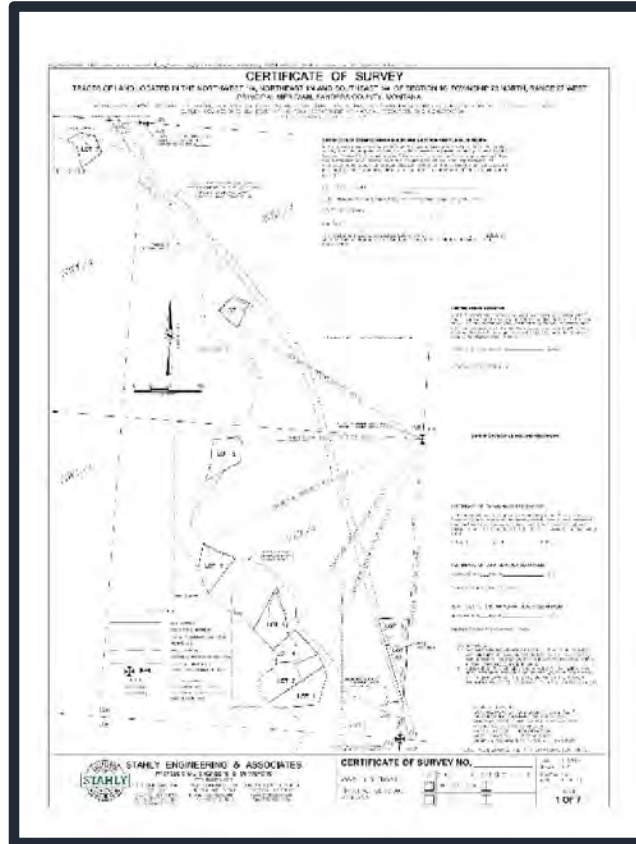


APPRAISAL REPORT OF:

**LOTS 2, 3, 4, 6, 9, & 10 OF
UNRECORDED COS, FISHTRAP CREEK
THOMPSON FALLS, 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. Renee Kelley, Program Specialist**

MARKET VALUES AS OF:

July 16, 2020

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

September 18, 2020

Ms. Renee Kelley, Program Specialist
State of Montana, Montana Board of Land Commissioners,
& Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601

Re: Lots 2, 3, 4, 6, 9 & 10, Unrecorded COS for Fishtap Creek, Section 16, Township 23 North,
Range 27 West, Thompson Falls, Sanders County, Montana

Dear Ms. Kelley:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on July 16, 2020. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. The property viewings, 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 sites, the subject improvements, and the sites and improvements considered together are concluded in this report. These value conclusions were made after thorough study of available market data and other data felt to be pertinent to this appraisal. The attached summary appraisal report exhibits the factual data found and reasoning used in forming our opinions of value.

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


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

We certify that, to the best of our knowledge and belief, the statements and opinions contained in this appraisal report are full true and correct. We certify that we have no interest in the subject properties and that neither the employment to make this appraisal nor the compensation is contingent upon the value conclusions for the properties. We specifically certify that we are competent (geographically and with regard to the property type) to complete this appraisal report. 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

20-048ec

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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	Conclude Market Values/Potential Sale Purposes
Property Owner(s)	Sites: State of Montana/Improvements: Individual Lessees

SUBJECT PROPERTY

Property Identifications	Lots 2, 3, 4, 6, 9 & 10 of Unrecorded COS Fishtrap Creek, Section 16, Township 23 North, Range 27 West, Sanders County, 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, FEMA Map Panels 30089C0875D & 30089C1150D – 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	September 18, 2020
Inspection Date(s)	July 16, 2020
Effective Date of Value(s)	July 16, 2020
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Values	Property Valuation Section of Report & Page 131 of Report
Individual Improvement Values	Property Valuation Section of Report & Page 131 of Report
Individual Total Market Values	Property Valuation Section of Report & Page 131 of Report

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

MARKETING & EXPOSURE TIME

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

APPRAISER INFORMATION

Appraiser(s)	Elliott M. Clark, MAI & Christopher D. Clark
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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.
- Clark Real Estate Appraisal has performed no services, as appraisers or in any other capacity, regarding the subject properties 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: September 18, 2020
Elliott M. Clark, MAI
MT REA-RAG-LIC-683



Date Signed: September 18, 2020
Christopher D. Clark
MT REA-RAL-LIC-841

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

SCOPE OF THE APPRAISAL

The subject properties are Lots 2, 3, 4, 6, 9 & 10 of Unrecorded COS, Fishtrap Creek, Thompson Falls, Sanders County, Montana.

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

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on July 16, 2020. We measured the improvements on the subject lots and walked the lots.

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 2020-2021 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusions.*”

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

Hypothetical Conditions

A **Hypothetical Condition** is defined in 2020-2021 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.

Use of **Hypothetical Conditions** can affect assignment results.

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 values of 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 values will be discussed.

General Data Sources

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

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

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

IDENTIFICATION OF THE SUBJECT PROPERTIES

The subject properties are identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County	Gross Acres
2	1016	Not Recorded	S16/T23N/R27W	Sanders	2.647
3	1017	Not Recorded	S16/T23N/R27W	Sanders	1.245
4	1018	Not Recorded	S16/T23N/R27W	Sanders	1.562
6	1019	Not Recorded	S16/T23N/R27W	Sanders	1.723
9	1015	Not Recorded	S16/T23N/R27W	Sanders	1.661
10	1020	Not Recorded	S16/T23N/R27W	Sanders	1.110

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 Lessees for the subject lots are additional intended users of this report. The Lessees are listed below;

Lot #	Sale #	Lessee
2	1016	Challis & Risa Crismore
3	1017	Don Eubank
4	1018	Wayne Crismore & Seth Reedy
6	1019	Clifford H. & Shari Crismore
9	1015	Nora Jean Malinak
10	1020	William, Garnet, Carla & Sean Kinney

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

PURPOSE OF THE APPRAISAL

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

DATE OF PROPERTY VIEWINGS

July 16, 2020

EFFECTIVE DATE OF MARKET VALUES

July 16, 2020

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.

DEFINITIONS OF MARKET VALUE

At the request of the client, the following definitions of market value are utilized in this report.

Market Value is defined in the following manner:

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."*¹

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Current Fair Market Value as defined in MCA 70-30-313 is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

¹ Office of the Comptroller of the Currency - Comptroller's Manual for National Banks, March 1990, 12CFR, Section 34.42h

STATEMENT OF OWNERSHIP & USE HISTORY

The subject sites are owned by the State of Montana. The improvements on the subject lots are owned by the lessees. The lessees and the most recent transfer documents available online via Powell County, Montana are identified below;

Lot #	Sale #	Lessee	Last Transfer Document
2	1016	Challis & Risa Crismore	None Located
3	1017	Don Eubank	Warranty Deed Recorded 5/4/2006 as Document #54403
4	1018	Wayne Crismore & Seth Reedy	None Located
6	1019	Clifford H. & Shari Crismore	Bill of Sale Recorded 8/18/2014 as Document #80874
9	1015	Nora Jean Malinak	None Located
10	1020	William, Garnet, Carla & Sean Kinney	None Located

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. Homes were constructed on all of the subject lots. The house construction date and any recent listing information for the improvements via the area MLS for each property are below;

Lot #	Sale #	Lessee	House Built
2	1016	Challis & Risa Crismore	2005
3	1017	Don Eubank	1965
4	1018	Wayne Crismore & Seth Reedy	2005
6	1019	Clifford H. & Shari Crismore	1950
9	1015	Nora Jean Malinak	1996
10	1020	William, Garnet, Carla & Sean Kinney	1930 (with Addition in 2010)

According to our research, none of the improvements on the subject lots were available for sale via the area MLS as of the report effective date and none had been available for sale via the area MLS during the three years prior to the report effective date.

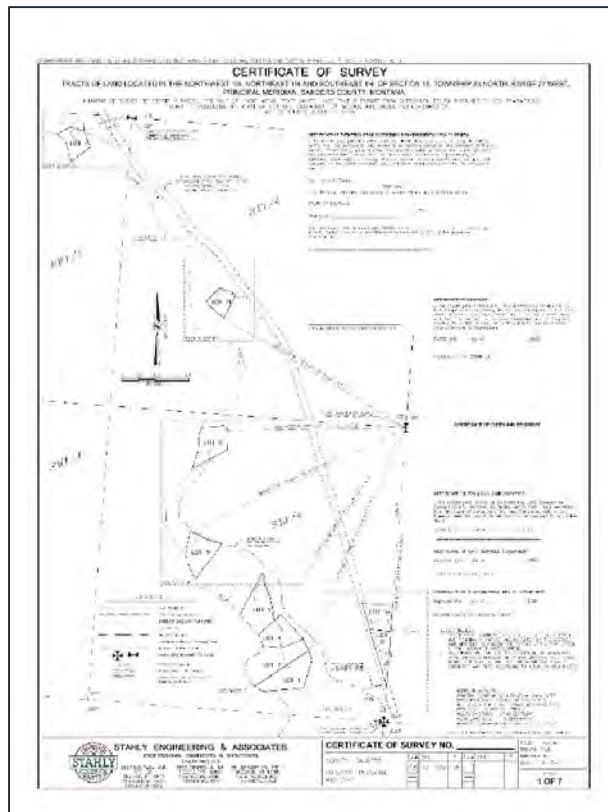
PROPERTY DESCRIPTIONS

GENERAL DESCRIPTIONS

The subject properties are Lots 2, 3, 4, 6, 9 & 10 of unrecorded certificate of survey, Fishtrap Creek, in Section 16, Township 23 North, Range 27 West, in Sanders County, Montana. The subject site sizes are below;

Lot #	Sale #	Gross Acres
2	1016	2.647
3	1017	1.245
4	1018	1.562
6	1019	1.723
9	1015	1.661
10	1020	1.110

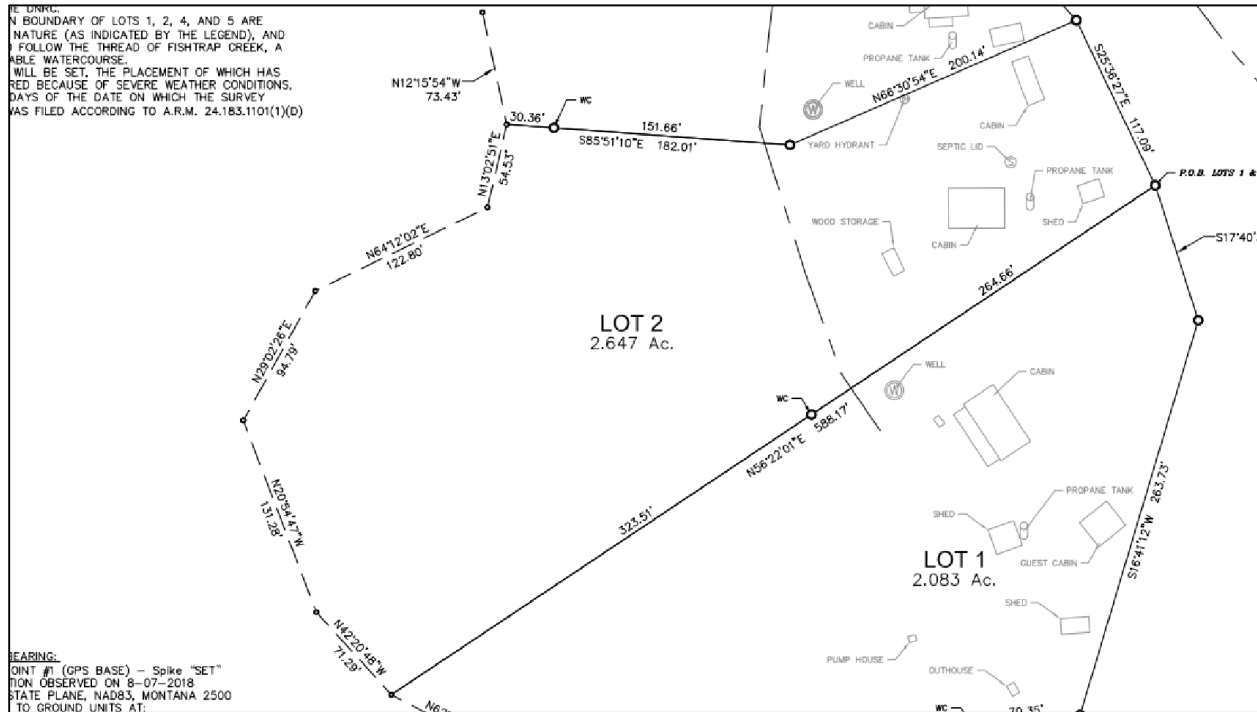
Page 1 of the Certificate of Survey for the subject lots is below;



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

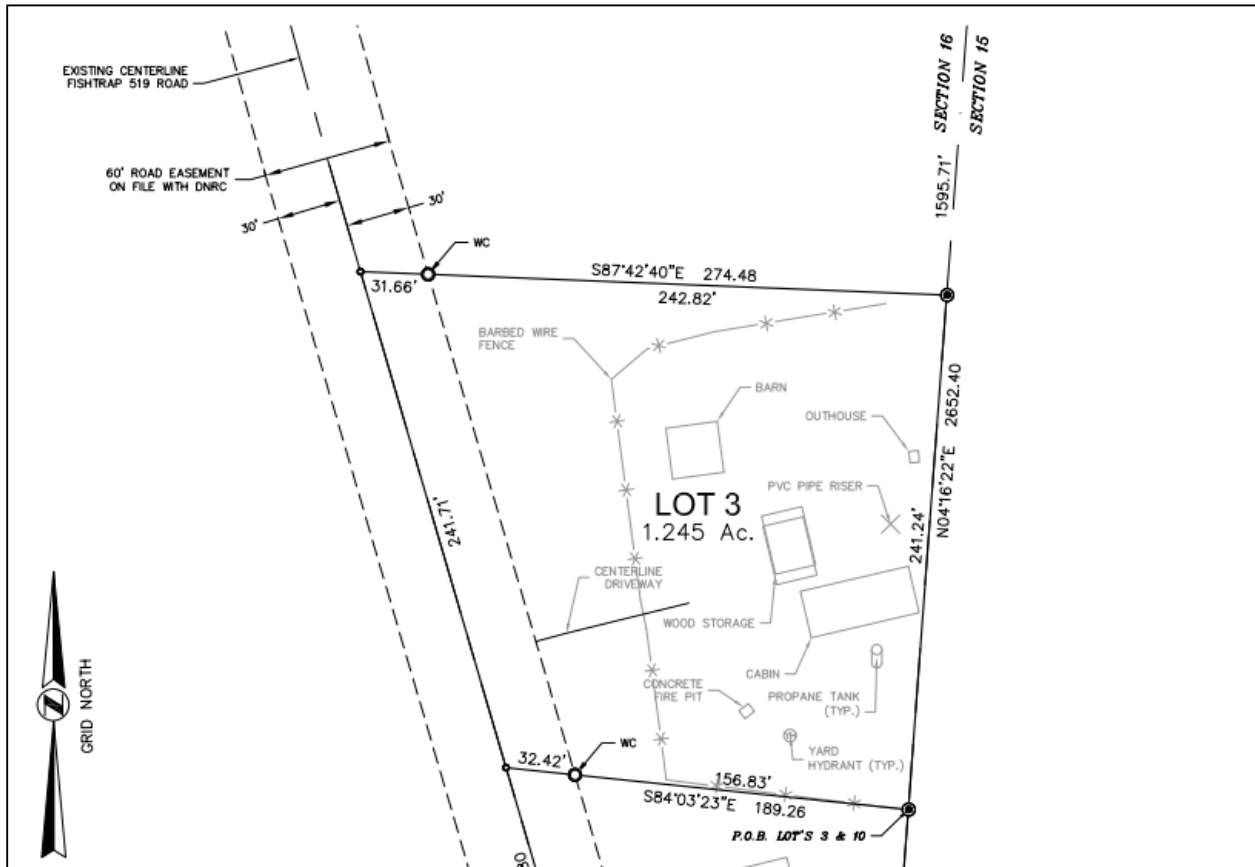
LOT 2

Enlarged View of Page 3 of Certificate of Survey



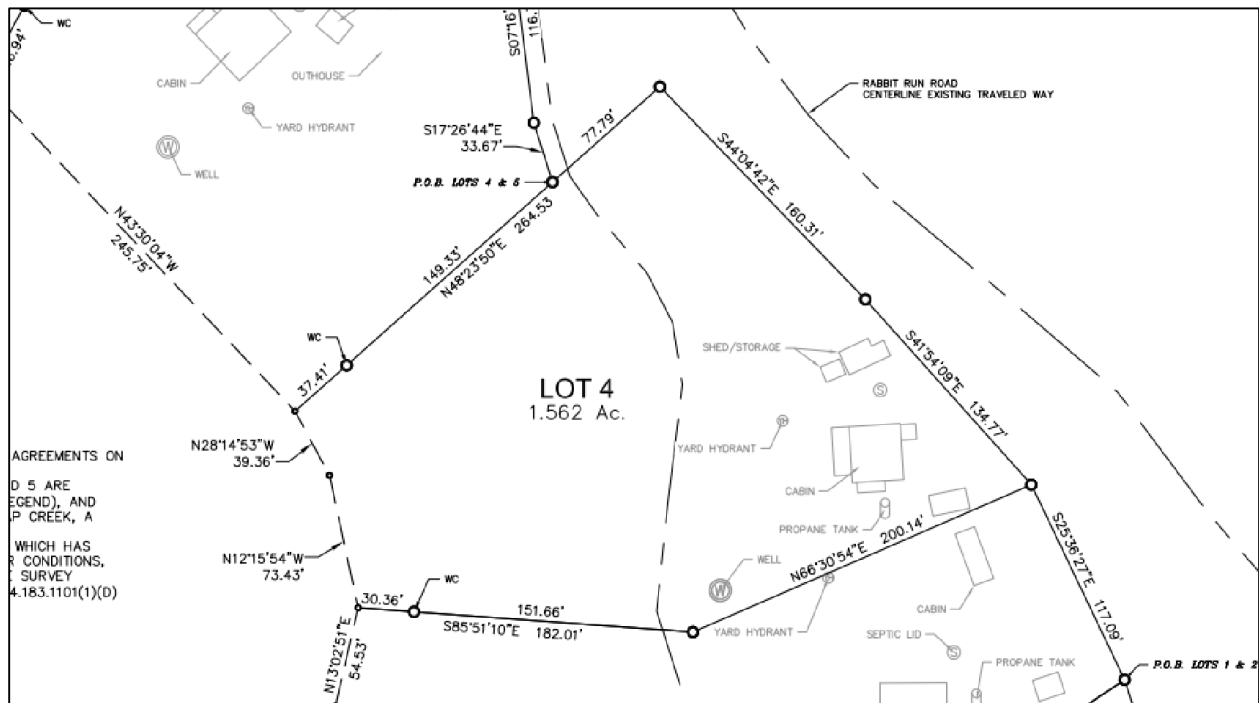
LOT 3

Enlarged View of Page 2 of Certificate of Survey



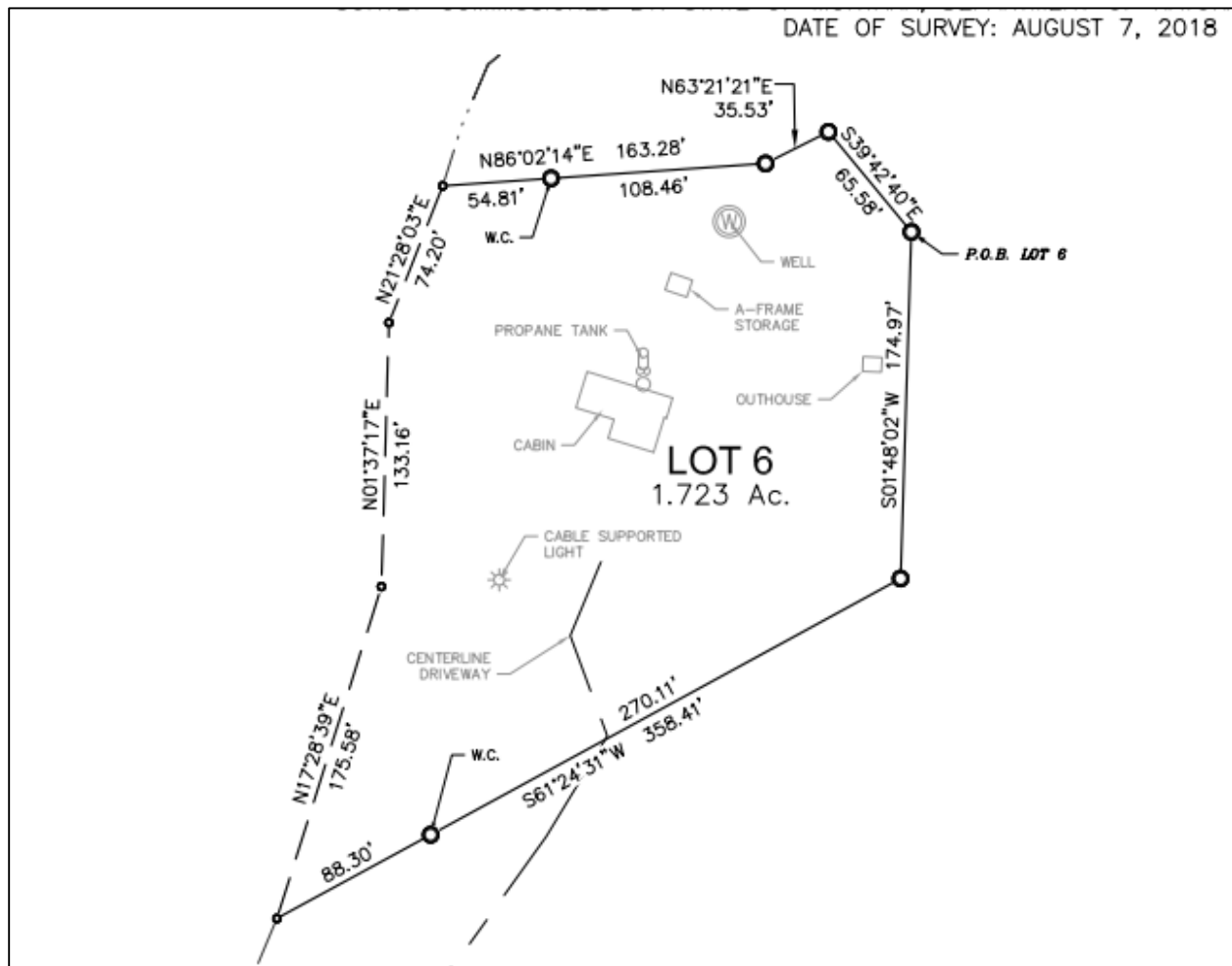
LOT 4

Enlarged View of Page 4 of Certificate of Survey



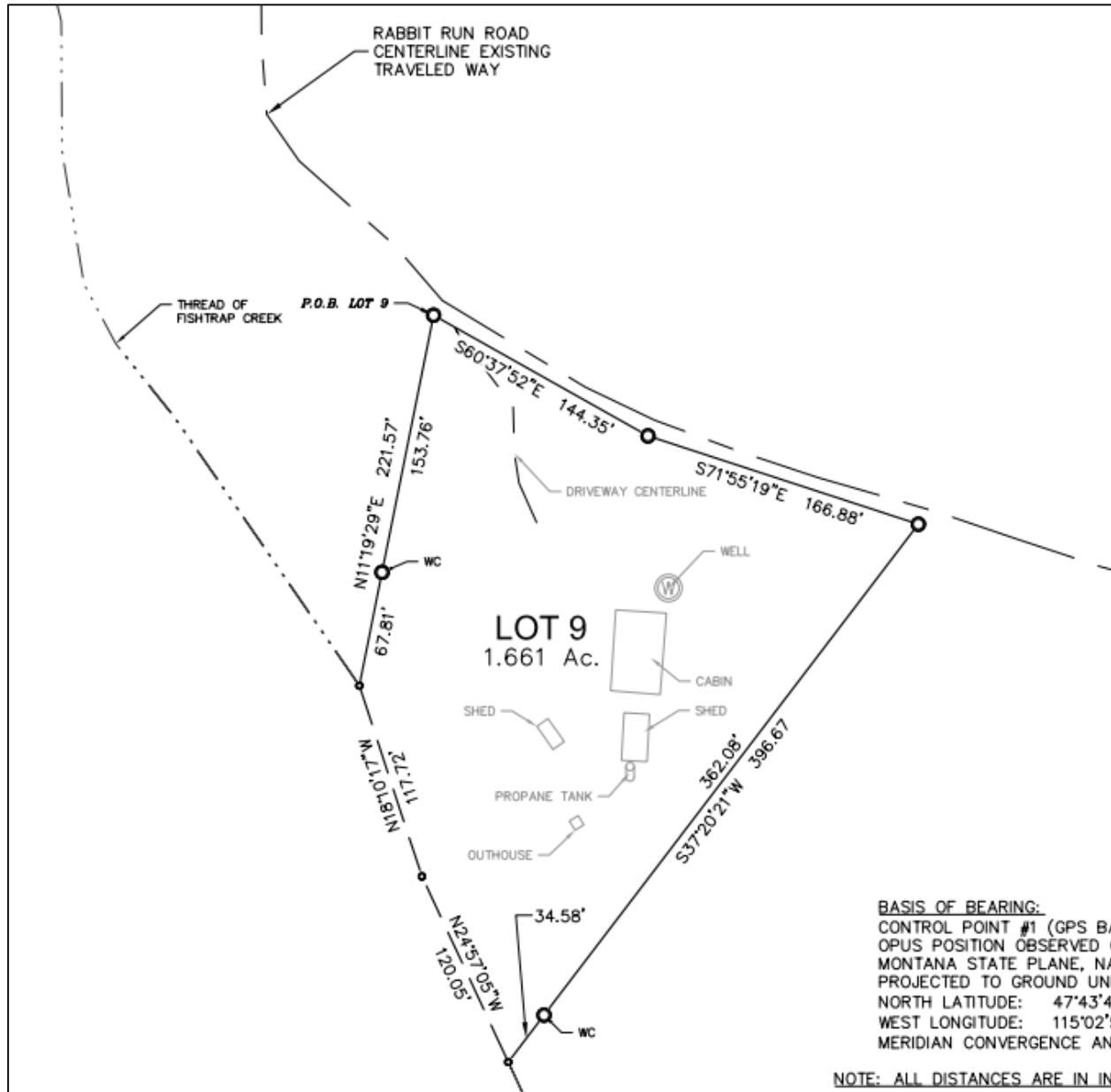
LOT 6

Enlarged View of Page 4 of Certificate of Survey



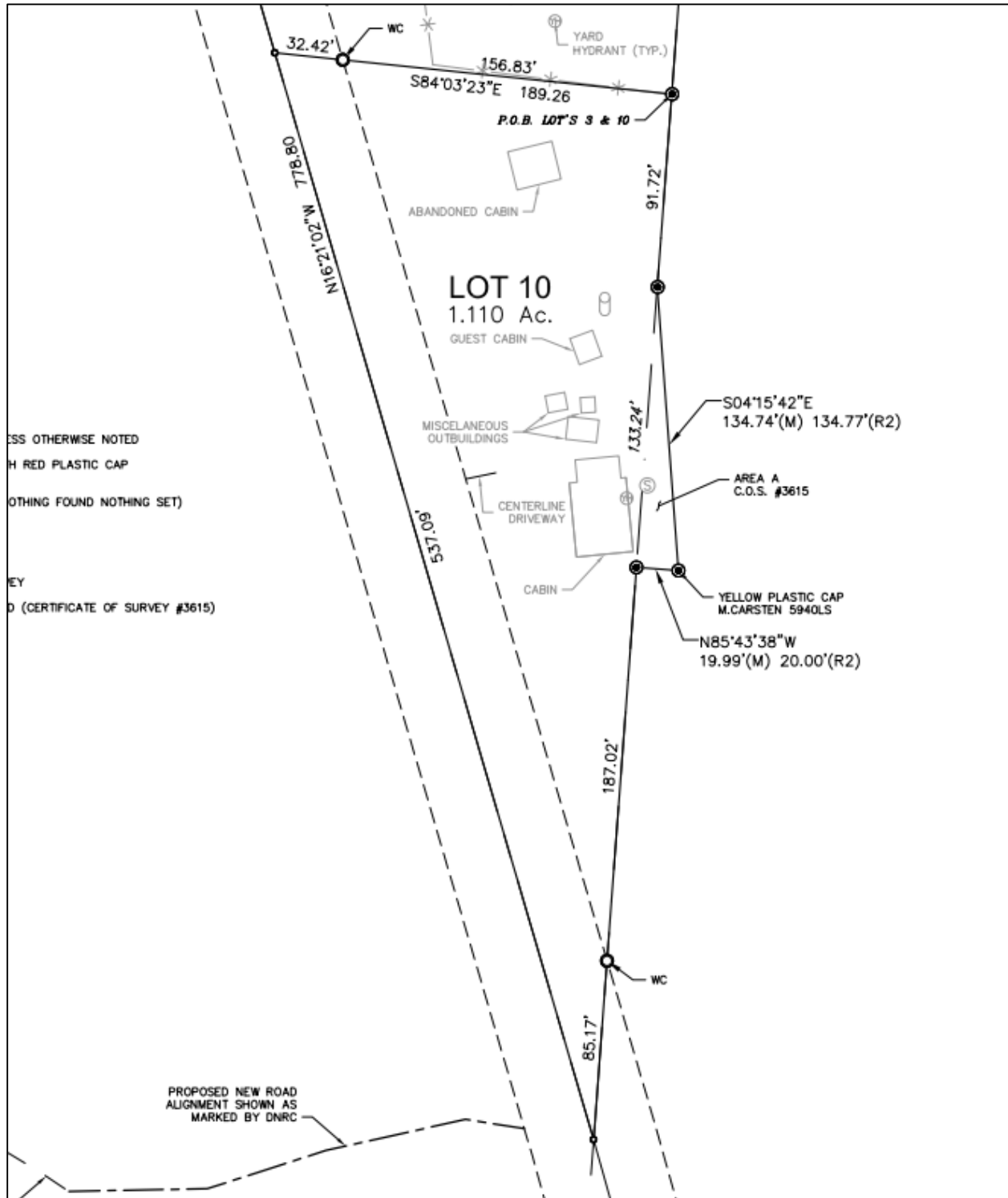
LOT 9

Enlarged View of Page 4 of Certificate of Survey



LOT 10

Enlarged View of Page 2 of Certificate of Survey



ACCESS AND VIEWS

The subject properties have vehicular access from driveways or roads off of Rabbit Run Road or Fishtrap Creek Road. Access and water frontage for each site is described on the table below;

Lot #	Sale #	Lessee	Address	Water Frontage	Access
2	1016	Challis & Risa Crismore	N/A	474.69 Feet of Frontage Along Fishtrap Creek	Access Road from Rabbit Run Road
3	1017	Don Eubank	N/A	None	Driveway form Fishtrap Creek Road
4	1018	Wayne Crismore & Seth Reedy	N/A	112.79 Feet of Frontage Along Fishtrap Creek	Access Road from Rabbit Run Road
6	1019	Clifford H. & Shari Crismore	N/A	382.94 Feet of Frontage Along Fishtrap Creek	Driveway from Rabbit Run Road
9	1015	Nora Jean Malinak	N/A	237.77 Feet of Frontage Along Fishtrap Creek	Driveway from Rabbit Run Road
10	1020	William, Garnet, Carla & Sean Kinney	N/A	None	Driveway form Fishtrap Creek Road

Vehicular access to all five subject properties is seasonal. The subject portions of Rabbit Run Road and Fishtrap Creek Road are not maintained in the winter.

IMPROVEMENTS

The improvements on the subject lots are described on the tables below and on the following page.

Lot #	2	3	4
Sale #	1016	1017	1018
Residence SF	798	939	1,045
Construction Type	Wood Frame	Wood Frame	Log Frame
Foundation	Piers	Piers	Crawl Space
Quality	Average	Average	Good
Condition	Good	Average	Good
Year Built	2005	1965	2005
# of Bedrooms	1	3	2
# of Bathrooms	1	1	1
Porches	168 SF Covered Patio	None (Enclosed Porch Included in Residence SF)	216 SF Covered Porch, 46 SF Covered Porch, & 48 SF Deck
Outbuildings	275 SF Bunk House, 128 SF Open Storage, & 100 SF Storage Building	576 SF Barn, 576 SF Barn 2nd Floor Storage, 359 SF Storage Building, 116 SF Lean-to Type Storage, 28 SF Storage Building, & 16 SF Outhouse	68 SF Storage Building, 182 SF Storage Building, 200 Sf Storage Building, & 52 SF Lean-to Type Storage
Well/Septic	Shared Well with Lot 4/Septic	Water from Spring Line/Septic	Well/Septic
Landscaping/Notes	Lawn	Lawn	Lawn

Lot #	6	9	10
Sale #	1019	1015	1020
Residence SF	1,337	1,650	1,151
Construction Type	Wood Frame	Wood Frame	Log & Wood Frame
Foundation	Crawl Space	Crawl Space	Post & Pier
Quality	Average	Average	Average
Condition	Average (Since Portion Unfinished)	Average	Good
Year Built	1950 (Partially Renovated)	1996	1930 (with Addition in 2010)
# of Bedrooms	2	3	3
# of Bathrooms	1	0	1
Porches	32 SF Covered Stoop	None (Enclosed Porch Included in Residence SF)	126 SF Porch & 64 SF Deck
Outbuildings	84 SF Storage Building & 32 SF Outhouse	108 SF Bunkhouse, 306 SF Storage Building, & 16 SF Outhouse	77 SF Storage Building, 106 SF Storage Building, 84 SF Open Storage, & 32 SF Outhouse
Well/Septic	Well/Septic	Well/Septic Installed but not Connected to Residence	Water from Spring Line/Septic
Landscaping/Notes	Lawn	Lawn	Lawn

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

Reservations and encumbrances affecting the subject lots provided by Montana DNRC are on the table below;

Lot #	Sale #	Lessee	Access	Easement Affecting Property
2	1016	Challis & Risa Crismore	Access Road from Rabbit Run Road	Easement for Ingress & Egress Including Utilities for Lot 1
3	1017	Don Eubank	Driveway form Fishtrap Creek Road	Easement to the United States Forest Service for a Road
4	1018	Wayne Crismore & Seth Reedy	Access Road from Rabbit Run Road	Easement for Ingress & Egress Including Utilities for Lots 1 & 2
6	1019	Clifford H. & Shari Crismore	Driveway from Rabbit Run Road	None
9	1015	Nora Jean Malinak	Driveway from Rabbit Run Road	None
10	1020	William, Garnet, Carla & Sean Kinney	Driveway form Fishtrap Creek Road	Easement to the United States Forest Service for a Road

The access road easements that cross Lots 2 and 4 and the portions of Fishtrap Creek Road within Lots 3 and 10 are considered to negatively impact the marketability of these properties. 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 2019 taxable market values for the **subject improvements** (as per the Montana Department of Revenue) and the 2019 tax bill amounts are on the table below;

Tax Information					
Lot #	Sale #	Lessees	Assessor # for Improvements	2019 Taxable Market Value for Improvements	2019 Tax Bill Amount for Improvements
2	1016	Challis & Risa Crismore	0006353	\$40,950	\$416.38
3	1017	Don Eubank	0006419	\$34,780	\$365.16
4	1018	Wayne Crismore & Seth Reedy	0006354	\$126,970	\$923.17
6	1019	Clifford H. & Shari Crismore	0006433	\$34,460	\$362.98
9	1015	Nora Jean Malinak	0006428	\$93,820	\$713.05
10	1020	William, Garnet, Carla & Sean Kinney	0006417	\$44,100	\$419.72

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

Descriptions of the general topography (according to our observations in the field) are included on the table below;

Lot #	Sale #	Lessee	Topography
2	1016	Challis & Risa Crismore	Approximately 1/2 Level & 1/2 Low Area Adjacent to Creek
3	1017	Don Eubank	Level with Slope to East
4	1018	Wayne Crismore & Seth Reedy	Level
6	1019	Clifford H. & Shari Crismore	Level with Slope up to Northeast
9	1015	Nora Jean Malinak	Level with Slope up to North
10	1020	William, Garnet, Carla & Sean Kinney	Level with Slope to East

According to FEMA Map Panels in the vicinities of the subject properties (30089C0875D & 30089C1150D, both 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 Fishtrap Creek is identified as a Zone A. **We were not able to definitively determine flood risk for each property.** The subject portions of the referenced map panels are on the following page.

According to FEMA, the flood map is not printed for the subject property.



The subject lots include native vegetation and/or lawns.

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

UTILITIES

The subject lots have no access to electricity and phone lines. Information regarding septic systems and wells (provided by the lessees) is below;

Lot #	Sale #	Lessees	Septic Tank	Water Source	Water Right
2	1016	Challis & Risa Crismore	Yes	Shared Well with Lot 4	No
3	1017	Don Eubank	Yes	Water from Spring Line	Yes (1)
4	1018	Wayne Crismore & Seth Reedy	Yes	Well	Yes (1)
6	1019	Clifford H. & Shari Crismore	Yes	Well	Yes (1)
9	1015	Nora Jean Malinak	Septic System Installed in 1996 but not Connected to Residence	None	No
10	1020	William, Garnet, Carla & Sean Kinney	Yes	Water from Spring Line	Yes (1)

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 or telephone service in the subject area.

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 2

SKETCH/AREA TABLE ADDENDUM					
SUBJECT INFO					
File No.:		Parcel No.:			
Property Address: Fishtrap Cabin Site #2					
City: Thompson Falls		County: Sanders	State: MT	ZipCode: 59873	
Owner:					
Client: MT DNRC		Client Address:			
Appraiser Name: Clark Real Estate Appraisal			Inspection Date:		
SKETCH					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA5	Storage Bldg.	1.0	100.0	40.0	100.0
CLA1	First Floor	1.0	588.0	98.0	588.0
GLA3	Bunk House	1.0	275.0	72.0	275.0
GLA4	Loft	1.0	210.0	62.0	210.0
GAR	Open Storage	1.0	128.0	48.0	128.0
P/P	Covered Patio	1.0	168.0	58.0	168.0
COMMENT TABLE 1					
COMMENT TABLE 2			COMMENT TABLE 3		
Net LIVABLE		cnt	3	(rounded)	1,073
Net BUILDING		cnt	1	(rounded)	100

SUBJECT PHOTOGRAPHS



Front of Cabin on Lot 2



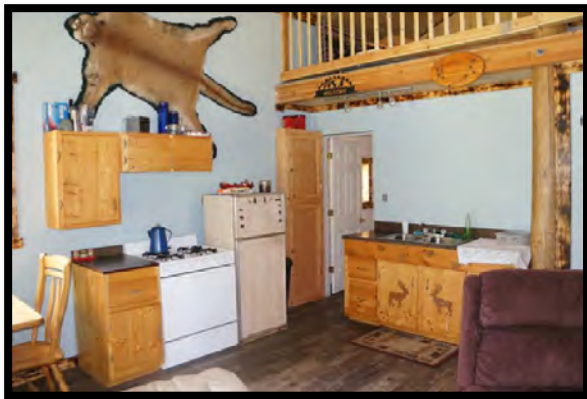
South Side of Cabin



East Side of Cabin



North Side of Cabin



Kitchen

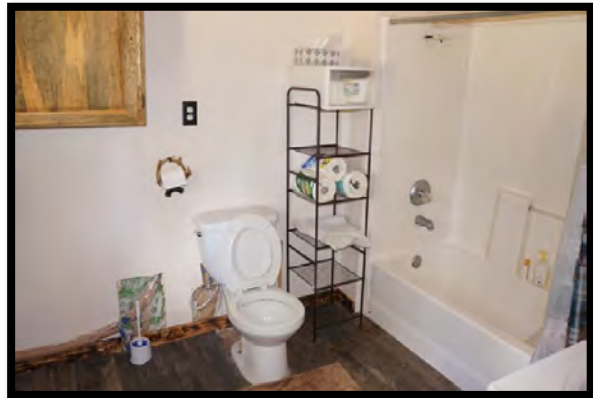


Living Area

ADDITIONAL PHOTOGRAPHS



Bedroom



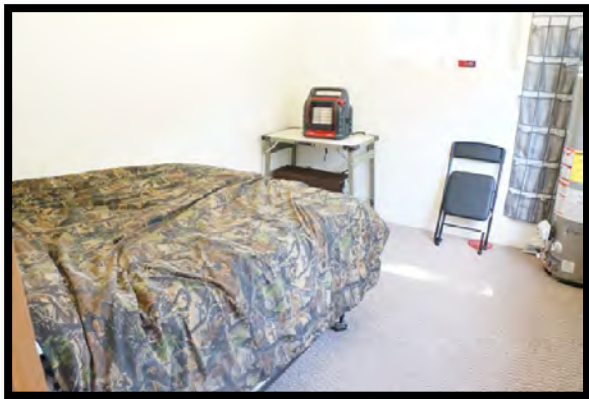
Bathroom



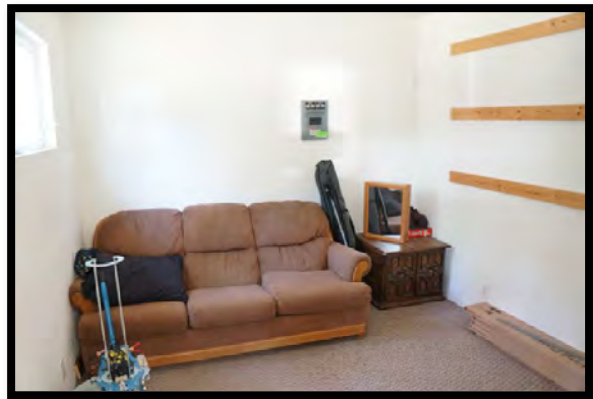
Loft Bedroom



Bunk House



Bunk House Bedroom



Bunk House Living Room

ADDITIONAL PHOTOGRAPHS



Storage Building



Storage Building Interior



Open Storage Building



Fishtrap Creek Looking Southwest



Fishtrap Creek Looking Southwest



Lot 2 Interior Looking West toward Fishtrap Creek

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking West



Boundary Marker along North Property Boundary Looking West



Northwest Property Boundary Marker Looking East



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Looking West



Low Unusable Area (Location of SW Property Boundary Marker)

ADDITIONAL PHOTOGRAPHS



Fishtrap McGinnis Road Looking South



Fishtrap McGinnis Road Looking North

LOT 3

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO							
File No.:	Parcel No.:						
Property Address: Fishtrap Creek Cabin Site #3							
City: Thompson Falls	County: Sanders	State: MT	ZipCode: 59873				
Owner:							
Client: MT DNRC		Client Address:		Inspection Date:			
Appraiser Name: Clark Real Estate Appraisal							
SKETCH							
<p style="text-align: right; font-size: small;">Sketch by Apex Sketch</p>							
AREA CALCULATIONS SUMMARY					COMMENT TABLE 1		
Code	Description	Factor	Net Size	Perimeter	Net Totals		
GBA5	Storage Bldg.	1.0	359.0	81.0			
	Storage Bldg.	1.0	28.0	22.0	387.0		
GLA1	First Floor	1.0	938.5	139.0	938.5		
GAR	Barn	1.0	576.0	96.0			
	Garage Loft Stora	1.0	576.0	96.0			
	Lean-to	1.0	116.0	45.0	1268.0		
OTH	Outhouse	1.0	16.0	16.0	16.0		
Net LIVABLE cnt 1 (rounded) 939 Net BUILDING cnt 2 (rounded) 387						COMMENT TABLE 2 COMMENT TABLE 3	

SUBJECT PHOTOGRAPHS



Front of Cabin on Lot 3



Front of Cabin



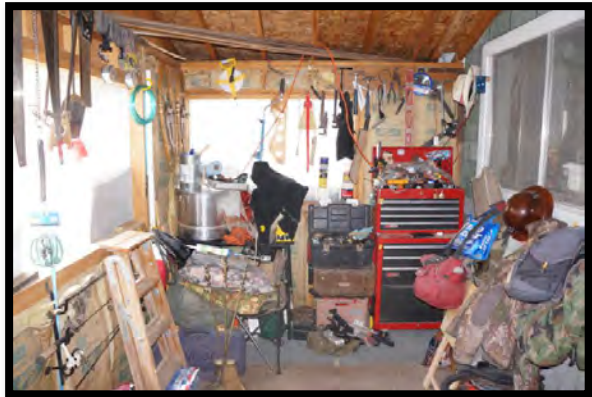
North Side of Cabin



East Side of Cabin



South Side of Cabin



Enclosed Porch

ADDITIONAL PHOTOGRAPHS



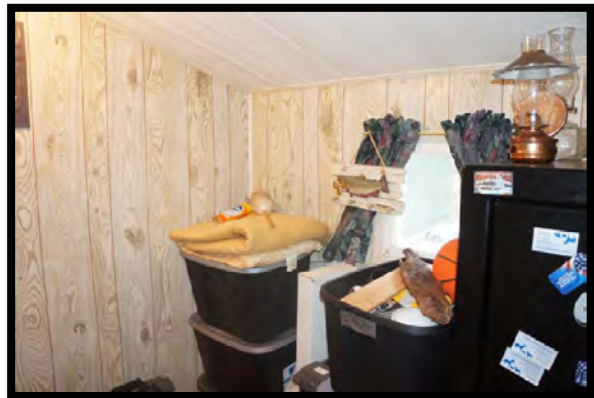
Living Room



Bedroom



Bedroom



Bedroom



Bathroom



Barn/Garage

ADDITIONAL PHOTOGRAPHS



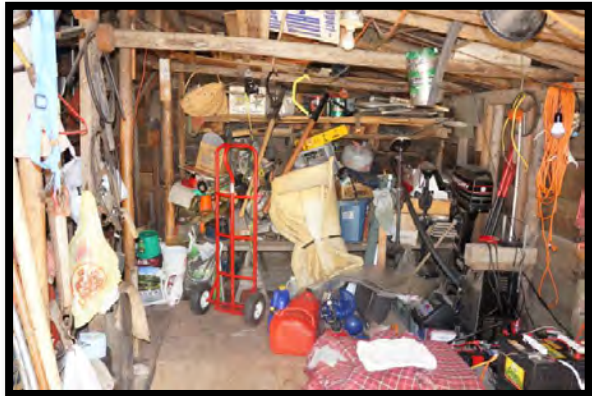
Barn/Garage Interior



Outhouse



Storage Building



Storage Building Interior



Storage Building Interior



Lot 3 Interior Looking West

ADDITIONAL PHOTOGRAPHS



Outdoor Recreation Area



Firepit



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South



Southeast Property Boundary Looking West



Southwest Property Boundary Marker Looking East

ADDITIONAL PHOTOGRAPHS



Northwest Property Boundary Marker Looking South



Northwest Property Boundary Marker Looking East



Fishtrap McGinnis Road Looking South



Fishtrap McGinnis Road Looking North

LOT 4

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.:				
Property Address: Fishtrap Creek Cabin Site #4					
City: Thompson Falls	County: Sanders	State: MT	ZipCode: 59873		
Owner:					
Client: MT DNRC		Client Address:			
Appraiser Name: Clark Real Estate Appraisal		Inspection Date:			
SKETCH					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					COMMENT TABLE 1
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA5	Storage Bldg.	1.0	68.1	33.0	
	Storage Bldg.	1.0	181.5	55.0	
	Storage Bldg.	1.0	200.0	60.0	449.6
GLA1	First Floor	1.0	837.2	116.4	837.2
GLA2	2nd Floor	1.0	208.0	58.0	208.0
GAR	Lean-to	1.0	52.0	29.0	52.0
P/P	Covered Porch	1.0	216.0	66.0	
	Covered Porch	1.0	45.5	27.0	
	Deck	1.0	48.0	28.0	309.5
<div style="display: flex; justify-content: space-between;"> Net LIVABLE cnt 2 {rounded} 1,045 </div> <div style="display: flex; justify-content: space-between;"> Net BUILDING cnt 3 {rounded} 450 </div>					
COMMENT TABLE 2					COMMENT TABLE 3

SUBJECT PHOTOGRAPHS



Front of Cabin on Lot 4



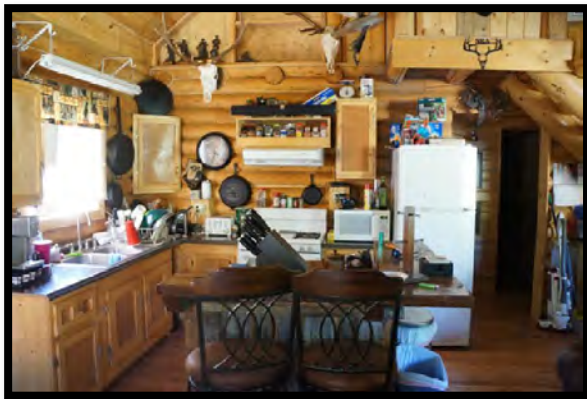
South Side of Cabin



South and West Sides of Cabin



East and North Sides of Cabin



Kitchen



Kitchen

ADDITIONAL PHOTOGRAPHS



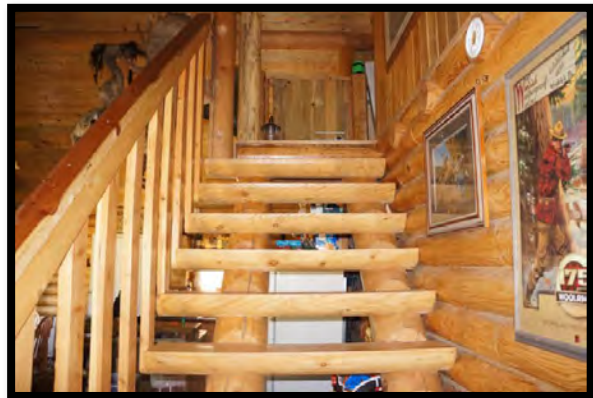
Bathroom



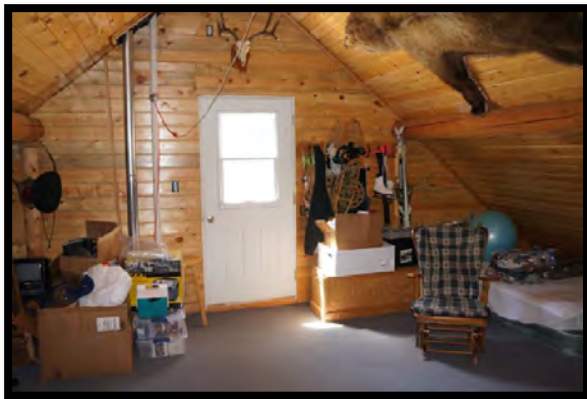
Bedroom



Bedroom



Stairs to 2nd Floor



2nd Floor



Custom Engraving on Stair Railing

ADDITIONAL PHOTOGRAPHS



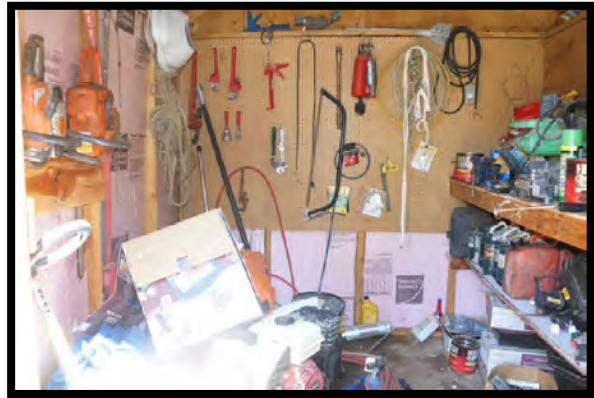
Storage Building



Storage Building Interior



Storage Building 2



Storage Building 2 Interior



Open Storage and Lean-to



Lot 4 Interior Looking West toward Fishtrap Creek

ADDITIONAL PHOTOGRAPHS



Lot 4 Looking West from Creek Area



Fishtrap Creek Looking North



Fishtrap Creek Looking North



Fishtrap Creek Looking South



Northwest Property Boundary Looking South



Northwest Property Boundary Marker Looking East

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Marker Looking South



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Marker Looking West



Southwest Property Boundary Marker Looking East



Southwest Property Boundary Marker Looking North

LOT 6

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.:				
Property Address: Fishtrap Creek Cabin Site #6					
City: Thompson Falls	County: Sanders	State: MT	ZipCode: 59873		
Owner:					
Client: MT DNRC		Client Address:			
Appraiser Name: Clark Real Estate Appraisal			Inspection Date:		
SKETCH					
<p style="text-align: right; font-size: small;">Sketch by Apex Sketch</p>					
AREA CALCULATIONS SUMMARY					COMMENT TABLE 1
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA5	Storage Bldg.	1.0	84.0	38.0	84.0
GLA1	First Floor	1.0	876.5	135.0	876.5
GLA2	2nd Floor	1.0	460.0	112.0	460.0
OTH	Outhouse	1.0	25.0	20.0	25.0
P/P	Covered Stoop	1.0	32.0	24.0	32.0
Net LIVABLE cnt 2 (rounded) 1,337 Net BUILDING cnt 1 (rounded) 84					
COMMENT TABLE 2					COMMENT TABLE 3

SUBJECT PHOTOGRAPHS



Front of Residence on Lot 6



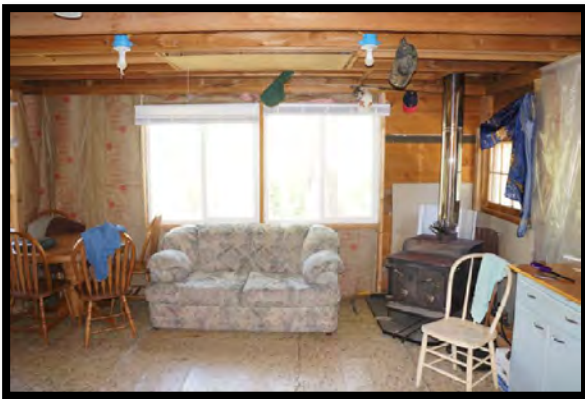
West Side of Residence



North Side of Residence



East Side of Residence



Living Room



Kitchen

ADDITIONAL PHOTOGRAPHS



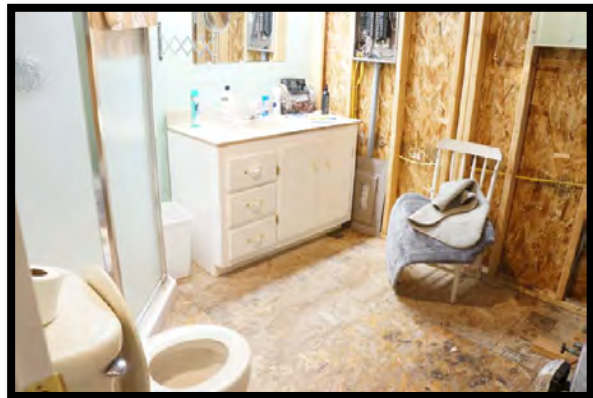
Bedroom



Bedroom



East Entry/Storage



Bathroom



Water Heater and Pressure Tank



2nd floor Bunk Room

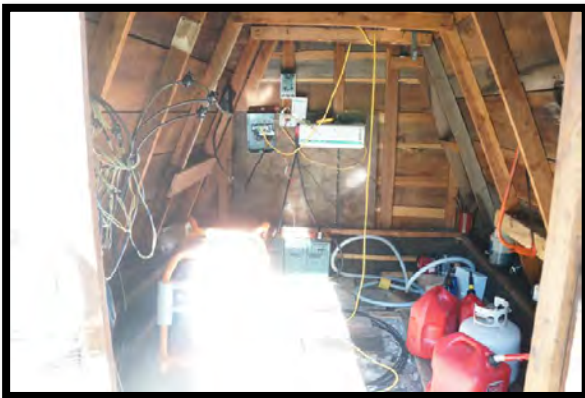
ADDITIONAL PHOTOGRAPHS



2nd Floor Bunk Room



Storage Building



Storage Building Interior



Outhouse



Well



Northeast Property Boundary Marker Looking West

ADDITIONAL PHOTOGRAPHS



Northeast Property Boundary Marker Looking South



Southeast Property Boundary Marker Looking North



Southeast Property Boundary Marker Looking West



Northwest Property Boundary Marker Looking East



Northwest Property Boundary Marker Looking South



Southwest Property Boundary Marker Looking North

ADDITIONAL PHOTOGRAPHS



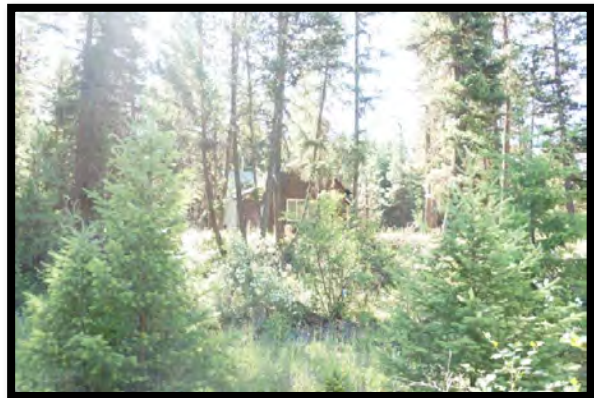
Southwest Property Boundary Marker Looking East



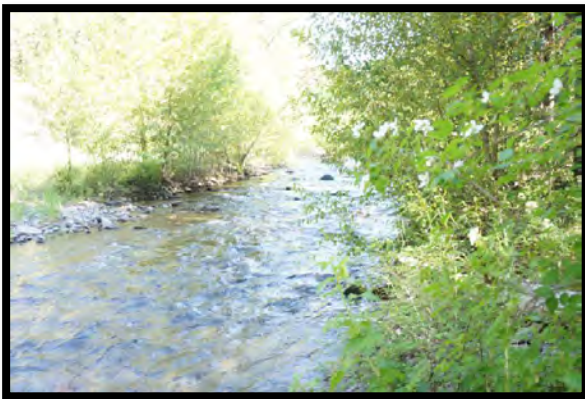
Fishtrap Creek Looking South



Fishtrap Creek Looking South



Cabin from Creek



Fishtrap Creek Looking North



View of Creek from Lot 6

ADDITIONAL PHOTOGRAPHS



Firepit



View of Creek from Lot 6



Residence on Lot 6 from Driveway



Driveway Looking South

LOT 9

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.:				
Property Address: Fishtrap Creek Cabin Site #9					
City: Thompson Falls	County: Sanders	State: MT	ZipCode: 59873		
Owner:					
Client: MT DNRC		Client Address:			
Appraiser Name: Clark Real Estate Appraisal			Inspection Date:		
SKETCH					
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>First Floor</p> </div> <div style="text-align: center;"> <p>Outhouse</p> </div> <div style="text-align: center;"> <p>Bunk House</p> </div> </div> <div style="text-align: center; margin-top: 20px;"> <p>2nd Floor</p> </div> <div style="text-align: center; margin-top: 20px;"> <p>Storage Bldg</p> </div>					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA5	Storage Bldg.	1.0	306.3	74.0	306.3
GLA1	First Floor	1.0	1090.3	138.0	1090.3
GLA2	2nd Floor	1.0	560.0	99.0	560.0
GLA3	Bunk House	1.0	108.0	42.0	108.0
OTH	Outhouse	1.0	16.0	16.0	16.0
Net LIVABLE		cnt	3	(rounded)	1,758
Net BUILDING		cnt	1	(rounded)	306
COMMENT TABLE 1					
COMMENT TABLE 2			COMMENT TABLE 3		

SUBJECT PHOTOGRAPHS



Front of Cabin on Lot 9



North Side of Cabin



South and East Sides of Cabin



East Side of Cabin



Kitchen



Living Room

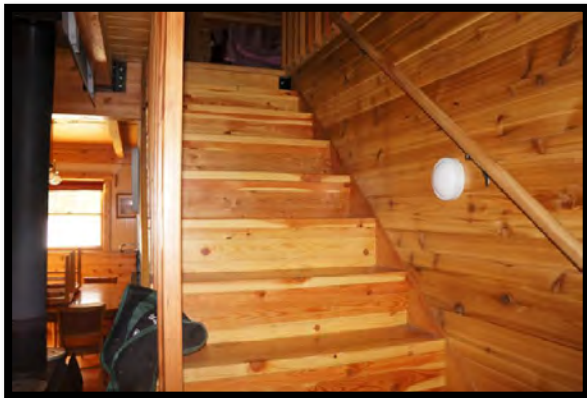
ADDITIONAL PHOTOGRAPHS



Bedroom



Bedroom



Stairs to 2nd Floor



2nd Floor Bunk Room



Enclosed Porch



Bunk House

ADDITIONAL PHOTOGRAPHS



Bunk House Interior



Storage Building



Storage Building Interior



Storage Building Interior and Generator



Outhouse



Fishtrap Creek from Lot 9

ADDITIONAL PHOTOGRAPHS



Fishtrap Creek Looking North



Fishtrap Creek Looking South



Fishtrap Creek Looking North



Driveway to Lot 9



Southwest Property Boundary Marker Looking North



Southwest Property Boundary Marker Looking East

LOT 10

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.:	Parcel No.:				
Property Address: Fishtrap Cabin Site #10					
City: Thompson Falls	County: Sanders	State: MT	ZipCode: 59873		
Owner:					
Client: MT DNRC		Client Address:		Inspection Date:	
Appraiser Name: Clark Real Estate Appraisal					
SKETCH					
Sketch by Apex Sketch					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	First Floor	1.0	935.5	131.0	935.5
GBA5	Storage Bldg.	1.0	77.4	35.2	
	Storage Bldg.	1.0	106.3	42.0	183.7
GLA4	Loft	1.0	215.3	62.0	215.3
GAR	Open Storage	1.0	84.0	38.0	84.0
OTH	Outhouse	1.0	31.7	22.5	31.7
P/P	Deck	1.0	64.0	32.0	
	Porch	1.0	126.0	54.0	190.0
Net LIVABLE		cnt	1	(rounded)	215
Net BUILDING		cnt	3	(rounded)	1,119
COMMENT TABLE 1			COMMENT TABLE 2		
COMMENT TABLE 3			COMMENT TABLE 4		

SUBJECT PHOTOGRAPHS



Front of Cabin on Lot 10



East Side of Cabin



West Side of Cabin and Driveway



Living Room and Woodstove



Bedroom

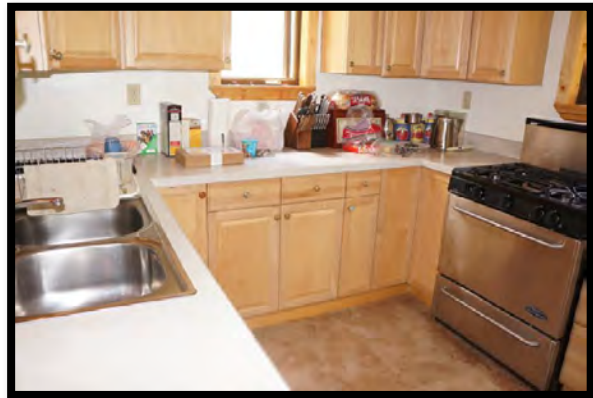


Living Room

ADDITIONAL PHOTOGRAPHS



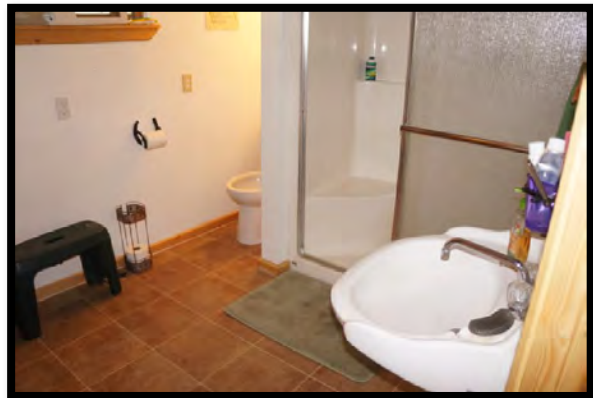
Bedroom



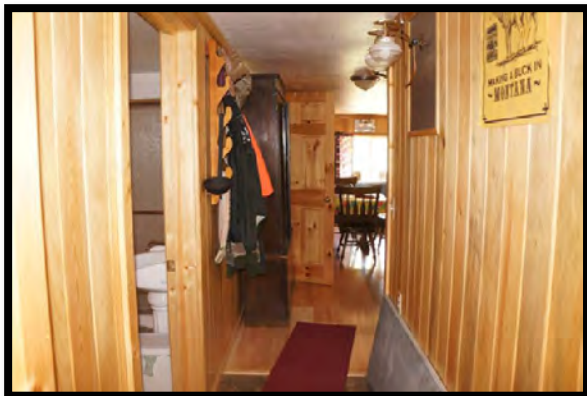
Kitchen



Kitchen



Bathroom



Hallway on 1st Floor



Loft Bedroom

ADDITIONAL PHOTOGRAPHS



Storage Room



Water Heater



Storage Building



Storage Building Interior



Storage Building



Outhouse

ADDITIONAL PHOTOGRAPHS



Old Cabin on Lot 10



South Property Boundary Marker



Northwest Property Boundary Marker Looking East



Northeast Property Boundary Marker Looking West



Northeast Property Boundary Looking South



Fishtrap McGinnis Road Looking South.

ADDITIONAL PHOTOGRAPHS



Fishtrap McGinnis Road Looking North

SUBJECT MARKET ANALYSIS

National, state, county, and local demographic and economic information is included in the Addendum of this report.

Subject Productivity Analysis

General Property Description

The subject sites range from 1.110 up to 2.647 acres in size (with an average size of 1.658 acres) 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 Southern Pines Plantation. Much of the land owned by Southern Pines Plantation 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 Southern Pines Plantation. Most of the area tracts are vacant; however, there are some ranches and recreational cabins. The Thompson River and a number of smaller creeks such as Fishtap Creek flow 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 4.00 acres in size in Sanders County. We located one reasonable comparable site sale from this data.

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 4.00 Acres									
Site Sales (Not on Navigable Water)					Waterfront Sales (Navigable Water)				
Year	# of Sales	Average Sales Price	Average Acres	Days on Market	Year	# of Sales	Average Sales Price	Average Acres	Days on Market
2017	31	\$44,105	1.44	257	2017	2	\$111,250	1.26	63
2018	47	\$45,455	1.61	332	2018	5	\$97,600	1.24	121
2019	48	\$43,397	1.70	338	2019	9	\$99,333	1.48	186
2020 Year-to-Date	47	\$55,581	1.86	306	2020 Year-to-Date	4	\$130,250	1.53	197
Actives	71	\$72,283	1.96	300	Actives	11	\$113,073	1.31	424

This data indicates that average annual sales prices for vacant sites (not on navigable water) ranging in size from 0.50 to 4.00 acres have fluctuated since 2017 but increased substantially for 2020 Year-to-Date. This data indicates that average annual sales prices for vacant sites (on navigable water) ranging in size from 0.50 to 4.00 acres have fluctuated since 2017 but also increased substantially for 2020 Year-to-Date. The average sales prices for sites on navigable water have historically been more than double those not on navigable water.

We also conducted a search for sales of homes on sites ranging in size from 0.50 up to 4.00 acres in Sanders County. The results of this search are summarized on the table below;

Sanders County - Home Sales			
0.50 to 4.00 Acres			
All Sales			
Year	# of Sales	Average Sales Price	Days on Market
2017	53	\$203,465	138
2018	62	\$223,841	154
2019	61	\$230,822	176
2020 Year-to-Date	33	\$283,042	211
Actives	42	\$367,025	149

This data indicates that the average annual home price has steadily increased since 2017.

Competitive Supply

There were 71 active listings of vacant sites (not on navigable water) from 0.50 to 4.00 acres in size in Sanders County as of the report effective date. The average list price at \$72,283 is 30% above the average lot price received in 2020 Year-to-Date.

There were 42 active listings of homes on sites from 0.50 to 4.00 acres in size in Sanders County as of the report effective date. The average list price at \$367,025 is 30% higher than the average home price received in 2020 Year-to-Date.

Interaction of Supply and Demand

Based upon the average sales volume from 2017 through 2019, there is an approximately 1.7 year supply of vacant sites (ranging in size from 0.50 to 4.00 acres and not on navigable water) available for sale within the search parameters utilized. Supply far exceeds demand for typical vacant home sites within the search parameters selected.

Based upon the average sales volume from 2017 through 2019, there is an approximately 0.7 year supply of homes on sites ranging in size from 0.50 to 4.00 acres available for sale within the search parameters utilized. Supply and demand are in relative balance for homes on this site size range.

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.

We interviewed Michael Anderson as part of our research. His family leased a cabin site in the subject area for many years and purchased the site from MT DNRC in 2018. He is also a realtor who actively works in the subject market area. Mr. Anderson was the listing and selling agent for Land Sale 1 and Home Sale 1. He reported a high level of interest for private land in the subject market area and indicated that the scarcity of private land in the area has resulted in significant price increases. He reported that this was partially due to COVID-19 and out of state buyers. He was recently offered \$350,000 for the property owned by his family (land and improvements) which was appraised by MT DRNC in 2017 for a total of \$170,000 (\$40,000 for site and \$130,000 for improvements). He indicated that a client of his owns a 3 acre interior lot off of Forty-Niner Lane under contract for well over \$100,000. The only improvement on this property is a Quonset type storage building.

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 two improved sales near the subject properties as two of the land sales for this appraisal. These sales closed in 2014 and 2019 and were the most recent located in the immediate subject area. We extracted the improvement values from these sales.

Due to the limited sales data, we expanded our search to nearby counties. We located one sale of a 1.36 acre site with frontage along Good Creek in Flathead County that closed in 2019. 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 47 site sales not on navigable water in the size parameter selected were marketed for an average of 306 days. The 33 home sales in the search parameters selected were marketed for an average of 211 days.

Marketing and **exposure times** of 6 to 12 months are considered reasonable for the subject properties as if vacant. **Marketing** and **exposures times** of 6 to 12 months are also 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 pages.

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. There is no electrical service in the subject area.

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.

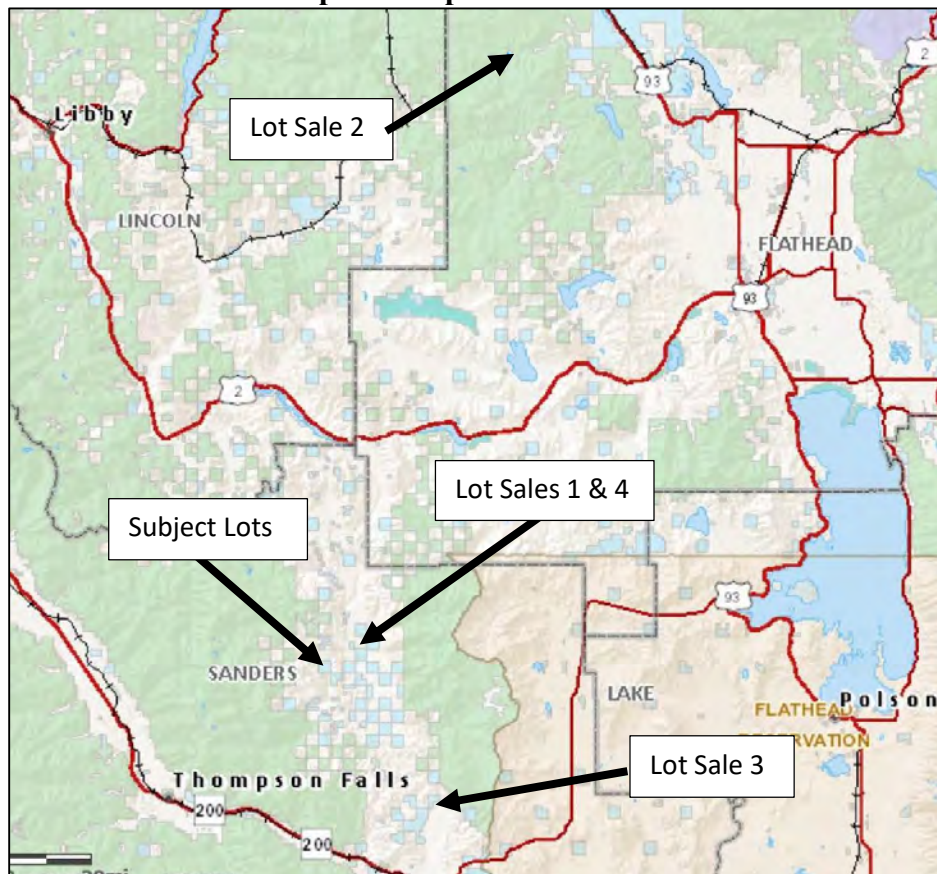
LOT SALES

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 two improved sale near the subject properties and to extract the value of the improvements from these sales. It also was necessary to use one sale larger in size than the subject site size range 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	15 Forty-Niner Ln	Thompson Falls	1.047	2019	\$145,000	-\$95,000	\$50,000
2	3729 Good Creek Rd	Olney	1.360	2019	\$44,500	\$0	\$44,500
3	NHN S Corona Rd	Plains	3.120	2020	\$35,000	\$0	\$35,000
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;

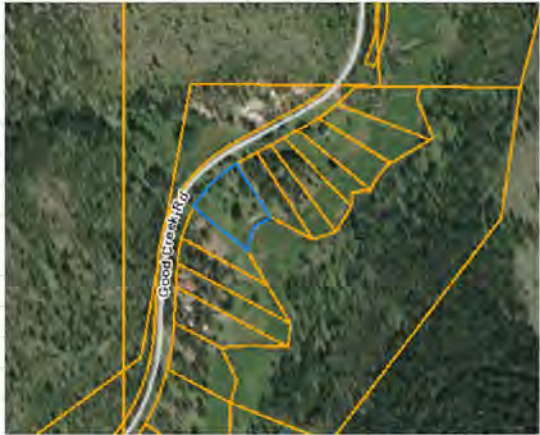
Map of Comparable Lot Sales



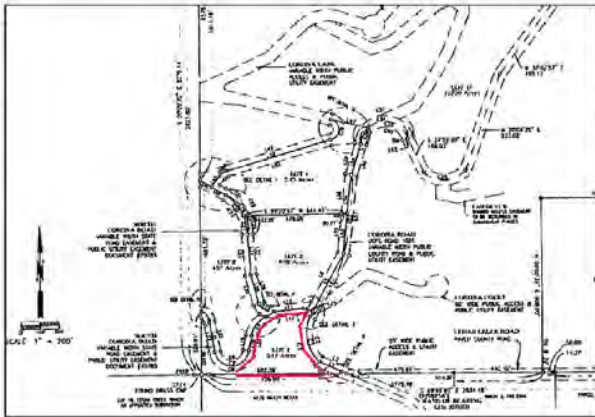
LAND SALE 1

COMPARABLE SALE INFORMATION					
	Location		15 Forty Niner Lane		
	City/State		Thompson Falls, Montana		
	County		Sanders		
	Assessor Number		000005361		
	Zoning		Unzoned		
	Site Size: Acres		1.047		
	Square Feet		45,607		
	Date of Sale		November 27, 2019		
	Sales Price		\$145,000		
	Less Value of Improvements*		\$95,000		
	Sales Price Adjusted		\$50,000		
	MLS #		2195281		
ANALYSIS OF SALE					
Price per Acre		\$47,755	Price per Square Foot	\$1.10	
			Price Per Front Foot	N/A	
TRANSFER INFORMATION					
Grantor		Robert A. Sullivan	Grantee		Douglas Blair & Kathleen Blair
Type of Instrument		Notice or Purchaser's Interest	Document #		315001
			Marketing Time		165 Days on Market
Financing/Conditions		Owner Financing/Market	Verified By		Michael Anderson, Listing Agent
Legal Description		Tract C-2, Certificate of Survey No. 1933RB, Sanders County, Montana	Intended Use/Comments		Purchased for Residential/Recreational Use
Section/Township/Range		S1/T23N/R27W			
PROPERTY DETAILS					
Access		Private Gravel Road	View		River & Mountains
Topography		Level Area with 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 an 853 SF cabin constructed in 1960. The cabin is off-grid and does not include plumbing. There is no well or septic on this property. This property includes a 256 SF guest house, 2 sheds, and an outhouse. The estimated contributory value of the improvements (\$95,000) is based upon depreciated cost.
Water Frontage		Access to Thompson River	Value of Improvements		\$95,000
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 # 20-048ec					


LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location	3729 Good Creek Road	
	City/State	Olney, Montana	
	County	Flathead	
	Assessor Number	0000634245	
	Zoning	Unzoned	
	Site Size: Acres	1.360	
	Square Feet	59,242	
	Date of Sale	October 2, 2019	
	Sales Price	\$44,500	
	Less Cost of Improvements*	\$0	
	Sales Price Adjusted	\$44,500	
	MLS #	21911322	
ANALYSIS OF SALE			
Price per Acre	\$32,721	Price per Square Foot	\$0.75
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Owner	Leonard Investments, LLC	Grantee	James W. Dyon & Michelle L. Dyon
Type of Instrument	Warranty Deed	Document #	201900025009
		Marketing Time	86 Days on Market
Financing/Conditions	Cash/Market	Verified By	Lindsay Fansler
Legal Description	Lot 9A of the Amended Plat of Lots 8 & 9 of Good Creek No. 1, Flathead		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	184.62 Feet of Creek Frontage	Value of Improvements	\$0
Utilities	None	Miscellaneous	Vehicular access to this property is seasonal. Good Creek flows directly along this property.
Report File # 20-048ec			

LAND SALE 3

COMPARABLE SALE INFORMATION			
		Location	NHN South Corona Road
		City/State	Plains, MT
		County	Sanders
		Assessor Number	Not Available
		Zoning	Unzoned
		Site Size: Acres	3.120
		Square Feet	135,907
		Date of Sale	June 16, 2020
		Sales Price	\$35,000
		Less Cost of Improvements*	\$0
Sales Price Adjusted	\$35,000		
MLS #	22007030		
ANALYSIS OF SALE			
Price per Acre	\$11,218	Price per Square Foot	\$0.26
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Owner	Paul D. Walcholz	Grantee	Stephen M. Hamm & Belinda F. Hamm
Type of Instrument	Warranty Deed	Document #	316699
		Marketing Time	26 Days on Market
Financing/Conditions	Conventional/Market	Verified By	Deborah Warren, Listing Agent
Legal Description	Lot 1 of Blady Mountain Reserve, Sanders County, Montana	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S12/T21N/R26W		
PROPERTY DETAILS			
Access	Private Gravel Road	View	Mountains, Trees
Topography	Rolling	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30089C1475D, the property is not in an area of elevated flood risk.	Improvements	None
Water Frontage	None		
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Electricity & Telephone at Road	Miscellaneous	This lot is in a newly created subdivision.
			Report File # 20-048ec

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		Access to 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					

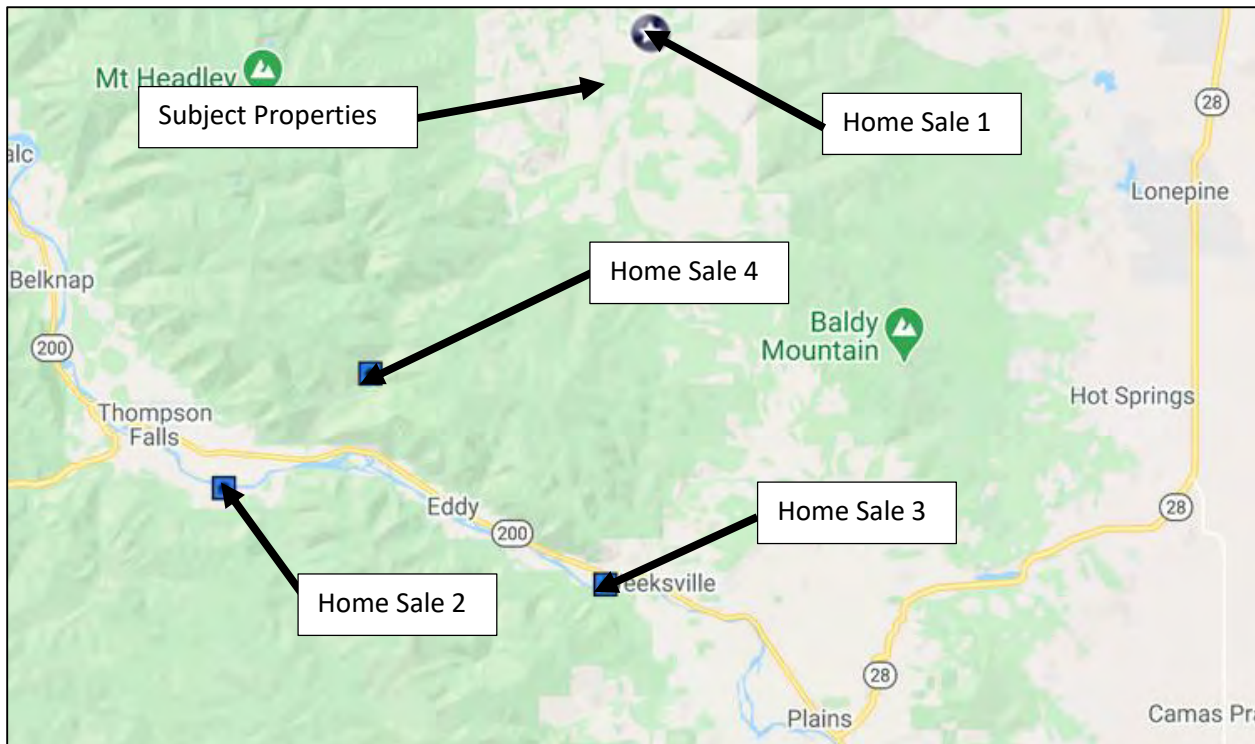
HOME SALES

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 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	15 Forty-Niner Ln	Thompson Falls	2019	\$145,000	\$50,000	\$95,000
2	18 Osprey Dr W	Thompson Falls	2018	\$252,900	\$130,000	\$122,900
3	21 Panorama Ln	Plains	2018	\$235,000	\$100,000	\$135,000
4	386 Thompson River Rd	Thompson Falls	2017	\$179,000	\$85,000	\$94,000

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	15 Forty Niner Lane
		City/State	Thompson Falls, MT
		County	Sanders
		Assessor Number	0000005361
		Zoning	Unzoned
		Site Size: Acres	1.040
		Square Feet	45,302
		Date of Sale	November 27, 2019
		Sales Price	\$145,000
		Adjustment to Sales Price	\$0
		Adjusted Sales Price	\$145,000
		MLS #	326997
TRANSFER INFORMATION			
Grantor	Robert A. Sullivan	Grantee	Douglas Blair & Kathleen Blair
Recording Data	Notice of Purchaser's Interst #315001	Marketing Time	165 Days on Market
Financing/Conditions	Cash / Market	Verified By	Michael Anderson, Listing Agent
Legal Description	Tract c-2, Certificate of Survey No. 1933RB, Sanders County, Montana	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	Sales Price	\$145,000
Front Footage	Unknown	Estimated Site Value	\$50,000
Access	Private Gravel Road	Sales Price of Improvements	\$95,000
House Square Feet	853	Improvement Price/SF	\$111
Bedroom/Bathrooms	1BR/0BA		
Year Built or Renovated	1960		
Construction	Wood		
Quality	Average		
Condition	Average		
Water/Sewer	Outhouse		
Utilities	None		
Topography	Level Area with Slope Toward River		
Outbuildings	Outhouse		
Miscellaneous	This sale includes an 853 SF cabin constructed in 1960. The cabin is off-grid and does not include plumbing. There is no well or septic on this property. This property includes a 256 SF guest house, 2 sheds, and an outhouse. Property has views of the Thompson River. This property is accessed via an easement across adjacent land.		
		Report File #	20-048ec


HOME SALE 2

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">Location</td><td>18 Osprey Drive W.</td></tr> <tr><td>City/State</td><td>Thompson Falls, MT</td></tr> <tr><td>County</td><td>Sanders</td></tr> <tr><td>Assessor Number</td><td>0004993</td></tr> <tr><td>Zoning</td><td>Unzoned</td></tr> <tr><td>Site Size: Acres</td><td>1.060</td></tr> <tr><td style="text-align: center;">Square Feet</td><td>46,174</td></tr> <tr><td>Date of Sale</td><td>August 6, 2018</td></tr> <tr><td>Sales Price</td><td>\$252,900</td></tr> <tr><td>Adjustment to Sales Price</td><td>\$0</td></tr> <tr><td>Adjusted Sales Price</td><td>\$252,900</td></tr> <tr><td>MLS #</td><td>21807968</td></tr> </table>		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
		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																										
Front Footage	100' *	Sales Price	\$252,900																								
Access	Private Gravel Road	Estimated Site Value	\$130,000																								
House Square Feet	720	Sales Price of Improvements	\$122,900																								
Bedroom/Bathrooms	2BR/1BA	Improvement Price/SF	\$171																								
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 3

[illegible]

HOME SALE 4

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	

PROPERTY VALUATIONS

LOT 2

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 2, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Off of Rabbit Run Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NHN S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	2.647	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	Fishtrap Creek	Equal = Access to Thompson River	Equal = Good Creek	Inferior + None	Equal = Access to Thompson River
SHAPE	Irregular	Superior - Rectangular	Equal = Irregular	Inferior ++ Irregular	Superior - Irregular
TOPOGRAPHY	1/2 Level & 1/2 Low Area	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Superior - Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	Yes	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	2.647	Equal = 1.047	Equal = 1.360	Superior - 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior -	Equal =	Inferior +	Superior -
VALUE INDICATIONS		< \$50,000	= \$44,500	> \$35,000	< \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020, 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site includes frontage along Fishtrap Creek which flows into the Thompson River. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior – compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Equal = compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Inferior + + compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: Approximately $\frac{1}{2}$ of this lot is unbuildable. The comparables do not include a similar amount of unbuildable area. The usable area of this subject lot is within the size ranges of the comparables. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: The subject lot is crossed by a shared access road which is considered to negatively impact marketability. There were no atypical easements associated with the comparables. The comparables are identified as Equal = compared to the subject in this category; however, a lump sum adjustment is made after the preliminary lot value determination for the subject access road driveway.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 2.647 acres with approximately $\frac{1}{2}$ of that area considered not buildable. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of value less than \$50,000 (Land Sales 1 and 4) and greater than \$35,000 (Land Sale 3). The adjusted indication for Land Sale 2 is Equal = to the subject. All weight is accorded the adjusted indication from Land Sale 2. A preliminary value of \$44,500 is considered well supported and appropriate for the subject lot.

Lump Sum Adjustment for Shared Driveway Easement

The shared access road on this lot limits the usable area and impacts privacy. Most market participants view this type of easement as a negative characteristic. We have made a lump sum downward adjustment of 10% to account for this easement since none of the comparables included a similar easement. The value calculations are below;

Preliminary Site Value as Vacant	\$44,500
Less 10% for Easement	<u>- \$4,450</u>
Adjusted Site Value as Vacant	\$40,050
Rounded To	\$40,000
Subject Site Value	\$40,000

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 2, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Fishtrap Creek	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
CONDITION	Good	Average	Good	Average	Average
		\$4,750	\$0	\$6,750	\$4,700
BATHROOMS	1	0	1	1	1
		\$10,000	\$0	\$0	\$0
HOUSE SIZE/SF	798	853	720	1,027	700
		-\$3,850	\$5,460	-\$16,030	\$6,860
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Bunk House, Open Storage, & Storage Building	Equal	Inferior	Superior	Superior
		\$0	\$18,000	-\$11,000	-\$2,000
TOTAL ADJUSTMENT		\$10,900	\$17,315	-\$20,280	\$9,560
NET ADJUSTMENT PERCENTAGE		11%	14%	-15%	10%
ADJUSTED PRICE INDICATION		\$105,900	\$140,215	\$114,720	\$103,560

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sales 1, 3, and 4 are similar in overall quality of construction. No adjustment was necessary in this category for these sales. Home Sale 2 was considered to be of superior construction quality compared to the subject residence. A downward adjustments of 5% was made to this comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sale 2 were considered to be in similar in overall condition. No adjustment was necessary in this category for this comparable. The residences associated with Home Sales 1, 2, and 4 were considered to be of inferior condition compared to the subject. Upward adjustments of 5% were made to these comparables due to the inferior conditions. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sales 2, 3, and 4 all include 1 full bathroom. No adjustments were necessary for these sales in this category. Home Sale 1 does not include a bathroom or indoor plumbing. An upward adjustment of \$10,000 was considered appropriate for this comparable in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and bathrooms.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Bunkhouse	275	Section 12/Page 29	\$64.50	\$17,738
Open Storage	128	Section 17/Page 16	\$13.65	\$1,747
Storage Building	100	Section 17/Page 16	\$17.10	\$1,710
Total Cost New				\$21,195
Less Depreciation - Age/Life - 3/20 Years = 15%				-\$3,179
Depreciated Cost Estimate				\$18,015
Rounded To				\$18,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$105,900, \$140,215, \$114,720, and \$103,560. Home Sales 1 and 4 required the lowest net percentage of adjustments. Approximately equal weight is accorded the adjusted indications from these three sales. A market value of \$105,000 (the rounded average of the indications from Homes Sales 1 and 4) is reasonable and well supported for the subject improvements.

Improvement Value

\$105,000

Total Value Conclusion

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

Subject Site Value	\$ 40,000
Subject Improvements Value	<u>\$105,000</u>
Total Value Indication	\$145,000

LOT 3

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 3, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Fisthrap Creek Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NHN S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	1.245	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	None	Equal = Access to Thompson River	Equal = Good Creek	Inferior + None	Equal = Access to Thompson River
SHAPE	Irregular	Superior --- Rectangular	Superior -- Irregular	Equal = Irregular	Superior --- Irregular
TOPOGRAPHY	Level	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	No	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	1.245	Equal = 1.047	Equal = 1.360	Equal = 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior ---	Superior --	Superior -	Superior ---
VALUE INDICATIONS		< < < \$50,000	< < \$44,500	< \$35,000	< < < \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020, 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site does not include water frontage. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior - - - compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Superior - - compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Equal = compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: The comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: There were no atypical easements associated with the subject or comparables. The comparables are identified as Equal = compared to the subject in this category.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 1.245 acres. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of very far value less than \$50,000 (Land Sales 1 and 4), far less than \$44,500 (Land Sale 2), and somewhat less than \$35,000 (Land Sale 4). Most weight is accorded the adjusted indication from Land Sale 3 as it required the least net adjustment. The adjusted indication from this sale requires some downward adjustment. A 5% downward adjustment is considered reasonable and appropriate to the initial adjusted indication from this sale. The resulting value indication is \$33,000 (\$35,000 less 5% = \$33,250, Rounded to \$33,000).

Subject Site Value

\$33,000

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 3, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Interior	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
CONDITION	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
BATHROOMS	1	0	1	1	1
		\$10,000	\$0	\$0	\$0
HOUSE SIZE/SF	939	853	720	1,027	700
		\$6,020	\$15,330	-\$6,160	\$16,730
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Barn, Storage Above Barn, 2 Storage Buildings, Lean-to Type Storage, & Outhouse	Superior	Inferior	Superior	Superior
		-\$5,000	\$13,000	-\$16,000	-\$7,000
TOTAL ADJUSTMENT		\$11,020	\$16,040	-\$22,160	\$9,730
NET ADJUSTMENT PERCENTAGE		12%	13%	-16%	10%
ADJUSTED PRICE INDICATION		\$106,020	\$138,940	\$112,840	\$103,730

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sales 1, 3, and 4 are similar in overall quality of construction. No adjustment was necessary in this category for these sales. Home Sale 2 was considered to be of superior construction quality compared to the subject residence. A downward adjustments of 5% was made to this comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sales 1, 3, and 4 were considered to be in similar in overall condition. No adjustments were necessary in this category for these comparable. The residence associated with Home Sale 2 was considered to be in superior condition compared to the subject. A downward adjustments of 5% was made to this comparable due to the superior condition. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sales 2, 3, and 4 all include 1 full bathroom. No adjustments were necessary for these sales in this category. Home Sale 1 does not include a bathroom or indoor plumbing. An upward adjustment of \$10,000 was considered appropriate for this comparable in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and bathrooms.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Barn (Carport)	576	Section 17/Page 16	\$13.65	\$7,862
Storage Above Barn	576	Section 17/Page 16	\$13.65	\$7,862
Storage Building	359	Section 17/Page 16	\$17.10	\$6,139
Storage Building	28	Section 17/Page 16	\$17.10	\$479
Lean-to Storage	116	Section 17/Page 16	\$9.46	\$1,097
Outhouse	Lump Sum			\$2,000
Total Cost New				\$25,440
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$12,720
Depreciated Cost Estimate				\$12,720
Rounded To				\$13,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$106,020, \$138,940, \$112,840, and \$103,730. Home Sales 1 and 4 required the lowest net percentage of adjustments. Approximately equal weight is accorded the adjusted indications from these three sales. A market value of \$105,000 (the rounded average of the indications from Homes Sales 1 and 4) is reasonable and well supported for the subject improvements.

Improvement Value

\$105,000

Total Value Conclusion

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

Subject Site Value	\$ 33,000
Subject Improvements Value	<u>\$105,000</u>
Total Value Indication	\$138,000

LOT 4

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 4, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Off of Rabbit Run Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NH N S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	1.562	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	Fishtrap Creek	Equal = Access to Thompson River	Equal = Good Creek	Inferior + None	Equal = Access to Thompson River
SHAPE	Irregular	Superior - Rectangular	Equal = Irregular	Inferior ++ Irregular	Superior - Irregular
TOPOGRAPHY	Level	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Superior - Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	Yes	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	1.562	Equal = 1.047	Equal = 1.360	Superior - 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior -	Equal =	Inferior +	Superior -
VALUE INDICATIONS		< \$50,000	= \$44,500	> \$35,000	< \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020, 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site includes frontage along Fishtrap Creek which flows into the Thompson River. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior – compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Equal = compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Inferior + + compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: The comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: The subject lot is crossed by a shared access road which is considered to negatively impact marketability. There were no atypical easements associated with the comparables. The comparables are identified as Equal = compared to the subject in this category; however, a lump sum adjustment is made after the preliminary lot value determination for the subject access road driveway.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 1.562 acres. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of value less than \$50,000 (Land Sales 1 and 4) and greater than \$35,000 (Land Sale 3). The adjusted indication for Land Sale 2 is Equal = to the subject. All weight is accorded the adjusted indication from Land Sale 2. A preliminary value of \$44,500 is considered well supported and appropriate for the subject lot.

Lump Sum Adjustment for Shared Driveway Easement

The shared access road on this lot limits the usable area and impacts privacy. Most market participants view this type of easement as a negative characteristic. We have made a lump sum downward adjustment of 10% to account for this easement since none of the comparables included a similar easement. The value calculations are below;

Preliminary Site Value as Vacant	\$44,500
Less 10% for Easement	<u>- \$4,450</u>
Adjusted Site Value as Vacant	\$40,050
Rounded To	\$40,000
Subject Site Value	\$40,000

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 4, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Fishtrap Creek	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Good	Average	Good	Average	Average
		\$4,750	\$0	\$6,750	\$4,700
CONDITION	Good	Average	Good	Average	Average
		\$4,750	\$0	\$6,750	\$4,700
BATHROOMS	1	0	1	1	1
		\$10,000	\$0	\$0	\$0
HOUSE SIZE/SF	1,045	853	720	1,027	700
		\$13,440	\$22,750	\$1,260	\$24,150
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	3 Storage Buildings & Lean-to Type Storage	Superior	Inferior	Superior	Superior
		-\$11,000	\$7,000	-\$22,000	-\$13,000
TOTAL ADJUSTMENT		\$21,940	\$29,750	-\$7,240	\$20,550
NET ADJUSTMENT PERCENTAGE		23%	24%	-5%	22%
ADJUSTED PRICE INDICATION		\$116,940	\$152,650	\$127,760	\$114,550

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sale 2 are similar in overall quality of construction. No adjustment was necessary in this category for this sale. Home Sales 1, 3, and 4 were considered to be of inferior construction quality compared to the subject residence. Upward adjustments of 5% was made to these comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sale 2 were considered to be in similar in overall condition. No adjustment was necessary in this category for this comparable. The residences associated with Home Sales 1, 2, and 4 were considered to be of inferior condition compared to the subject. Upward adjustments of 5% were made to these comparables due to the inferior conditions. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sales 2, 3, and 4 all include 1 full bathroom. No adjustments were necessary for these sales in this category. Home Sale 1 does not include a bathroom or indoor plumbing. An upward adjustment of \$10,000 was considered appropriate for this comparable in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and bathrooms.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	68	Section 17/Page 16	\$17.10	\$1,163
Storage Building	182	Section 17/Page 16	\$17.10	\$3,112
Storage Building	200	Section 17/Page 16	\$17.10	\$3,420
Lean-to Storage	52	Section 17/Page 16	\$9.46	\$492
Total Cost New				\$8,187
Less Depreciation - Age/Life - 3/20 Years = 15%				<u>-\$1,228</u>
Depreciated Cost Estimate				\$6,959
Rounded To				\$7,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$116,990, \$152,650, \$127,760, and \$114,550. Home Sale 3 required the lowest percentage of net adjustment by a large margin. All weight is accorded the adjusted indication from this sale. A market value of \$128,000 is reasonable and well supported for the subject improvements.

Improvement Value

\$128,000

Total Value Conclusion

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

Subject Site Value	\$ 40,000
Subject Improvements Value	<u>\$128,000</u>
Total Value Indication	\$168,000

LOT 6

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 6, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Off of Rabbit Run Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NHN S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	1.723	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	Fishtrap Creek	Access to Thompson River	Good Creek	None	Access to Thompson River
SHAPE	Irregular	Superior - Rectangular	Irregular	Inferior + Irregular	Superior - Irregular
TOPOGRAPHY	Mostly Level	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	No	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	1.723	Equal = 1.047	Equal = 1.360	Equal = 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior -	Equal =	Inferior +	Superior -
VALUE INDICATIONS		< \$50,000	= \$44,500	> \$35,000	< \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site includes frontage along Fishtrap Creek which flows into the Thompson River. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior – compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Equal = compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Inferior + + compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: The comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: There were no atypical easements associated with the subject or comparables. The comparables are identified as Equal = compared to the subject in this category.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 1.723 acres. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of value less than \$50,000 (Land Sales 1 and 4) and greater than \$35,000 (Land Sale 3). The adjusted indication for Land Sale 2 is Equal = to the subject. All weight is accorded the adjusted indication from Land Sale 2. A value of \$44,500 is considered well supported and appropriate for the subject lot.

Subject Site Value

\$44,500

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 6, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Fishtrap Creek	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
CONDITION	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
BATHROOMS	1	0	1	1	1
		\$10,000	\$0	\$0	\$0
HOUSE SIZE/SF	1,337	853	720	1,027	700
		\$33,880	\$43,190	\$21,700	\$44,590
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Storage Buildings & Outhouse	Superior	Inferior	Superior	Superior
		-\$16,000	\$2,000	-\$27,000	-\$18,000
TOTAL ADJUSTMENT		\$27,880	\$32,900	-\$5,300	\$26,590
NET ADJUSTMENT PERCENTAGE		29%	27%	-4%	28%
ADJUSTED PRICE INDICATION		\$122,880	\$155,800	\$129,700	\$120,590

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sale 2 are similar in overall quality of construction. No adjustment was necessary in this category for this sale. Home Sales 1, 3, and 4 were considered to be of inferior construction quality compared to the subject residence. Upward adjustments of 5% was made to these comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sales 1, 3, and 4 were considered to be in similar in overall condition. No adjustment was necessary in this category for these comparables. The residences associated with Home Sale 2 was considered to be of superior condition compared to the subject. A downward adjustment of 5% was made to this comparable due to the superior condition. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sales 2, 3, and 4 all include 1 full bathroom. No adjustments were necessary for these sales in this category. Home Sale 1 does not include a bathroom or indoor plumbing. An upward adjustment of \$10,000 was considered appropriate for this comparable in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and bathrooms.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	84	Section 17/Page 16	\$17.10	\$1,436
Outhouse	Lump Sum			\$2,000
Total Cost New				\$3,436
Less Depreciation - Age/Life - 10/20 Years = 50%				-\$1,718
Depreciated Cost Estimate				\$1,718
Rounded To				\$2,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$122,880, \$155,800, \$129,700, and \$120,590. Home Sale 3 required the lowest percentage of net adjustment by a large margin. All weight is accorded the adjusted indication from this sale. A market value of \$130,000 is reasonable and well supported for the subject improvements.

Improvement Value

\$130,000

Total Value Conclusion

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

Subject Site Value	\$ 44,500
Subject Improvements Value	<u>\$130,000</u>
Total Value Indication	\$174,500

LOT 9

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 9, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Off of Rabbit Run Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NHN S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	1.661	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	Fishtrap Creek	Access to Thompson River	Good Creek	None	Access to Thompson River
SHAPE	Irregular	Superior - Rectangular	Irregular	Inferior + Irregular	Superior - Irregular
TOPOGRAPHY	Level	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	No	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	1.661	Equal = 1.047	Equal = 1.360	Equal = 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior -	Equal =	Inferior +	Superior -
VALUE INDICATIONS		< \$50,000	= \$44,500	> \$35,000	< \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site includes frontage along Fishtrap Creek which flows into the Thompson River. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior – compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Equal = compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Inferior + + compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: The comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: There were no atypical easements associated with the subject or comparables. The comparables are identified as Equal = compared to the subject in this category.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 1.661 acres. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of value less than \$50,000 (Land Sales 1 and 4) and greater than \$35,000 (Land Sale 3). The adjusted indication for Land Sale 2 is Equal = to the subject. All weight is accorded the adjusted indication from Land Sale 2. A value of \$44,500 is considered well supported and appropriate for the subject lot.

Subject Site Value

\$44,500

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 9, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Fishtrap Creek	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
CONDITION	Average	Average	Good	Average	Average
		\$0	-\$6,145	\$0	\$0
BATHROOMS	0	0	1	1	1
		\$0	-\$10,000	-\$10,000	-\$10,000
HOUSE SIZE/SF	1,650	853	720	1,027	700
		\$55,790	\$65,100	\$43,610	\$66,500
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Bunkhouse, Storage Building, & Outhouse	Superior	Inferior	Superior	Superior
		-\$7,000	\$11,000	-\$18,000	-\$9,000
TOTAL ADJUSTMENT		\$48,790	\$53,810	\$15,610	\$47,500
NET ADJUSTMENT PERCENTAGE		51%	44%	12%	51%
ADJUSTED PRICE INDICATION		\$143,790	\$176,710	\$150,610	\$141,500

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sales 1, 3, and 4 were similar in overall quality of construction. No adjustments were necessary in this category for these sales. Home Sale 2 was considered to be of superior construction quality compared to the subject residence. A downward adjustment of 5% was made to this comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sales 1, 3, and 4 were considered to be in similar in overall condition. No adjustment was necessary in this category for these comparables. The residences associated with Home Sale 2 was considered to be of superior condition compared to the subject. A downward adjustment of 5% was made to this comparable due to the superior condition. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sale 1 do not include plumbing or interior bathrooms. No adjustment was necessary for Home Sale 1 in this category. Home Sales 2, 3, and 4 all include 1 full bathroom. Downward adjustments of \$10,000 were considered appropriate for these comparables in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and a full bathroom.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Bunkhouse	108	Section 12/Page 29	\$64.50	\$6,966
Storage Building	306	Section 17/Page 16	\$17.10	\$5,233
Outhouse	Lump Sum			\$2,000
Total Cost New				\$14,199
Less Depreciation - Age/Life - 5/20 Years = 25%				<u>-\$3,550</u>
Depreciated Cost Estimate				\$10,649
Rounded To				\$11,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$143,790, \$176,710, \$150,610, and \$141,500. Home Sale 3 required the lowest percentage of net adjustment by a large margin. All weight is accorded the adjusted indication from this sale. A market value of \$151,000 is reasonable and well supported for the subject improvements.

Improvement Value

\$151,000

Total Value Conclusion

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

Subject Site Value	\$ 44,500
Subject Improvements Value	<u>\$151,000</u>
Total Value Indication	\$195,500

LOT 10

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 10, UNRECORDED COS, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Fishtrap Creek Rd	15 Forty-Niner Ln	3729 Good Creek Rd	NH N S Corona	23 Forty-Niner Ln
CITY	Thompson Falls, MT	Thompson Falls, MT	Olney, Montana	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$44,500	\$35,000	\$86,000
ADJUSTMENT FOR IMPROVEMENTS		-\$95,000	\$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		11/27/19	10/02/19	06/16/20	10/27/14
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$44,500	\$35,000	\$50,000
SITE SIZE/ACRES	1.110	1.047	1.360	3.120	1.000
ADJUSTED SALES PRICE		\$50,000	\$44,500	\$35,000	\$50,000
ADJUSTMENT FOR:					
LOCATION	Thompson Falls Rural	Thompson Falls Rural	Olney Rural	Plains Rural	Thompson Falls Rural
WATER FRONTAGE	None	Equal = Access to Thompson River	Equal = Good Creek	Inferior + None	Equal = Access to Thompson River
SHAPE	Irregular	Superior --- Rectangular	Superior -- Irregular	Equal = Irregular	Superior --- Irregular
TOPOGRAPHY	Level	Equal = Level	Equal = Level	Equal = Rolling	Equal = Level
FLOOD ZONE	None	Equal = None	Equal = None	Equal = None	Equal = None
FRONTAGE/ACCESS	Seasonal Access via Access Road	Equal = Seasonal Access via Private Easement	Equal = Seasonal Access via County Road	Equal = Year Round Access via Private Road	Equal = Seasonal Access via Private Easement
ZONING	Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned	Equal = Not Zoned
EASEMENTS AFFECTING USE	No	Equal = No	Equal = No	Equal = No	Equal = No
ELECTRICITY/TELEPHONE	Not Available	Equal = Not Available	Equal = Not Available	Equal = Available	Equal = Not Available
SITE SIZE/ACRES	1.110	Equal = 1.047	Equal = 1.360	Equal = 3.120	Equal = 1.000
OVERALL RATING COMPARED TO SUBJECT		Superior ---	Superior --	Superior -	Superior ---
VALUE INDICATIONS		< < \$50,000	< < \$44,500	< \$35,000	< < \$50,000

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparable lot sales were all closed prior to the report effective date. No adjustments were necessary for these comparables in this category.

Adjustments for Improvements: Land Sales 2 and 3 did not include improvements and no adjustments were necessary in this category for these comparables. Land Sales 1 and 4 included residences and/or outbuildings. Based upon the photographs of the interior of this comparable, information from the verifying party, and a depreciated cost analysis for the improvements on this property, a downward adjustment of \$95,000 was determined to be reasonable and appropriate for the improvements on Land Sale 1. Based upon the photographs of the interior of this comparable and information from the verifying party, a downward adjustment of \$36,000 was determined to be reasonable and appropriate for the improvements on Land Sale 4.

Property Rights: The ownership interest in this report for the subject property and for all of the land comparables is the fee simple interest. 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: There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

Buyer Expenditures: There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

Market Conditions: The comparable sold in 2020 2019, and 2014. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

Discussion of Qualitative Adjustments

The following adjustments are for categories where the comparables are different from the subject property and differences in these categories were considered to potentially affect value; however, there was not sufficient market data available on which to credibly base dollar amount or percentage adjustments. These adjustments are identified as Equal =, Superior -, or Inferior + compared to the subject property. We have used additional minuses or pluses to convey order of magnitude when necessary.

Location: The locations of the subject and Land Sales 1, 2, and 4 are similar. The subject and these comparables are in rural remote areas which are suitable for market participants seeking recreational type properties. The subject and these comparables have similar proximity to large amounts of public land. Land Sales 1, 2, and 4 are identified as Equal = compared to the subject in this category. Land Sale 3 is located closer to a population center and would not have similar

appeal for market participants seeking recreational type property. Land Sale 3 is identified as Inferior + compared to the subject in this category.

Water Frontage: The subject site does not include water frontage. Land Sales 1 and 4 have easy access to the Thompson River and are considered Superior - - - compared to the subject in this category. Land Sale 2 has frontage along Good Creek and is identified as Superior - - compared to the subject in this category. Land Sale 3 does not include water frontage and is identified as Equal = compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are considered Equal = in this category.

Topography: The comparables are identified as Equal = compared to the subject in this category.

Flood Zone: It does not appear that the subject lot is within a flood hazard area. The comparables are not within areas of flood hazard and are identified as Equal = compared to the subject in this category.

Frontage/Access: The subject lot is accessed via a seasonally maintained road. Land Sales 1, 2, and 4 are also accessed via seasonally maintained roads. These comparables are identified as Equal = compared to the subject in this category. Land Sale 3 is accessed via a road that is maintained all year. This comparable is identified as Superior – compared to the subject in this category.

Zoning: The subject lot and comparables are in areas with no zoning. Based upon analysis of highest and best for uses for the subject and comparables, the comparables are identified as Equal = compared to the subject in this category.

Easements Affecting Use: There were no atypical easements associated with the subject or comparables. The comparables are identified as Equal = compared to the subject in this category.

Electricity/Telephone: The subject lot and Land Sales 1, 2, and 4 do not have access to electricity. These comparables are identified as Equal = compared to the subject lot in this category. Land Sale 3 has access to electricity. This comparable is identified as Superior – compared to the subject in this category.

Size/Acres: The subject site totals 1.110 acres. There is no market data available suggesting that lots within the size ranges of the subject and comparable vary in price due to size differences. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The comparables provided adjusted indications of very far value less than \$50,000 (Land Sales 1 and 4), far less than \$44,500 (Land Sale 2), and somewhat less than \$35,000 (Land Sale 4). Most weight is accorded the adjusted indication from Land Sale 3 as it required the lease overall adjustment. The adjusted indication from this sale requires some downward adjustment. A 5% downward adjustment is considered reasonable and appropriate to the initial adjusted indication from this sale. The resulting value indication is \$33,000 (\$35,000 less 5% = \$33,250, Rounded to \$33,000).

Subject Site Value

\$33,000

Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 10, FISHTRAP CREEK, THOMPSON FALLS, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		15 Forty-Niner Ln	18 Osprey Dr W	21 Panorama Ln	386 Thompson River Rd
LOCATION		Thompson Falls, MT	Thompson Falls, MT	Plains, MT	Thompson Falls, MT
SALES PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LIST ADJUSTMENT					
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		11/27/19	08/06/18	06/06/18	06/12/17
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$145,000	\$252,900	\$235,000	\$179,000
LESS SITE VALUE		(\$50,000)	(\$130,000)	(\$100,000)	(\$85,000)
ADJUSTED IMPROVEMENT PRICE		\$95,000	\$122,900	\$135,000	\$94,000
ADJUSTMENT FOR:					
LOCATION/SITE	Interior	Thompson River	Clark Fork River	Clark Fork River	Thompson River
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Good	Average	Average
		\$0	\$0	\$6,750	\$4,700
CONDITION	Good	Average	Good	Average	Average
		\$4,750	\$0	\$6,750	\$4,700
BATHROOMS	1	0	1	1	1
		\$10,000	\$0	\$0	\$0
HOUSE SIZE/SF	1,151	853	720	1,027	700
		\$20,860	\$30,170	\$8,680	\$31,570
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	2 Storage Buildings, 1 Open Storage Building, & Outhouse	Superior	Inferior	Superior	Superior
		-\$14,000	\$4,000	-\$25,000	-\$16,000
TOTAL ADJUSTMENT		\$21,610	\$34,170	-\$2,820	\$24,970
NET ADJUSTMENT PERCENTAGE		23%	28%	-2%	27%
ADJUSTED PRICE INDICATION		\$116,610	\$157,070	\$132,180	\$118,970

Discussion of Adjustments

List Adjustment: The comparables were closed sales as of the report effective date and required no adjustment in this category.

Property Rights: The value of the fee simple interest is concluded in this report. The fee simple interest transferred with the comparables and no adjustments were necessary in this category.

Financing: Based upon the information we verified, no adjustments were necessary in this category for the comparables.

Conditions of Sale: The conditions of sale for the comparables were reflective of market. No adjustments were necessary for these sales in this category.

Buyer Expenditures: According to our research no adjustment is necessary in this category.

Market Conditions: The comparables sold in 2017, 2018, and 2019. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

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

Quality: The subject residence and Home Sales 1, 3, and 4 are similar in overall quality of construction. No adjustment was necessary in this category for these sales. Home Sale 2 was considered to be of superior construction quality compared to the subject residence. A downward adjustments of 5% was made to this comparable. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence construction quality.

Condition: The subject residence and Home Sale 2 were considered to be in similar in overall condition. No adjustment was necessary in this category for this comparable. The residences associated with Home Sales 1, 2, and 4 were considered to be of inferior condition compared to the subject. Upward adjustments of 5% were made to these comparables due to the inferior conditions. This adjustment percentage is considered reasonable and representative of the actions of market participants with regard to residence condition.

Bathrooms: The subject residence and Home Sales 2, 3, and 4 all include 1 full bathroom. No adjustments were necessary for these sales in this category. Home Sale 1 does not include a bathroom or indoor plumbing. An upward adjustment of \$10,000 was considered appropriate for this comparable in this category. This adjustment amount is considered to reflect the actions of market participants with regard to indoor plumbing and bathrooms.

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 \$70 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is considered appropriate and indicative of the actions of market participants with respect to house size.

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

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

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	77	Section 17/Page 16	\$17.10	\$1,317
Storage Building	106	Section 17/Page 16	\$17.10	\$1,813
Lean-to Storage	84	Section 17/Page 16	\$9.46	\$795
Outhouse	Lump Sum			\$2,000
Total Cost New				\$5,924
Less Depreciation - Age/Life - 5/20 Years = 25%				<u>-\$1,481</u>
Depreciated Cost Estimate				\$4,443
Rounded To				\$4,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$116,610, \$157,070, \$132,180, and \$118,970. Home Sale 3 required the lowest percentage of net adjustment by a large margin. All weight is accorded the adjusted indication from this sale. A market value of \$132,000 is reasonable and well supported for the subject improvements.

Improvement Value

\$132,000

Total Value Conclusion

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

Subject Site Value	\$ 33,000
Subject Improvements Value	<u>\$132,000</u>
Total Value Indication	\$165,000

RECAPITULATION OF VALUE INDICATIONS

The market values for the subject properties are recapitulated on the table below;

Lot #	Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
2	1016	\$40,000	\$105,000	\$145,000	7/16/2020
3	1017	\$33,000	\$105,000	\$138,000	7/16/2020
4	1018	\$40,000	\$128,000	\$168,000	7/16/2020
6	1019	\$44,500	\$130,000	\$174,500	7/16/2020
9	1015	\$44,500	\$151,000	\$195,500	7/16/2020
10	1020	\$33,000	\$132,000	\$165,000	7/16/2020

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

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
2019 – 7 Hour National USPAP Update Course
2019 – Business Practice & Ethics
2020 – Small Hotel/Motel Valuation
2020 – Appraisal of Medical Office Buildings

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

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

2019 – Appraisal Institute: The Cost Approach: Unnecessary or Vital to a Healthy Practice

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

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
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

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) – Technology Marketing

STATE LICENSES/CERTIFICATIONS

Montana Licensed Appraiser # REA-RAL-LIC-841

APPRAISERS LICENSES



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-683

Status: **Active**
Expires: **03/31/2021**

CLARK REAL ESTATE APPRAISAL
ELLIOTT M CLARK
CLARK REAL ESTATE APPRAISAL
P.O. BOX 1531
SEELEY LAKE, MT 59868

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER

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



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



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAL-LIC-841

Status: **Active**
Expires: **03/31/2021**

CLARK REAL ESTATE APPRAISAL
CHRISTOPHER D CLARK
CLARK REAL ESTATE APPRAISAL
P.O. BOX 1531
SEELEY LAKE, MT 59868

This certificate verifies licensure as:
LICENSED APPRAISER

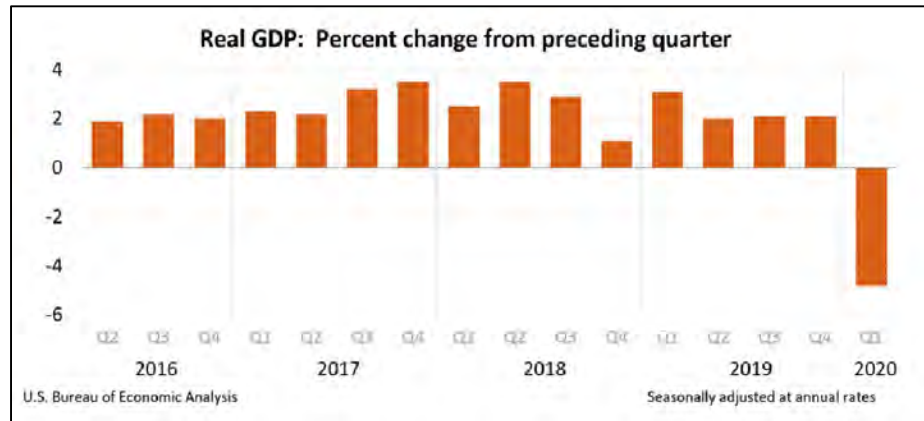


Montana Department of
LABOR & INDUSTRY
RENEW OR VERIFY YOUR LICENSE AT:
<https://ebiz.mt.gov/pol>

ADDENDUM

NATIONAL ECONOMIC DATA

According to the advance estimate from the Bureau of Economic Analysis of the US Department of Commerce (BEA), real GDP decreased by 4.8% in the first quarter of 2020 after increasing 2.1% in the fourth quarter of 2019. A second more complete estimate will be available on May 28, 2020. According to the BEA, “the decline in the first quarter GDP was, in part due to the response to the spread of COVID-19, as governments issued stay at home orders in March. This led to rapid changes in demand, as businesses and schools switched to remote work or cancelled operations, and consumers cancelled, restricted, or redirected spending. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the first quarter of 2020 because the impacts are generally embedded in source data and cannot be separately identified.”



The National Bureau of Economic Research (also known as NBER - a private research group led by the nation's top economists and long been considered the official arbiter of sorts for determining when business cycles start and end) announced June 8, 2020 that the United States had been in a recession since February 2020. A recession is typically defined as two straight quarters of negative GDP, but the NBER has leeway to take into account the depth of a contraction, how quickly it occurs and how much of the economy is affected.

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.

According to ESRI, as of 2019 the median household income was estimated at \$53,087 and is projected to increase to \$58,431 (an increase of about 10.1%) by 2024. This compares to the United States, which has an estimated median household income of \$60,548 as of 2019 and is projected to increase to \$69,180 (an increase of about 14.3%) by 2024.

The following table summarizes unemployment rates in Montana over the past 10 years.

State of Montana					
Year	Month	Labor Force	Employment	Unemployment	Unemployment Rate
2010	Annual Average	500,525	463,998	36,527	7.3%
2011	Annual Average	501,225	466,403	34,822	6.9%
2012	Annual Average	506,485	476,174	30,311	6.0%
2013	Annual Average	510,781	483,071	27,710	5.4%
2014	Annual Average	512,245	488,336	23,909	4.7%
2015	Annual Average	517,656	496,042	21,614	4.2%
2016	Annual Average	522,497	500,830	21,667	4.1%
2017	Annual Average	525,575	504,871	20,704	3.9%
2018	Annual Average	528,834	509,568	19,266	3.6%
2019	Annual Average	533,497	514,917	18,580	3.5%
2020	Y-T-D Average (through June)	531,475	495,991	35,484	6.7%
2020	June	542,444	504,456	37,988	7.0%
				Average	5.1%
Source: United States Department of Labor, Bureau of Labor Statistics					

As shown in the previous table, the annual average unemployment rate has decreased every year since 2010. As of April 2020, the unemployment rate in Montana was reported at 11.9%. This spike in the rate is likely due in large part to the coronavirus pandemic, which began in March 2020.

COVID-19 Update for State of Montana

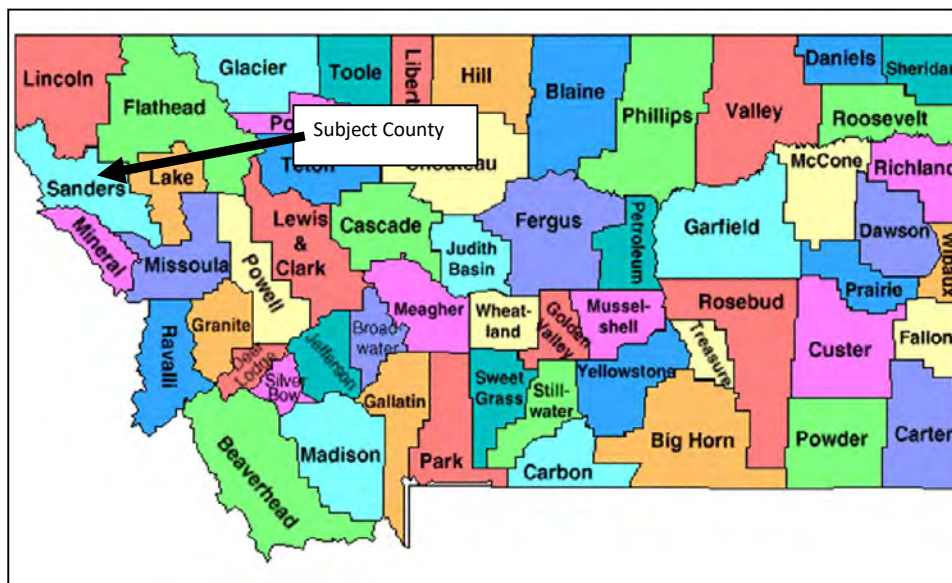
The University of Montana Bureau of Economic Research prepared a study titled “The Impacts of COVID-19 in Montana, Preliminary Analysis” in April of 2020. The principal findings from the study are below;

- Job losses in the state of 7.3% are forecasted for calendar year 2020; however, some improvement is forecasted for the fourth quarter.
- Personal income will be \$3.9 billion lower in Montana than was projected by the Bureau in December of 2019.
- Job losses will be seen all over Montana; however, job losses will be particularly severe for northwest regions of the state.

The Bureau forecasts stronger economic growth in 2021 and 2022.

SANDERS COUNTY DATA

The subject properties are located in an unincorporated portion of Sanders County in the greater Thompson Falls area. County. 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 2020 US Census data estimates, the population of Sanders County is 11,738. 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 2020 US Census data estimates, approximately 4.1% of the population of Sanders County was American Indian or Alaskan Native.

Income

According to 2020 US Census data estimates, the median household income is \$36,696. This is less than the median household income for Montana for 2019 of \$53,817. Reportedly 18.5% of the population in Sanders County was below the poverty line between 2014 and 2018. This is greater than the estimated 14.1% 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 10.0% in May of 2020. This is down from April 2020 at 14.0%. Unemployment since March for the county has been impacted by COVID-19. A graph with unemployment for the county is below with recessions noted in gray.



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 2020 estimates from US Census data, there were 6,918 housing units in Sanders County. Of the total housing units, 55.2% were reportedly owner occupied. The median home value for 2020 was reportedly \$237,107.

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 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 guarded as the state and national economies are affected by COVID-19. The long term outlook for the area is also positive due to the abundance of natural resources and the potential to diversify the employment.

According to the Bureau of Business and Economic Research at the University of Montana, economic impacts on Northwest Montana Counties (which includes Sanders County) due to COVID-19 have been forecasted to be significant.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

ATTACHMENT A

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

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:
2019 Fishtrap Creek 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 Challis & Risa Crismore; Don Eubank & Kay Hardy; Wayne Crismore & Set Reedy; Clifford H. & Shari D. Crismore; and William, Garnet, Carla, & Sean Kinney. 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 six (6) 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.

ATTACHMENT B

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

Supplemental Appraisal Instructions: 2019 Fishtrap Creek Appraisals

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

Subject Properties Located in Fishtrap Creek in Sanders County:

Sale #	Acres	Legal Description
1015	1.650 ±	Lot 9, Fishtrap Creek T23N-R27W, Sec. 16, Sanders County
1016	2.310 ±	Lot 2, Fishtrap Creek T23N-R27W, Sec. 16, Sanders County
1017	1.244 ±	Lot 3, Fishtrap Creek T23N-R27W, Sec. 16, Sanders County
1018	1.882 ±	Lot 4, Fishtrap Creek T23N-R27W, Sec. 16, Sanders County
1019	1.712 ±	Lot 6, Fishtrap Creek T23N-R27W, Sec. 16, Sanders County
1020	1.078 ±	Lot 10, Fishtrap Creek T23N-R27W, Sec. 16, 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)

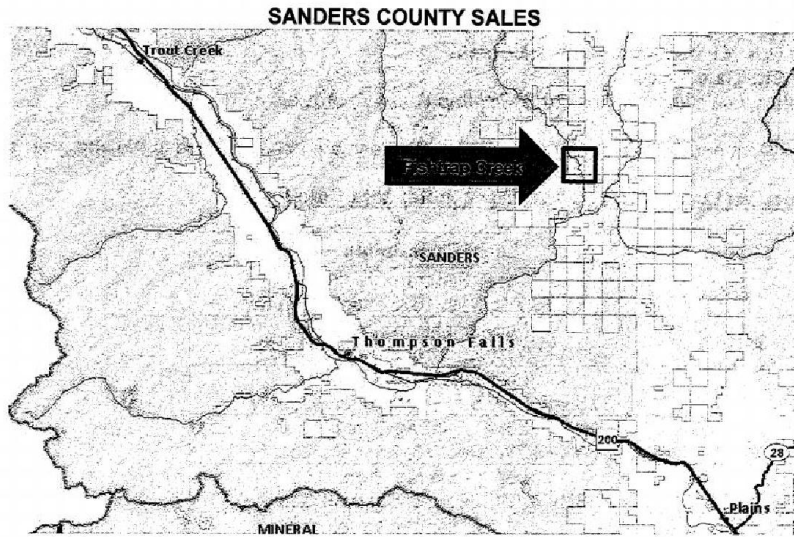
Sale 1015 Nora Jean Malinak	Sale 1016 Challis & Risa Crismore	Sale 1017 Don Eubank & Kay Hardy
Sale 1018 Wayne Chrismore & Seth Reedy	Sale 1019 Clifford H & Shari D. Crismore	Sale 1020 William, Garnet, Carla, & Sean Kinney

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.



Fishtrap Creek, T23N-R27W, Sec. 16, Sanders County



SALE PARCELS SURVEYS

A survey is currently being completed to define all Fishtrap Creek area 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.