Owner:		Client Address:			
Client:		Inspection Date:			
Appraiser Name:					
SKETCH					
<p style="text-align: center;">First Floor 956.6 sf</p>					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Total
GLA1	First Floor	1.0	956.6	128.2	956.6
GLA2	Bunk House	1.0	162.0	51.0	162.0
GAR	Garage	1.0	150.8	49.8	150.8
OTH	Outhouse	1.0	25.0	20.0	25.0
P/P	Deck	1.0	244.3	94.0	
	Covered Patio	1.0	70.0	34.0	
	Parking Pad	1.0	140.0	48.0	454.3
Net LIVABLE			cnt	2 (rounded)	1,119
AREA CALCULATIONS BREAKDOWN					
Name	Base x	Height x	Width =	Area	
First Floor	0.5 x	26.5 x	11.1 =	146.8	
		23.3 x	10.0 =	233.0	
		22.6 x	12.5 =	282.5	
		28.3 x	10.4 =	294.3	
Bunk House		13.5 x	12.0 =	162.0	
5 total items				(rounded) 1,119	

SALE # 973 - SUBJECT PHOTOGRAPHS



Residence on Cabin Site #973



East Side of Cabin



South Side of Cabin



South Side of Cabin



West Side of Cabin and Bunk House



Cabin Site #973 Looking North

ADDITIONAL PHOTOGRAPHS



Living Room



Living Room



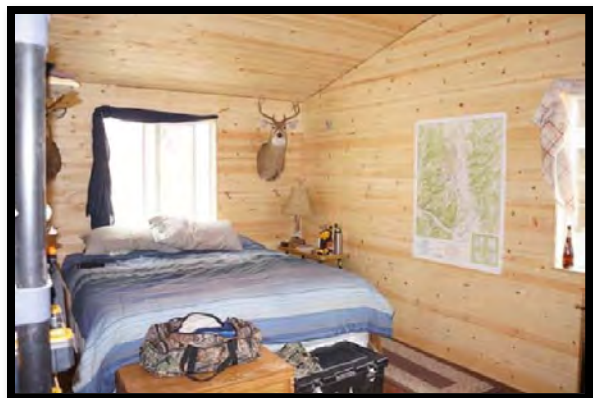
View from Living Room toward Thompson River



Kitchen



Kitchen

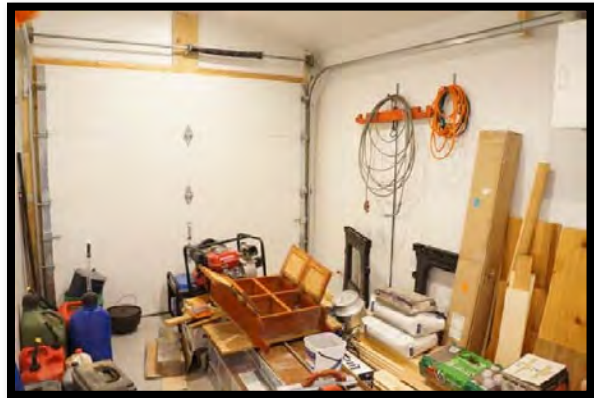


Bedroom

ADDITIONAL PHOTOGRAPHS



Bathroom



Garage/Storage



Bunk House



Outhouse



Thompson River View from Deck



Parcel Interior Looking East

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking East



Northeast Property Boundary Marker Looking North



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Marker Looking West

ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker Looking North



Southwest Property Boundary Marker Looking East



Access Road to Property from ACM Road

SALE #974

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.: 19-026ec		Parcel No.: 974			
Property Address: Thompson River Cabin Sites					
City: Thompson Falls		County:	State: MT	Zip Code:	
Owner:					
Client:		Client Address:			
Appraiser Name:		Inspection Date:			
SKETCH					
<p style="text-align: center;">First Floor 910.0 sf</p> <p style="text-align: center;">Deck 433.5 sf</p> <p style="text-align: center;">Outhouse 54.0 sf</p>					
Sketch by Apex Software					
AREA CALCULATIONS SUMMARY					Area
Code	Description	Factor	Net Size	Perimeter	Net Total
GLA1	First Floor	1.0	910.0	120.7	910.0
OTH	Outhouse	1.0	54.0	30.0	54.0
P/P	Deck	1.0	433.5	131.1	433.5
Net LIVABLE					cnt
1 (rounded					910
AREA CALCULATIONS BREAKDOWN					Area
Name	Base x	Height x	Width =		
First Floor:	30.2	x	30.2	=	910.0
1 total items					(rounded) 910
© Startup Marketing, LLC, dba Apex Software					
Page 1					

SALE # 974 - SUBJECT PHOTOGRAPHS



Residence on Cabin Site #974



South Side of Cabin



North Side of Cabin



East Side of Cabin



West Side of Cabin



Kitchen

ADDITIONAL PHOTOGRAPHS



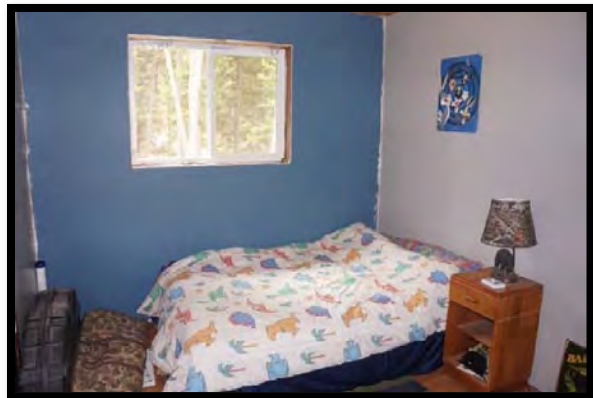
Living Room



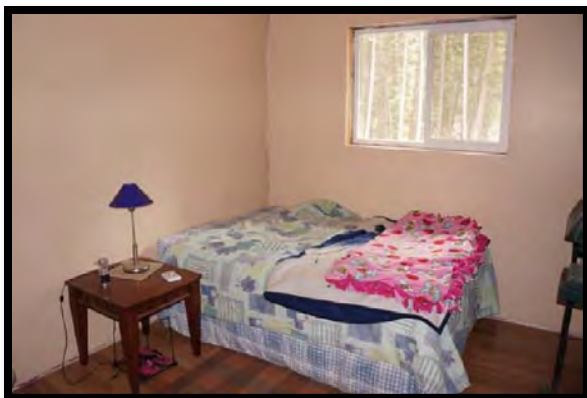
Living Room



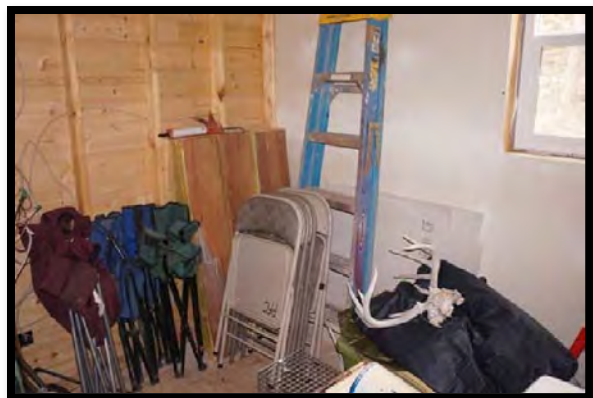
Bedroom 1



Bedroom 2



Bedroom 3



Storage Room

ADDITIONAL PHOTOGRAPHS



Deck



Outhouse



Cabin Site Looking West toward River



Cabin Looking East from River



Thompson River View from Deck



Parcel Interior Looking North

ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East



Northeast Property Boundary Marker Looking South



Northeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking West



Southeast Property Boundary Marker Looking North

ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker Looking East



Southwest Property Boundary Marker Looking North



Thompson River



Parcel Interior Looking North



Driveway to Property



Driveway to Property

ADDITIONAL PHOTOGRAPHS


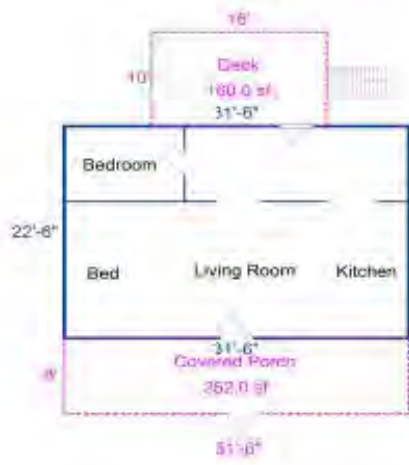



Thompson River Road Looking North



Thompson River Road Looking South

SALE # 975

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.:	Parcel No.: Cabin Site #975				
Property Address:	Thompson River Cabin Sites				
City:	Thompson Falls	County:		State:	MT
Owner:					
Client:	Client Address:				
Appraiser Name:	Inspection Date:				
SKETCH					
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Storage Building 200.0 sf</p>  </div> <div style="text-align: center;"> <p>First Floor 708.8 sf</p>  </div> <div style="text-align: center;"> <p>Outhouse</p>  </div> </div>					
DRAWN BY: JCH/SVW					
AREA CALCULATIONS SUMMARY					Area
Code	Description	Facto	Net Size	Perimete	Net Total
GLA 1	First Floor	1.0	708.8	108.0	708.8
OTH	Outhouse	1.0	25.0	20.0	
	Storage Bui	1.0	200.0	60.0	225.0
P/P	Deck	1.0	160.0	52.0	
	Covered Por	1.0	252.0	79.0	412.0
Net LIVABLE cnt 1 (rounded)					709
AREA CALCULATIONS BREAKDOWN					Area
Name	Base x	Height x	Width =		
First Floor		31.5 x	22.5 =	708.8	
1 total items (rounded)					709

SALE # 975 - SUBJECT PHOTOGRAPHS



Residence on Cabin Site #975



West Side of Residence



South Side of Residence



South Side of House and Deck

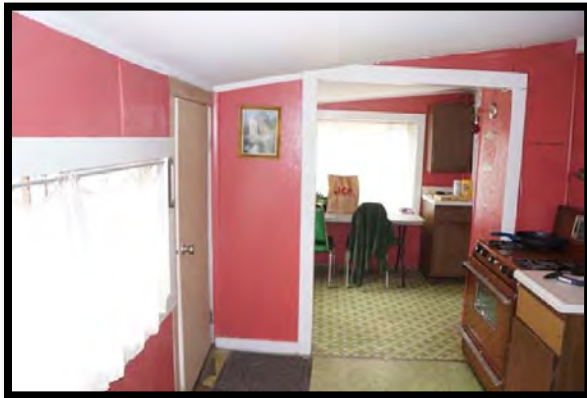


Kitchen



Wood Stove & Living Area

ADDITIONAL PHOTOGRAPHS



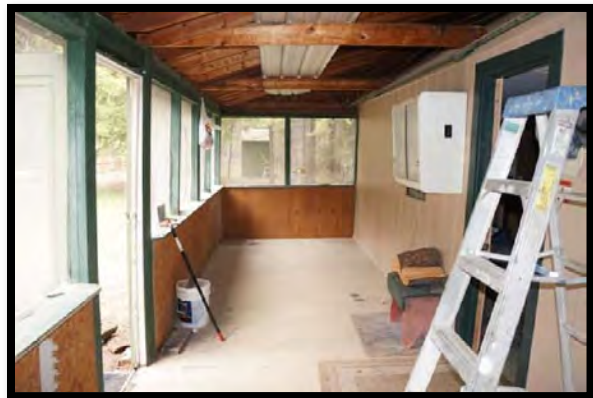
Enclosed Room on East Side of Cabin



Bedroom



Bunk Room off of Living Area



Screened Porch



Deck



Thompson River View from Deck

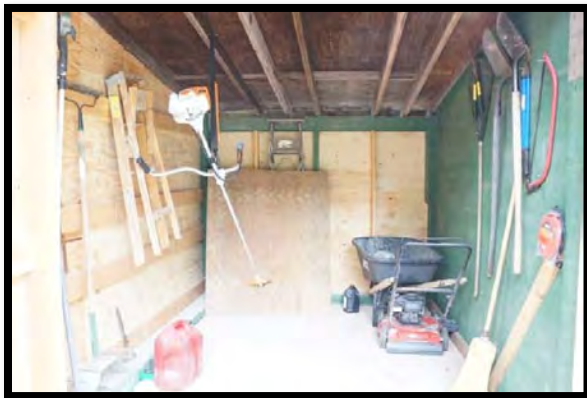
ADDITIONAL PHOTOGRAPHS



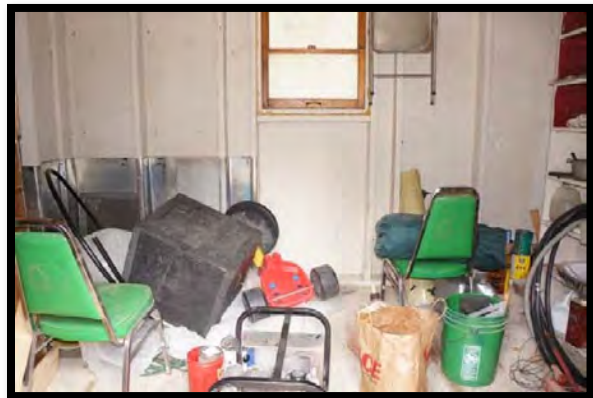
Outhouse



Storage Building



Storage Building Interior



Storage Building Interior



Southwest Property Boundary Marker



View North along West Property Boundary

ADDITIONAL PHOTOGRAPHS



View East along South Property Boundary



Northwest Property Boundary Marker



View East along North Property Boundary



Northeast Property Boundary Marker Looking North



Thompson River at Northeast Corner of Property



Property River Frontage Looking South

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker



View West along South Property Boundary



Road 556 Looking South



Road 556 Looking North

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject sites range from 0.918 up to 1.421 acres in size and are located in a remote area of Sanders County. The subject properties include residential improvements; however, there are no utility services available in the subject area.

Area Land Use Trends

The subject neighborhood is described as a rural and remote area between US Highway 2 to the north and Montana Highway 200 to the south. The area includes property owned by the federal and state government and a significant amount of property owned by Weyerhaeuser (a timber company). Much of the land owned by Weyerhaeuser in this area is encumbered with a conservation easement. The conservation easement was intended to preserve this land for public use and to preserve wildlife habitat while allowing timber production. There is very little privately owned land in this area that is not owned by Weyerhaeuser. Most of the area tracts are vacant; however, there are some ranches and recreational cabins. The Thompson River flows through this area.

Potential Users of Subject Property

The potential users of the subject lots as if vacant would be market participants seeking to own recreation property in a remote area surrounded by thousands of acres of land available for public use.

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) in the subject immediate area. Very limited market data was located.

Since very limited market data or property transfers were located in the immediate subject area, we expanded our search to all portions of Sanders County. We prepared searches for sales of vacant sites ranging from 0.50 up to 2.00 acres in size in Sanders County. No reasonable comparable site sales for the subject sites were located within this size range. For this reason, we also prepared searches for sales of vacant sites ranging in size from 2.01 to 6.00 acres in size in Sanders County. We located two reasonable comparable site sales from this data. We also prepared searches for sales of homes on 0.50 to 2.00 acres in Sanders County. The data located is included on tables on the following page.

Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the MLS data is considered to provide an accurate depiction of general trends in real estate transfers.

Sanders County - Vacant Site Sales							
0.50 to 2.00 Acres							
All Sales				Waterfront Sales			
Year	# of Sales	Average Sales Price	Days on Market	Year	# of Sales	Average Sales Price	Days on Market
2016	14	\$50,750	244	2016	2	\$129,250	394
2017	25	\$50,750	250	2017	2	\$111,250	63
2018	37	\$46,646	336	2018	4	\$79,500	22
2019 Year-to-Date	11	\$49,830	443	2019 Year-to-Date	2	\$100,500	160
Actives	78	\$66,125	304	Actives	4	\$120,750	338

Sanders County - Vacant Site Sales							
2.01 to 6.00 Acres							
All Sales				Waterfront Sales			
Year	# of Sales	Average Sales Price	Days on Market	Year	# of Sales	Average Sales Price	Days on Market
2016	32	\$41,069	411	2016	0		
2017	20	\$47,920	347	2017	2	\$76,000	146
2018	37	\$58,159	232	2018	2	\$162,500	109
2019 Year-to-Date	8	\$49,125	260	2019 Year-to-Date	1	\$75,000	364
Actives	68	\$62,029	336	Actives	3	\$122,500	360

This data indicates that vacant sites ranging in size from 0.50 to 6.00 acres have exhibited similar average annual sales prices. This data does not support an adjustment for differences in size between the acreage ranges studied. This data indicates that the highest prices are obtained for waterfront home sites in Sanders County.

We also conducted a search for sales of homes on sites ranging in size from 0.50 up to 2.00 acres in Sanders County. The results of this search are summarized on the table below;

Sanders County - Home Sales			
0.50 to 2.00 Acres			
All Sales			
Year	# of Sales	Average Sales Price	Days on Market
2016	37	\$214,656	274
2017	43	\$192,306	149
2018	44	\$237,742	157
2019 Year-to-Date	13	\$227,969	222
Actives	38	\$287,743	174

This data indicates that the average annual home price has fluctuated since 2016.

Competitive Supply

There were 78 active listings of vacant sites up from 0.50 to 2.00 acres in size in Sanders County as of the report effective date. The average list price at \$66,125 is 33% above the average lot price received in 2019 Year-to-Date.

There were 68 active listings of vacant sites up from 2.01 to 6.00 acres in size in Sanders County as of the report effective date. The average list price at \$62,029 is 26% above the average lot price received in 2019 Year-to-Date.

There were 38 active listings of homes on sites from 0.50 to 2.00 acres in size in Sanders County as of the report effective date. The average list price at \$287,743 is 26% higher than the average home price received in 2019 Year-to-Date.

Interaction of Supply and Demand

Based upon the average sales volume from 2016 through 2018, there is an approximately 3 year supply of vacant sites (ranging in size from 0.50 to 2.00 acres) available for sale within the search parameters utilized. Supply far exceeds demand for typical vacant home sites within the search parameters selected.

It is important to note that although supply exceeds demand for residential sites ranging in size from 0.50 to 2.00 acres in size in all of Sanders County, there are no home sites in this size range available for sale in the immediate subject area.

Market activity for vacant parcels in the immediate subject area is included on the table below;

Address	Assessor #	Listing Status	List Price	List Date	Sales Price	Sale Date	Notes
NHN Forty-Niner Lane	34723	Active	\$95,000	7/27/2018	N/A	N/A	6.18 acre interior site near the subject properties
Lot 1 & 2 Thompson River Rd	06095 & 34682	Closed	\$279,000	4/23/2018	\$235,000	11/26/2018	Two parcels totaling 26.89 acres with 1,066 LF of frontage on the Thompson River. These properties are closer to Thompson Falls than subject properties
Lot 3 Thompson River Rd	34683	Under Contract	\$199,000	4/23/2018	N/A	N/A	One parcel totaling 20 acres with 665 LF of frontage on the Thompson River. Property closer to Thompson Falls than subject properties
Lot 4 Thompson River Rd	34684	Under Contract	\$199,000	4/23/2018	N/A	N/A	One parcel totaling 20.06 acres with 696 LF of frontage on the Thompson River. Property closer to Thompson Falls than subject properties

Area properties with water frontage are commanding the highest prices. As noted, there is little unencumbered private land in the immediate subject area. There is a scarcity of lots like the subject available for sale in the immediate subject area.

Subject Marketability Conclusion

The subject properties are considered to have superior marketability compared to most other, similarly sized, residential sites which recently sold or are currently available for sale in Sanders County. In our opinion, this superior marketability is due to the scarcity of similar

available sites for sale and/or under private ownership. Due to lack of market data, there is no credible basis for an adjustment to site sales not located in the immediate subject area. The most applicable sales of vacant and improved properties in closest proximity to the subject properties and in Sanders County were selected as comparable sales. We also utilized one improved sale near the subject properties as a land sale. This sale closed in 2014 and was the most recent located in the immediate subject area. We extracted the improvement value from this sale.

Due to the limited sales data, we expanded our search to nearby counties. We located one sale of a 1.97 acre site with frontage along Good Creek in Flathead County that closed in 2018. This sale has limited vehicular access in the winter, has no access to electricity and telephone, and is in proximity to large amounts of public land like the subject properties. Although this sale is in Flathead County, it is considered to have similar market appeal as the subject properties

Estimated Marketing and Exposure Times

The 37 sales of home site ranging in size from 0.50 to 2.00 acres that transferred via the area MLS in 2018 were marketed for 336 days. The 11 sales of home sites ranging in size from 0.50 to 2.00 acres that transferred via the area MLS in 2019 Year-to-Date were marketed for 443 days. **Marketing and exposure times** of 12 to 18 months are considered reasonable for the subject properties as if vacant.

Based upon our analysis of recent home sales and the supply of active listings, **marketing and exposure times** of 12 to 18 months are considered reasonable for the subject properties as improved.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

AS IF VACANT

Legally Permissible

The subject lots are in an area with no zoning and no covenants.

Physically Possible

There is sufficient space on each subject site for a single family residence and/or mobile homes and related outbuildings. There is not sufficient space on each site for uses other than residential. All necessary utilities are available to each site.

Financially Feasible

Most similar sized area lots are improved with single family residences. Use of the subject lots for construction of single family residences and/or mobile homes is financially feasible.

Maximally Productive

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

AS IMPROVED

The subject properties are all improved with single family residences. Alteration of the subject residences for any use other than as single family homes would require a large capital expenditure. Continued use as single family residences and/or mobile homes (recreational and/or residential) for the subject sites 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 market 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 homes in the 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 values of the subject properties as improved.

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

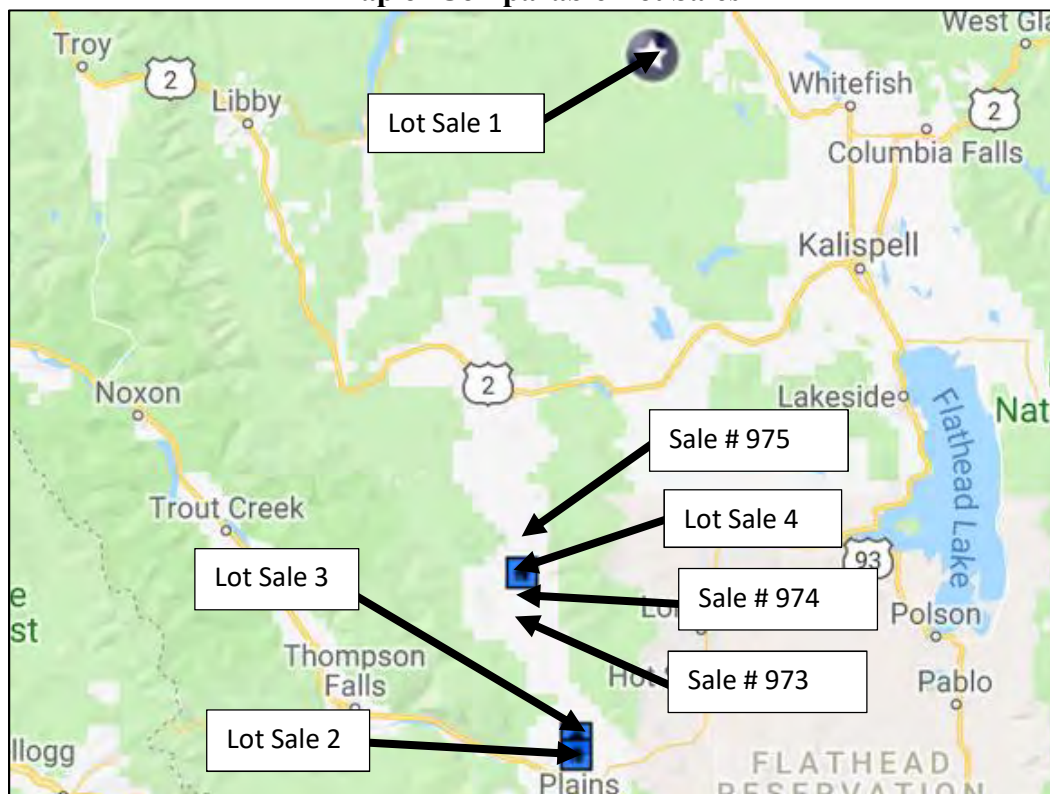
LOT SALES

We searched for sales of lots similar in location and size to the subject. There were no sales of vacant sites located in the immediate subject neighborhood. For this reason, it was necessary to use an improved sale near the subject properties and to extract the value of the improvements from this sale. It also was necessary to use sales larger in size than the subject site and to use one located outside of Sanders County. The most applicable comparables located are described on the table below;


Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price	Less Value of Improvements	Adjusted Sales Price
1	3737 Good Creek Rd	Olney	1.970	2018	\$39,000	N/A	\$39,000
2	NHN High Country Ct	Plains	6.200	2017	\$65,000	N/A	\$65,000
3	Tract 19B, High Country Rd	Plains	5.010	2017	\$55,000	N/A	\$55,000
4	23 Forty Niner Ln	Thompson Falls	1.000	2014	\$86,000	-\$36,000	\$50,000

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


Map of Comparable Lot Sales




LAND SALE 1

COMPARABLE SALE INFORMATION				
	Location		3737 Good Creek Road	
	City/State		Olney, Montana	
	County		Flathead	
	Assessor Number		0634250	
	Zoning		Unzoned	
	Site Size: Acres		1.970	
	Square Feet		85,813	
	Date of Sale		June 7, 2018	
	Sales Price		\$39,000	
	Less Cost of Improvements*		\$0	
	Sales Price Adjusted		\$39,000	
	MLS #		21804095	
ANALYSIS OF SALE				
Price per Acre		\$19,797	Price per Square Foot	\$0.45
			Price Per Front Foot	N/A
TRANSFER INFORMATION				
Owner		Aaron J. Bahner & Cammy L. Bahner	Grantee	Carson Wentz
Type of Instrument		Warranty Deed	Document #	201800011306
			Marketing Time	51 Days on Market
Financing/Conditions		Cash/Market	Verified By	Meg McLaughlin, Listing Agent
Legal Description		Lots 10 & 11 of Good Creek No. 1, Flathead County, Montana	Intended Use/Comments	Purchased for Recreational Use
Section/Township/Range		S1/T31N/R25W		
PROPERTY DETAILS				
Access		County Gravel Road	View	Mountains, Trees, Creek
Topography		Level	Lot Dimensions	Various
Flood Plain		According to Flood Map # 30029C1025G, this property is in an area of minimal flood hazard.	Improvements	None
Water Frontage		Good Creek		
Feet of Water Frontage		356.38 Feet of Creek Frontage	Value of Improvements	\$0
Utilities		None	Miscellaneous	According to the listing agent, approximately half of this site experiences seasonal flooding and is under water a portion of the year.
Report File # 19-026ec				


LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location		NHN High Country Court
	City/State		Plains, MT
	County		Sanders
	Assessor Number		0000002858
	Zoning		Unzoned
	Site Size: Acres		6.200
	Square Feet		270,072
	Date of Sale		August 1, 2017
	Sales Price		\$65,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$65,000
	MLS #		21700371
ANALYSIS OF SALE			
Price per Acre	\$10,484	Price per Square Foot	\$0.24
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Owner	John C. Gill & Polly A. Gill	Grantee	Douglas T. Peele
Type of Instrument	Warranty Deed	Document #	307157
		Marketing Time	213 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Dacy Holland, Selling Agent
Legal Description	Tract 47B of Certificate of Survey #2560MS	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S35/T21N/R26W		
PROPERTY DETAILS			
Access	County Gravel Road	View	Mountains, Trees, Pond
Topography	Rolling	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30089C1450D, the property is not in an area of elevated flood risk.	Improvements	None
Water Frontage	Pond		
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Electricity & Telephone at Road	Miscellaneous	Property includes an over power line and a 60' wide private access and utility easement which crosses the north side of the site.
Report File # 19-026ec			

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location		Tract 19B High Country Rd.
	City/State		Plains, MT
	County		Sanders
	Assessor Number		0000031511
	Zoning		Unzoned
	Site Size: Acres		5.010
	Square Feet		218,236
	Date of Sale		June 2, 2017
	Sales Price		\$55,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$55,000
	MLS #		325339
ANALYSIS OF SALE			
Price per Acre	\$10,978	Price per Square Foot	\$0.25
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	WWW Venture Group, LLP	Grantee	William Raf Viniard & Pamela Gilliam Tarr
Type of Instrument	Warranty Deed	Document #	306280
		Marketing Time	1165 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Deborah Warren, Listing Agent
Legal Description	Tract 19-B of Lynch Creek Reserve Tract 19 Minor Subdivision	Intended Use/Comments	Purchased for Residential/Recreational Use
Section/Township/Range	S26/T21N/R26W		
PROPERTY DETAILS			
Access	County Gravel Road	View	Trees, Mountains, Creek
Topography	Rolling	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30089C1450D, the portion of the property along Lynch Creek is in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	Unknown	Value of Improvements	\$0
Front Feet Per Acre	N/A		
Utilities	Electricity & Telephone at Road	Miscellaneous	A portion of the eastern boundary of the property borders Lynch Creek.
Report File # 17-030ec			

LAND SALE 4

COMPARABLE SALE INFORMATION			
	Location	23 Forty Niner Lane	
	City/State	Thompson Falls, Montana	
	County	Sanders	
	Assessor Number	0005108	
	Zoning	Unzoned	
	Site Size: Acres	1.000	
	Square Feet	43,560	
	Date of Sale	October 27, 2014	
	Sales Price	\$86,000	
	Less Value of Improvements*	\$36,000	
	Sales Price Adjusted	\$50,000	
	MLS #	326997	
ANALYSIS OF SALE			
Price per Acre	\$50,000	Price per Square Foot	\$1.15
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Dennis Murphy Wagar & Michelle T. Wagar	Grantee	Fred W. Boon
Type of Instrument	Warranty Deed	Document #	81383
		Marketing Time	165 Days on Market
Financing/Conditions	Cash/Market	Verified By	Charles Todd, Listing Agent
Legal Description	A Tract of Land in SW4/SE4. (Shown on COS #3323RB)	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S1/T23N/R27W		
PROPERTY DETAILS			
Access	Private Gravel Road	View	River & Mountains
Topography	Level with Gradual Slope to River	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30089C0900D, the property is not located in an area of Elevated Flood Risk.	Improvements	This sale includes a 651 SF cabin constructed in 1965. The cabin is off-grid and utilizes wood stove for heat and cooking. There is no well or septic on this property. The agent indicated that the cabin contributed approximately \$36,000 to the purchase price. The 2017/2018 values for this property by the Montana Department of Revenue were \$87,000 with values of \$33,512 allocated to the improvements.
Water Frontage	Thompson River	Value of Improvements	\$36,000
Feet of Water Frontage	Unknown on		
Utilities	Electricity & Telephone at Thompson River Road	Miscellaneous	Property is accessed via an easement across adjacent land.
Report File # 18-036ec & 19-026ec			

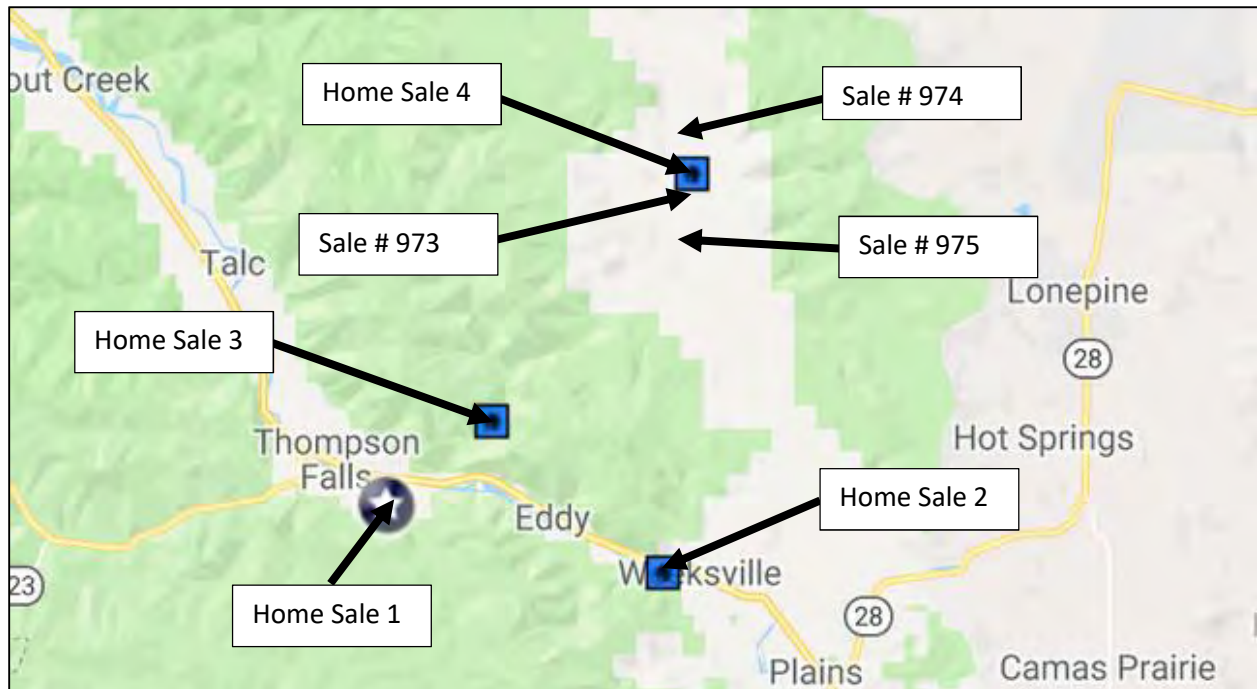
HOME SALES

We conducted a search for sales of homes in the market area similar with improvements similar to the subject improvements. Due to the limited sales of similar properties, it was necessary to utilize sales that closed more than 1 year prior to the report effective date. The most applicable and recent 5 sales located are described on the table below;



Home Sales						
Sale #	Address	City	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	18 Osprey Dr W	Thompson Falls	2018	\$252,900	\$130,000	\$122,900
2	21 Panorama Ln	Plains	2018	\$235,000	\$100,000	\$135,000
3	386 Thompson River Rd	Thompson Falls	2017	\$179,000	\$85,000	\$94,000
4	23 Forty Niner Ln	Thompson Falls	2014	\$86,000	\$50,000	\$36,000

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

Map of Comparable Home Sales



HOME SALE 1

COMPARABLE SALE INFORMATION			
		Location	18 Osprey Drive W.
		City/State	Thompson Falls, MT
		County	Sanders
		Assessor Number	0004993
		Zoning	Unzoned
		Site Size: Acres	1.060
		Square Feet	46,174
		Date of Sale	August 6, 2018
		Sales Price	\$252,900
		Adjustment to Sales Price	\$0
		Adjusted Sales Price	\$252,900
		MLS #	21807968
TRANSFER INFORMATION			
Grantor	James J Thorp & Ronnell K. Thorp	Grantee	Linda L. Nathan & Thomas B. Mertz
Recording Data	Warranty Deed #310362	Marketing Time	43 Days on Market
Financing/Conditions	Conventional / Market	Verified By	Jenna Brown, Listing Agent
Legal Description	Lot 5, Block 1, Tammerlane Subdivision	Intended Use	Recreational / Residential Use
Section/Township/Range	S23/T21N/R29W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	Clark Fork River	Sales Price	\$252,900
Front Footage	100' *	Estimated Site Value	\$130,000
Access	Private Gravel Road	Sales Price of Improvements	\$122,900
House Square Feet	720	Improvement Price/SF	\$171
Bedroom/Bathrooms	2BR/1BA		
Year Built or Renovated	2005		
Construction	Wood Frame		
Quality	Good		
Condition	Good		
Water/Sewer	Well, Septic		
Utilities	Electricity, Telephone		
Topography	Level with gradual slope to river		
Outbuildings	None		
Miscellaneous	*Property has river access across Northwest Energy reservoir boundary area. Property has a dock and patio area on the river. Tammerlane Subdivision has protective covenants.		
		Report File # 19-026ec	


HOME SALE 2

[illegible]

HOME SALE 3

COMPARABLE SALE INFORMATION			
	Location		386 Thompson River Road
	City/State		Thompson Falls, MT
	County		Sanders
	Assessor Number		0005513, 0005221
	Zoning		Unzoned
	Site Size: Acres		0.800
	Square Feet		34,848
	Date of Sale		June 12, 2017
	Sales Price		\$181,500
	Adjustment to Sales Price		(\$2,500)
	Adjusted Sales Price		\$179,000
	MLS #		21701534
TRANSFER INFORMATION			
Grantor	Ernest Cabral & Irene Cabral	Grantee	Kevin L. Chasson
Recording Data	Warranty Deed #306456	Marketing Time	109 Days on Market
Financing/Conditions	VA, MT Board of Housing / Market	Verified By	Mary Hailing, Listing Agent
Legal Description	Lots 1, 2, 6, 7, & 8 in Block 1 of Copper King Townsite	Intended Use	Residential,Recreational
Section/Township/Range	S33/T22N/R28W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Body of Water	Thompson River	Sales Price	\$179,000
Front Footage	115' *Access Only	Estimated Site Value	\$85,000
Access	Thompson River Road *Gravel	Sales Price of Improvements	\$94,000
House Square Feet	700	Improvement Price/SF	\$134
Bedroom/Bathrooms	1BR/1BA		
Year Built or Renovated	1935		
Construction	Wood Frame		
Quality	Average		
Condition	Average		
Water/Sewer	Community Water/Septic		
Utilities	Electricity, Telephone		
Topography	Rolling		
Outbuildings	Sheds, 1 Car Detached Garage		
Miscellaneous	Cabin with access to Thompson River. Adjacent to USFS Copper King campground. Marketed for recreational/residential property. Approximately 2 miles from Highway 200. Seller paid \$2,500 in closing costs.		
Report File # 17-030ec			

HOME SALE 4

COMPARABLE SALE INFORMATION						
	Location		23 Forty Niner Lane			
	City/State		Thompson Falls, MT			
	County		Sanders			
	Assessor Number		0005108			
	Zoning		Unzoned			
	Site Size: Acres		1.000			
	Square Feet		43,560			
	Date of Sale		October 27, 2014			
	Sales Price		\$86,000			
	Adjustment to Sales Price		\$0			
	Adjusted Sales Price		\$86,000			
	MLS #		326997			
TRANSFER INFORMATION						
Grantor		Dennis Murphy Wagar & Michelle T. Wagar	Grantee	Fred W. Boon		
Recording Data		Warranty Deed #81383	Marketing Time		165 Days on Market	
Financing/Conditions		Cash / Market	Verified By		Charles Todd, Listing Agent	
Legal Description		A Tract of Land in SW4/SE4. (Shown on COS #3323RB)		Intended Use		Residential/Recreational
Section/Township/Range		S1/T23N/R27W				
DESCRIPTION OF IMPROVEMENTS			ANALYSIS OF SALE			
Body of Water			Walk in Access to Thompson River			
Front Footage			Unknown			
Access			Private Gravel Road			
House Square Feet			651			
Bedroom/Bathrooms			1BR/0BA			
Year Built or Renovated			1965			
Construction			Log			
Quality			Average			
Condition			Average			
Water/Sewer			Outhouse			
Utilities			None			
Topography			Level with gradual slope toward river			
Outbuildings			Outhouse			
Miscellaneous			Cabin off-grid, wood stove for heat and cooking. Parcel boundaries depicted in blue on photo at right are approximate. Property has views of the Thompson River. This property is accessed via an easement across adjacent land.			

PROPERTY VALUATIONS

SALE 973

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					
SALE # 973, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		3737 Good Creek Rd	NH-N High Country Rd	NH-N High Country Rd	23 Forty Niner Ln
CITY		Olney, MT	Plains, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$39,000	\$65,000	\$55,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$36,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/07/18	08/01/17	06/02/17	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000
SITE SIZE/ACRES	1.229	1.970	6.200	5.010	1.000
ADJUSTED SALES PRICE		\$39,000	\$65,000	\$55,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Rural	Rural	Rural	Rural	Rural
		0%	0%	0%	0%
WATER FRONTAGE	Thompson River	Good Creek	Pond	Lynch Creek	Thompson River
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Bench with Slope	Level	Rolling	Rolling	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	MT Hwy 556	County Road	County Road	County Road	County Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	Yes	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	None	None	Available	Available	None
		0%	0%	0%	0%
SITE SIZE/ACRES	1.229	1.970	6.200	5.010	1.000
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000

Discussion of Adjustments

Adjustments for Improvements: Land Sales 1, 2, and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sale 4 included an older cabin. Based upon information from viewing photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 were determined to be reasonable and appropriate for the improvements on Land Sale 4.

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

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

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

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

Market Conditions: The comparable sales closed in 2014, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made; however, sale date is addressed in the Reconciliation.

Location: The locations of the subject and the comparables are relatively similar. The subject and comparables are in rural and relatively remote areas which are suitable for market participants seeking recreational type properties. Land Sale 4 is located furthest from the subject property but is approximately 30 miles from the nearest significant population center. No adjustment was necessary in this category for the comparables.

Water Frontage: The subject property and Land Sale 4 include frontage on the Thompson River, Land Sale 1 includes frontage along Good Creek, Land Sale 2 includes an onsite pond, and Land 3 includes frontage along Lynch Creek. There is not market data available on which to base a credible adjustment in this category; however, water frontage is addressed in the Reconciliation.

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

Topography: The subject site and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category. The subject includes a raised bench area that is suitable for a home. The remainder of this site is steeply sloping or experiences seasonal flooding. Approximately half of Land Sale 1 also experiences seasonal flooding. This is addressed in the Reconciliation.

Frontage/Access: The subject site and comparables have vehicular access from public roads and no adjustment was necessary in this category.

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

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables in this category.

Electricity/Telephone: The subject property does not have access to electricity or telephone service. Land Sales 1 and 4 do not have access to electricity or telephone service. Land Sales 2 and 3 include access to electricity and telephone service. There is not market data available on which to base a credible adjustment in this category; however, access to utilities is addressed in the Reconciliation.

Size/Acres: The subject site is bracketed in size by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size ranges of the subject and comparables; however, size is addressed in the Reconciliation.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$39,000, \$65,000, \$55,000, and \$50,000. Land Sale 4 closed in 2014 and is accorded less weight due to the date of sale. Land Sales 1 and 4 are considered most similar to the subject in type of water frontage. The subject includes a level bench area, sloping areas, and an area along the river that experiences seasonal flooding. The lessee indicated that the flooding had not extended to the home site area and Land Sale 1 experiences a similar degree of flooding. For these reasons, the subject and comparables are considered to have similar marketability in the category of topography. Land Sales 1 and 4 do not have access to electricity or telephone and are most similar to the subject in this category. Land Sales 1 and 4 are most similar to the subject site in size. Overall Land Sales 1 and 4 are most similar to the subject site.

Land Sale 1 is located furthest from the subject property but is in a remote area of Flathead County with no access to utilities. Land Sale 1 has very similar market appeal compared to the subject site. Most is accorded Land Sale 1 with slight weight on Land Sale 4. A market value of \$40,000 for the subject site is well supported by this analysis. Consequently;

Subject Site Value

\$40,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR SALE #973, THOMPSON FALLS, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:				
LOCATION/SITE	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0
QUALITY	Good	Good	Average	Average
		\$0	\$6,750	\$4,700
CONDITION	Good	Good	Average	Average
		\$0	\$6,750	\$4,700
BATHROOMS	1	1	1	1
		\$0	\$0	\$0
HOUSE SIZE/SF	957	720	1,027	700
		\$17,301	-\$5,110	\$18,761
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Attached Garage & Bunk House	Superior	Inferior	Inferior
		\$16,000	-\$13,000	-\$4,000
TOTAL ADJUSTMENT		\$33,301	-\$4,610	\$24,161
NET ADJUSTMENT PERCENTAGE		27%	-3%	26%
ADJUSTED PRICE INDICATION		\$156,201	\$130,390	\$118,161

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2017 and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

Quality: The subject residence and Home Sale 1 are considered similar in overall quality and no adjustment was necessary in this category for this comparable. Home Sales 2 and 3 are considered to be inferior in quality compared to the subject residence. Upward adjustments of 5% were considered necessary and appropriate in this category for Home Sales 2 and 3.

Condition: The subject residence and Home Sale 1 are considered similar in overall condition and no adjustment was necessary in this category for this comparable. Home Sales 2 and 3 are considered to be in inferior condition compared to the subject residence. Upward adjustments of 5% were considered necessary and appropriate in this category for Home Sales 2 and 3.

Bathrooms: The subject residence and comparables all include 1 bathroom. No adjustment was necessary in this category.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$73 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

Outbuildings/Amenities: Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated cost calculated to the right.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Attached Garage	151	Section 12/Page 35	\$45.50	\$6,871
Parking Pad	140	Section 66/Page 1	\$5.41	\$757
Bunk House	162	Section 12/Page 29	\$56.00	\$9,072
Outhouse	25	Lump Sum Estimate		\$2,000
Total Cost New				\$18,700
Less Depreciation - Age/Life - 3/20 Years = 15%				-\$2,805
Depreciated Cost Estimate				\$15,895
Rounded To				\$16,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$156,201, \$130,390, and \$118,161. All weight is accorded the adjusted indication from Improved Sale 2 as it required the smallest net adjustment. A value of \$130,00 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	\$ 40,000
Subject Improvements Value	<u>\$ 130,000</u>
Total Value Indication	\$170,000

The value concluded for the subject improvements far exceed the total of the receipts provided by the lessee. It is reasonable to conclude that the receipt total does not reflect all of the labor or profit since the lessee did some of the construction work.

SALE 974

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					
SALE # 974, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		3737 Good Creek Rd	NH-N High Country Rd	NH-N High Country Rd	23 Forty Niner Ln
CITY		Olney, MT	Plains, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$39,000	\$65,000	\$55,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$36,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/07/18	08/01/17	06/02/17	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000
SITE SIZE/ACRES	1.421	1.970	6.200	5.010	1.000
ADJUSTED SALES PRICE		\$39,000	\$65,000	\$55,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Rural	Rural	Rural	Rural	Rural
		0%	0%	0%	0%
WATER FRONTAGE	Thompson River	Good Creek	Pond	Lynch Creek	Thompson River
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Bench with Slope	Level	Rolling	Rolling	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	MT Hwy 556	County Road	County Road	County Road	County Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	Yes	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	None	None	Available	Available	None
		0%	0%	0%	0%
SITE SIZE/ACRES	1.421	1.970	6.200	5.010	1.000
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000

Discussion of Adjustments

Adjustments for Improvements: Land Sales 1, 2, and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sale 4 included an older cabin. Based upon information from viewing photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 were determined to be reasonable and appropriate for the improvements on Land Sale 4.

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

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

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

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

Market Conditions: The comparable sales closed in 2014, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made; however, sale date is addressed in the Reconciliation.

Location: The locations of the subject and the comparables are relatively similar. The subject and comparables are in rural and relatively remote areas which are suitable for market participants seeking recreational type properties. Land Sale 4 is located furthest from the subject property but is approximately 30 miles from the nearest significant population center. No adjustment was necessary in this category for the comparables.

Water Frontage: The subject property and Land Sale 4 include frontage on the Thompson River, Land Sale 1 includes frontage along Good Creek, Land Sale 2 includes an onsite pond, and Land 3 includes frontage along Lynch Creek. There is not market data available on which to base a credible adjustment in this category; however, water frontage is addressed in the Reconciliation.

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

Topography: The subject site and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category. The subject includes a level area that is suitable for a home. The remainder of this site is sloping. The subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

Frontage/Access: The subject site and comparables have vehicular access from public roads and no adjustment was necessary in this category.

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

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables in this category.

Electricity/Telephone: The subject property does not have access to electricity or telephone service. Land Sales 1 and 4 do not have access to electricity or telephone service. Land Sales 2 and 3 include access to electricity and telephone service. There is not market data available on which to base a credible adjustment in this category; however, access to utilities is addressed in the Reconciliation.

Size/Acres: The subject site is bracketed in size by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size ranges of the subject and comparables; however, size is addressed in the Reconciliation.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$39,000, \$65,000, \$55,000, and \$50,000. Land Sale 4 closed in 2014 and is accorded less weight due to the date of sale. Land Sales 1 and 4 are considered most similar to the subject in type of water frontage. The subject includes a level area and sloping areas. Land Sales 1 and 4 do not have access to electricity or telephone and are most similar to the subject in this category. Land Sales 1 and 4 are most similar to the subject site in size. Overall Land Sales 1 and 4 are most similar to the subject site.

Land Sale 1 is located furthest from the subject property but is in a remote area of Flathead County with no access to utilities. Land Sale 1 has very similar market appeal compared to the subject site. Most is accorded Land Sale 1 with slight weight on Land Sale 4. A market value of \$40,000 for the subject site is well supported by this analysis. Consequently;

Subject Site Value

\$40,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR SALE #974, THOMPSON FALLS, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:				
LOCATION/SITE	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0
QUALITY	Good	Good	Average	Average
		\$0	\$6,750	\$4,700
CONDITION	Good	Good	Average	Average
		\$0	\$6,750	\$4,700
BATHROOMS	0	1	1	1
		-\$2,000	-\$2,000	-\$2,000
HOUSE SIZE/SF	910	720	1,027	700
		\$13,870	-\$8,541	\$15,330
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Outhouse	Superior	Inferior	Inferior
		\$3,000	-\$26,000	-\$17,000
TOTAL ADJUSTMENT		\$14,870	-\$23,041	\$5,730
NET ADJUSTMENT PERCENTAGE		12%	-17%	6%
ADJUSTED PRICE INDICATION		\$137,770	\$111,959	\$99,730

Discussion of Adjustments

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

Market Conditions: The comparable sales closed in 2017, and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

Quality: The subject residence and Home Sale 1 are considered similar in overall quality and no adjustment was necessary in this category for this comparable. Home Sales 2 and 3 are considered to be inferior in quality compared to the subject residence. Upward adjustments of 5% were considered necessary and appropriate in this category for Home Sales 2 and 3.

Condition: The subject residence and Home Sale 1 are considered similar in overall condition and no adjustment was necessary in this category for this comparable. Home Sales 2 and 3 are considered to be in inferior condition compared to the subject residence. Upward adjustments of 5% were considered necessary and appropriate in this category for Home Sales 2 and 3.

Bathrooms: The subject residence does not include an indoor bathroom. The comparables include 1 bathroom each. Downward adjustments of \$2,000 were considered appropriate in this category to each of the comparables.

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 \$73 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Outhouse	54	Lump Sum Estimate		\$3,500
Total Cost New				\$3,500
Less Depreciation - Age/Life - 3/20 Years = 15%				-\$525
Depreciated Cost Estimate				\$2,975
Rounded To				\$3,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$137,770, \$111,959, and \$99,730. All weight is accorded the adjusted indication from Improved Sale 3 as it required the smallest net adjustment. A value of \$100,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

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

Subject Site Value	\$ 40,000
Subject Improvements Value	<u>\$ 100,000</u>
Total Value Indication	\$140,000

SALE 975

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					
SALE # 975, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		3737 Good Creek Rd	NH-N High Country Rd	NH-N High Country Rd	23 Forty Niner Ln
CITY		Olney, MT	Plains, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$39,000	\$65,000	\$55,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	-\$36,000
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/07/18	08/01/17	06/02/17	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000
SITE SIZE/ACRES	0.918	1.970	6.200	5.010	1.000
ADJUSTED SALES PRICE		\$39,000	\$65,000	\$55,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Rural	Rural	Rural	Rural	Rural
		0%	0%	0%	0%
WATER FRONTAGE	Thompson River	Good Creek	Pond	Lynch Creek	Thompson River
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Bench with Slope	Level	Rolling	Rolling	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	MT Hwy 556	County Road	County Road	County Road	County Road
		0%	0%	0%	0%
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	Yes	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	None	None	Available	Available	None
		0%	0%	0%	0%
SITE SIZE/ACRES	0.918	1.970	6.200	5.010	1.000
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	0%	0%
TOTAL ADJUSTMENT ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTED PRICE		\$39,000	\$65,000	\$55,000	\$50,000

Discussion of Adjustments

Adjustments for Improvements: Land Sales 1, 2, and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sale 4 included an older cabin. Based upon information from viewing photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 were determined to be reasonable and appropriate for the improvements on Land Sale 4.

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

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

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

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

Market Conditions: The comparable sales closed in 2014, 2017, and 2018. The sales utilized were the most recent located. There is not market data available on which to base an adjustment in this category. For that reason, no adjustment was made; however, sale date is addressed in the Reconciliation.

Location: The locations of the subject and the comparables are relatively similar. The subject and comparables are in rural and relatively remote areas which are suitable for market participants seeking recreational type properties. Land Sale 4 is located furthest from the subject property but is approximately 30 miles from the nearest significant population center. No adjustment was necessary in this category for the comparables.

Water Frontage: The subject property and Land Sale 4 include frontage on the Thompson River, Land Sale 1 includes frontage along Good Creek, Land Sale 2 includes an onsite pond, and Land 3 includes frontage along Lynch Creek. There is not market data available on which to base a credible adjustment in this category; however, water frontage is addressed in the Reconciliation.

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

Topography: The subject site and comparables have topographies that are suitable for residential construction and no adjustment was necessary in this category. The subject includes a level area that is suitable for a home. The remainder of this site is sloping. The subject and comparables are considered to have similar marketability in this category and no adjustments were necessary.

Frontage/Access: The subject site and comparables have vehicular access from public roads and no adjustment was necessary in this category.

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

Easements Affecting Value: The subject site and comparables do not include easements that adversely affect value. No adjustments were necessary for the comparables in this category.

Electricity/Telephone: The subject property does not have access to electricity or telephone service. Land Sales 1 and 4 do not have access to electricity or telephone service. Land Sales 2 and 3 include access to electricity and telephone service. There is not market data available on which to base a credible adjustment in this category; however, access to utilities is addressed in the Reconciliation.

Size/Acres: The subject site is bracketed in size by the comparables. There was no market data indicating that an adjustment was necessary for size differences in the size ranges of the subject and comparables; however, size is addressed in the Reconciliation.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide adjusted indications of value for the subject site of \$39,000, \$65,000, \$55,000, and \$50,000. Land Sale 4 closed in 2014 and is accorded less weight due to the date of sale. Land Sales 1 and 4 are considered most similar to the subject in type of water frontage. The subject includes a level area and sloping areas. Land Sales 1 and 4 do not have access to electricity or telephone and are most similar to the subject in this category. Land Sales 1 and 4 are most similar to the subject site in size. Overall Land Sales 1 and 4 are most similar to the subject site.

Land Sale 1 is located furthest from the subject property but is in a remote area of Flathead County with no access to utilities. Land Sale 1 has very similar market appeal compared to the subject site. Most is accorded Land Sale 1 with slight weight on Land Sale 4. A market value of \$40,000 for the subject site is well supported by this analysis. Consequently;

Subject Site Value

\$40,000

Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR SALE #974, THOMPSON FALLS, MONTANA				
DESCRIPTION	SUBJECT	SALE 2	SALE 3	SALE 4
IDENTIFICATION		21 Panorama Ln	386 Thompson River Rd	23 Forty Niner Ln
LOCATION		Plains, MT	Thompson Falls, MT	Thompson Falls, MT
SALES PRICE		\$235,000	\$179,000	\$86,000
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/06/18	06/12/17	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED PRICE		\$235,000	\$179,000	\$86,000
LESS SITE VALUE		(\$100,000)	(\$85,000)	(\$50,000)
ADJUSTED IMPROVEMENT PRICE		\$135,000	\$94,000	\$36,000
ADJUSTMENT FOR:				
LOCATION/SITE	Thompson River	Clark Fork River	Thompson River	Thompson River
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Fair	Average	Average	Average
		-\$6,750	-\$4,700	-\$1,800
BATHROOMS	0	1	1	0
		-\$2,000	-\$2,000	\$0
HOUSE SIZE/SF	709	1,027	700	651
		-\$17,172	\$486	\$3,132
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	Outhouse	Inferior	Inferior	Equal
		-\$28,000	-\$19,000	\$0
TOTAL ADJUSTMENT		-\$53,922	-\$25,214	\$1,332
NET ADJUSTMENT PERCENTAGE		-40%	-27%	4%
ADJUSTED PRICE INDICATION		\$81,078	\$68,786	\$37,332

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 2014, 2017, and 2018. There is little relevant market data on which to base an adjustment in this category and the sales selected were the most recent available. For these reasons, no adjustments were made in this category.

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

Quality: The subject residence and comparables are similar in overall quality and no adjustment was necessary in this category for the comparables.

Condition: The subject residence is in inferior condition compared to the comparables. Downward adjustments of 5% were considered necessary and appropriate in this category for Home Sales 2, 3, and 4.

Bathrooms: The subject residence does not include an indoor bathroom. The comparables include 1 bathroom each. Downward adjustments of \$2,000 were considered appropriate in this category to each of the comparables.

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 \$54 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar price for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Outhouse	25	Lump Sum Estimate		\$2,000
Total Cost New				\$2,000
Less Depreciation - Age/Life - 15/20 Years = 75%				-\$1,500
Depreciated Cost Estimate				\$500
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 \$81,078, \$68,786, and \$37,332. All weight is accorded the adjusted indication from Improved Sale 4 as it required the smallest net adjustment. A value of \$37,000 is reasonable and well supported for the subject improvements.

Total Value Conclusion

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

Subject Site Value	\$40,000
Subject Improvements Value	<u>\$37,000</u>
Total Value Indication	\$77,000

RECAPITULATION OF VALUE INDICATIONS

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

Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
973	\$40,000	\$130,000	\$170,000	4/23/2019
974	\$40,000	\$100,000	\$140,000	4/23/2019
975	\$40,000	\$37,000	\$77,000	4/23/2019

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
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<https://elbiz.mt.gov/pol>



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAL-LIC-841

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

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

This certificate verifies licensure as:
LICENSED APPRAISER

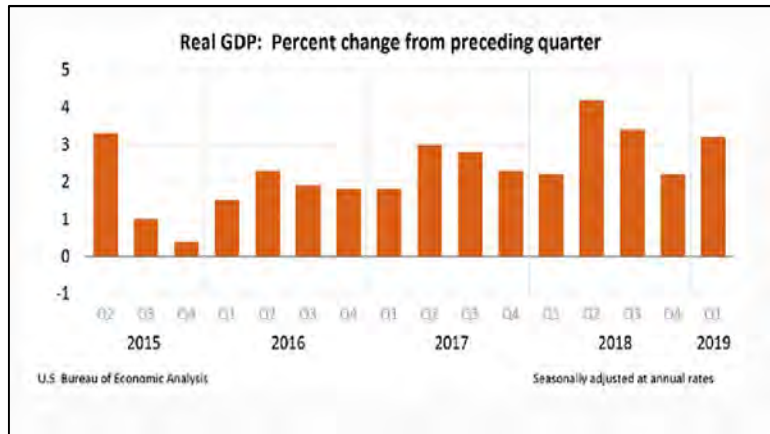


Montana Department of
LABOR & INDUSTRY
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ADDENDUM

NATIONAL ECONOMIC DATA

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



STATE ECONOMIC DATA

Montana is the 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;

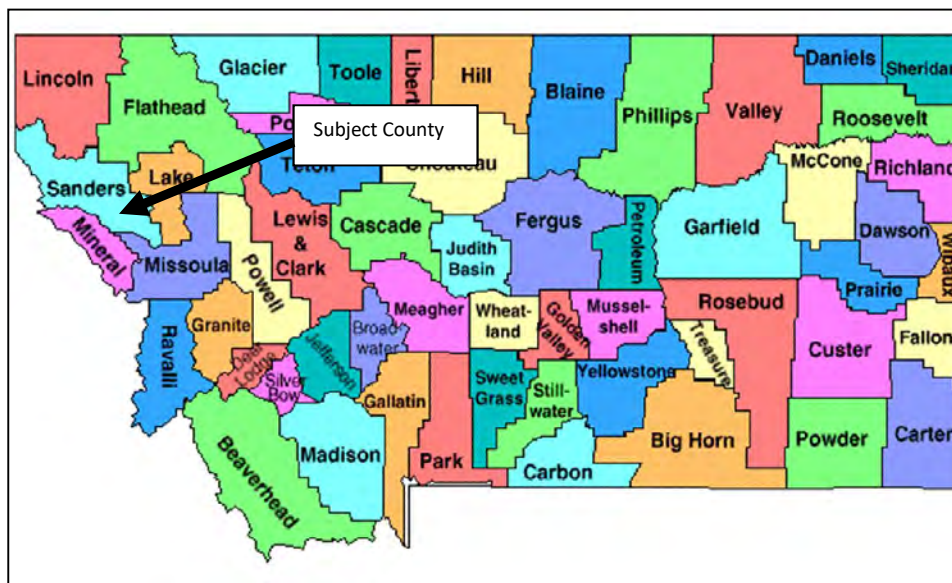
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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.

SANDERS COUNTY DATA

The subject properties are located approximately 20 to 25 miles Northeast of Thompson Falls and Northwest of Plains in Sanders County, Montana. Sanders County is in the northwest portion of Montana. The county is bordered by Lincoln, Flathead, Lake, Missoula and Mineral Counties in Montana. It is bordered to west by Bonner and Shoshone Counties of Idaho. A map of Montana with counties identified is below.



Thompson Falls is the county seat. Incorporated cities are Thompson Falls and Plains. Other communities are; Belknap, Camas, Dixon, Heron, Hot Springs, Lonepine, Noxon, Paradise, Perma, and Trout Creek.

Geographical Information

Sanders County is 2,790 square miles in size. Approximately 1% of the county is water and the remainder is high land. The Clark Fork River (a tributary of the Columbia River) runs the length of the county. The county includes the Cabinet Mountain Wilderness and portions of three national forests.

Population

According to 2018 US Census data estimates, the population of Sanders County is 11,605. A portion of Sanders County is located in the Flathead Indian Reservation. The reservation is home to the Confederated Salish and Kootenai Tribes. According to the 2010 Census, approximately 4.2% of the population of Sanders County was American Indian or Alaskan Native.

Income

According to 2018 US Census data estimates, the median household income is \$33,610. This is less than the median household income for Montana for the same period of \$47,161. Reportedly 18.6% of the population in Sanders County was below the poverty line between 2010 and 2014. This is greater than the estimated 14.3% poverty rate for the State of Montana for that period.

Employment

The economy of Sanders County predominantly consists of farming, ranching and logging. According to the US Bureau of Labor and Statistics, the non-seasonally adjusted unemployment rate for Sanders County was 9.7% in January of 2019. This is lower than the non-seasonally adjustment unemployment rate Montana for January of 2018 of 10.2%. The unemployment rate for the county typically drops during summer and fall due to increases in tourism related jobs.

Education & Healthcare

There are elementary, middle and high schools servicing various areas of Sanders County. There is no four year college in Sanders County. Clark Fork Valley Hospital is in Plains.

Real Estate

According to 2018 estimates from US Census data, there were 6,892 housing units in Sanders County. Of the total housing units, 54.2% were reportedly owner occupied. The median home value for 2018 was reportedly \$220,208.

Linkages & Transportation

Montana Highways 200, 29, 135, and 382 run through portions of Sanders County. Interstate 90 is near the southern border of the county. There are two small county owned airports. One is in Plains and the other is in Hot Springs. There are international airports located in Kalispell and Missoula (both cities are outside of Sanders County) serviced by a variety of national airline carriers.

Flathead Reservation

The Flathead Reservation is the fourth largest reservation in Montana and includes acreage in Sanders County as well as three additional counties in northwest Montana. There are approximately 4,500 Confederated Salish and Kootenai tribal members residing on the reservation. CSKT provides employment opportunities to over 1,000 tribal members through tribal owned and privately owned non-member industries.

Sanders County Economic Data Conclusion

There are an abundance of recreational opportunities in northwest Montana. Attractions in Sanders County include the Clark Fork River, the Thompson River, the Cabinet Mountains Wilderness, portions of National Forests, and a portion of the National Bison Range. These recreational opportunities are attractive to non-resident travelers and occupants of the area. The short term outlook for the area is positive as the state and national economies continue to improve. The long term outlook for the area is also positive due to the abundance of natural resources and the potential to diversify the employment.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

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

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:
2019 Sanders County 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 Kenneth & Katrina Strowbridge; George Croft & Pam Sandall; and Deborah Allen. 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 three (3) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

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

Supplemental Appraisal Instructions: 2019 Sanders County Appraisals

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

Subject Properties Located in Sanders County:

Sale #	Acres	Legal Description
973	1.229 ±	A tract of land in NE4, T23N-R27W, Sec. 12, Sanders County
974	1.421 ±	A tract of land in NW4, T24N-R27W, Sec. 26, Sanders County
975	0.918 ±	A tract of land in NW4, T23N-R27W, Sec. 26, Sanders 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)

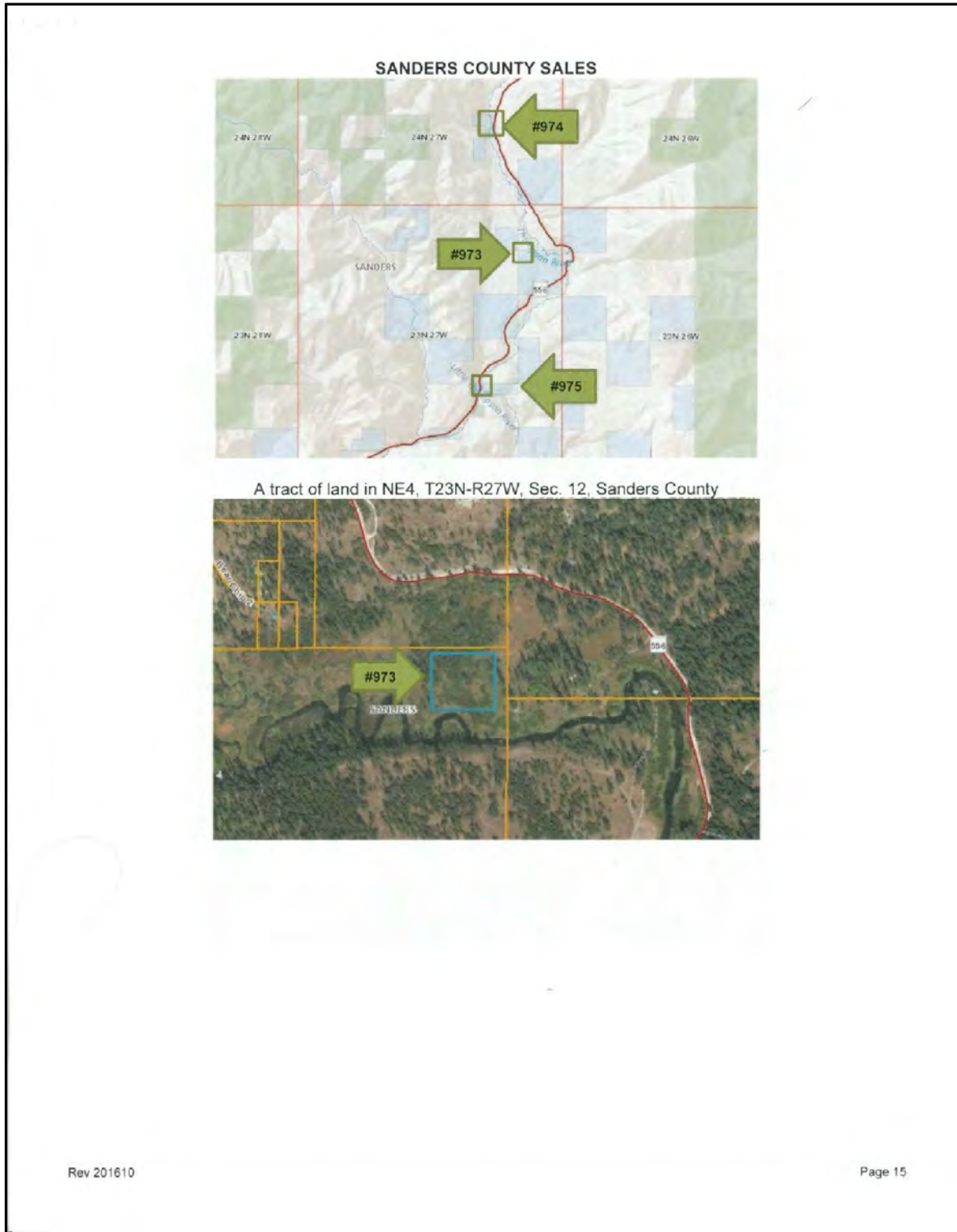
Sale 973 Kenneth & Katrina Strowbridge	Sale 974 George Croft & Pam Sandall	Sale 975 Deborah Allen
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The following will be located in the body of the contract:

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

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

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



A tract of land in NW4, T24N-R27W, Sec. 26, Sanders County



A tract of land in NW4, T23N-R27W, Sec. 26, Sanders County



SALE PARCELS SURVEYS

A survey is currently being completed to define these Sanders County parcels.

The final appraisal report must refer to a completed and recorded Certificate of Survey. The Certificate of Survey will be provided to the appraiser as soon as it becomes available. This is currently expected by January 31, 2018. The appraiser will be responsible for ensuring that the information within the appraisal report is accurate according to the completed and recorded Certificate of Survey, including but not limited to gross and net acreages, easements, and legal descriptions.