

McGinnis Real Estate Appraisal Group, LLC

Appraisal Report

Lots 1, 3, 8, 16 and 5 COS 18353
Section 20, T31N-R22W
Flathead County
Whitefish, MT 59937

Jennifer L. McGinnis, MAI

Sale #1138 Lot 1
1.551 ac. 606.1' LF
Beaver Lake

Sale #1139 Lot 3
2.774 ac. 643.44' LF
Beaver Lake
936 SF 2015 cabin

Sale #1140 Lot 8
2.513 ac. 173.91' LF
Beaver Lake
560 SF 1966 cabin

Sale #1141 Lot 16
1.457 ac. 203.37' LF
Beaver Lake
756 SF 1978 cabin

Sale #1166 Lot 5
2.238 ac. 128.5' LF
Beaver Lake
560 SF 2020 cabin

Date of Valuation

August 19, 2021

FOR

**State of Montana
Montana Board of Land Commissioners
Department of Natural Resources and Conservation
Lessees
P.O. Box 201601
1539 11th Avenue
Helena, MT 59620-1601**

DNRC No.225003

Our File No. 2150

McGinnis Real Estate Appraisal Group, LLC

November 3, 2021

Montana Department of Natural Resources and Conservation
Seth Goodwin, Real Estate Specialist
P.O. Box 201601
Helena, MT 59620-1601
(406)444-2684
Seth.Goodwin2@mt.gov

RE: Sale #1138, Lot 1, COS 18353
Sale #1139, Lot 3, COS 18353
Sale #1140, Lot 8, COS 18353
Sale #1141, Lot 16, COS 18353
Sale #1166, Lot 5, COS 18353

DNRC No. 225003
Our File No. 2150

Dear Seth Goodwin,

At your request I have prepared an appraisal on the above-described properties, which were viewed on August 19, 2021, on both the interior and exterior. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties legally described on page 13 and is intended for use in the decision-making process concerning the potential sale of said subject properties. I hereby submit the following appraisal report containing 134 pages and Addenda

The appraisal complies with The Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board. The following report details among other important factors, appraiser certification, scope of work, definition of **current fair market value**, the highest and best use of the properties, all applicable approaches to value, assumptions and limiting conditions and hypothetical condition. Market values of the (hypothetical) fee

simple interests of the subject lots as if vacant, the subject improvements, and the sites and improvements considered together are concluded in this report. These value conclusions are made after thorough study of available market data and other data pertinent to this appraisal. Acceptance of this appraisal constitutes an agreement whereby the user acknowledges and accepts all conditions provided herein.

I have appraised the subject properties with the ***Hypothetical Condition of fee simple ownership*** with land and improvements under one owner, and separate market value of land with ***Hypothetical Condition*** of raw vacant land, subject to easements or restrictions of record, and the ***Extraordinary Assumption and Limiting Condition*** of access on gravel road through State DNRC lands. The use of Hypothetical Conditions and Extraordinary Assumptions and Limiting Conditions affects assignment results. I assume no responsibility for the marketability of the title to the property.

A Phase I Environmental Site Assessment was not provided to me; however, a visual inspection of the property revealed no materials stored on site which would constitute hazardous wastes. However, your appraiser is not an expert in this field and if some questions exist a qualified professional should be contacted.

I have complied with the Competency Provision as required in the Uniform Standards of Professional Appraisal Practice, based on my education and experience in appraising similar properties throughout western Montana.

As a result of my investigations, studies and analyses, I have formed the opinions that the ***current fair market value(s) (12 C.F.R 34.42(h))*** of the subject properties, with consideration to the ***Hypothetical Conditions and Extraordinary Assumptions and Limiting Conditions*** stated in this report and a cash sale, as of August 19, 2021, is:

<i>Fair Market Value indications by the Sales Comparison approach August 19, 2021</i>					
Description	#1138 Lot 1 COS 18353	#1139 Lot 3 COS 18353	#1140 Lot 8 COS 18353	#1141 Lot 16 COS 18353	#1166 Lot 5 COS 18353
Lot size/amenity	1.551 ac Beaver lake	2.774 ac Beaver lake	2.513 ac Beaver lake	1.457 ac Beaver lake	2.238 ac Beaver lake
Improvement size/Year	none	936 SF 2015	560 SF 1966	756 SF 1978	560 SF 2020
Land-segregated value	\$250,000	\$255,000	\$240,000	\$240,000	\$250,000
Improvements-segregated value	\$0	\$150,000	\$72,000	\$85,000	\$165,000
Total fee simple market value (Hypothetical Condition)	\$250,000	\$405,000	\$312,000	\$325,000	\$415,000

I direct your attention to the data, discussions and conclusions which follow.

Thank you for the opportunity to be of service.

Respectfully submitted,



Jennifer L. McGinnis, MAI
MT Certified General Appraiser
REA-RAG-LIC-714

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Certification Statement

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report and all comparable sales.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have provided no services as an appraiser or in any other capacity of the subject property within the three years prior to this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, 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, I have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Members.

A handwritten signature in dark ink, reading "J McGinnis". The signature is written in a cursive, flowing style.

Jennifer L. McGinnis, MAI
MT Certified General Appraiser
REA-RAG-LIC-714

General Assumptions and Limiting Conditions

This is to certify that the appraiser, in submitting this statement and opinion of the value of subject property, acted in accordance with and was bound by the following principles, limiting conditions and assumptions.

1. No responsibility is assumed for matters that are legal in nature nor is any opinion rendered on title of property appraised which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
2. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
3. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
4. Unless expressly specified in this Agreement, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of McGinnis Real Estate Appraisal Group, LLC, is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
5. Where the values of the land and the improvements are shown separately, the value of each is segregated only as an aid to better estimate the value which it lends to the whole parcel, rather than value of that particular item if it were by itself.
6. The dates of value to which the opinions expressed in this report apply are set forth in this report. I assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
7. All maps, areas, plans, specifications, and other data furnished your appraiser are assumed to be correct. No survey of the property was made by this firm. Furthermore, all numerical references to linear

measurements, area, volume or angular measurements should be assumed to be “more or less” (\pm), and are accurate to a degree consistent with their use for valuation purposes.

8. Neither the employment to make the appraisal nor the compensation for it is contingent upon the amount of valuation reported.
9. The information, estimates and opinions which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
10. To the best of my knowledge and belief, the statements of fact contained in this appraisal report upon which the analysis, opinions, and conclusions expressed herein are based are true and correct. Furthermore, no important facts have been withheld or overlooked.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
12. This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of McGinnis Real Estate Appraisal Group, LLC and Client. The appraiser assumes no liability for unauthorized use of the appraisal report by a third party.
13. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
14. The value opinion provided herein is subject to any and all predications set forth in this report.
15. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, I have not completed nor have I contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, she makes no guarantees, express or implied, regarding this determination.

16. If the appraisal is for mortgage loan purposes 1) I assume satisfactory condition of improvements if construction is not complete, 2) no consideration has been given rent loss during rent-up unless otherwise noted in the body of this report, and 3) occupancy at levels consistent with my "Income and Expense Projection" are anticipated.
17. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
18. My inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. I inspected the buildings involved and reported damage (if any) as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
19. The appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or nation governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
20. When possible, I have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to me, I have relied upon my own measurements of the subject improvements. I follow typical appraisal industry methods; however, I recognize that some factors may limit my ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple-story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
21. I have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and /or reliable are used within this report. While the measurements and any accompanying sketches are considered to be

reasonable accurate and reliable, I cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). I reserve the right to use an alternative source of building size and amend the analysis, narrative or concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

22. In the absence of being provided with a detailed land survey, I have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, I reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
23. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and I reserve the right to amend this appraisal if substantial differences are discovered.
24. The appraiser is not qualified to detect hazardous wastes and/or toxic materials. Any comment by the appraiser that might suggest the possibility of presence of such substances should not be taken as confirmation of the presence of hazardous wastes and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, petroleum products or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover such conditions. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
25. I have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act (ADA) which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

26. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment or subsurface rights (minerals, gas and oil) were not considered in this appraisal unless specifically stated to the contrary.
27. If any claim is filed against any of McGinnis Real Estate Appraisal, LLC affiliates, partners or employees, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
28. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
29. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
30. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from my estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, I strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determining insurance coverage and I make no warranties regarding the accuracy of this estimate.
31. It is your responsibility to read the report and to inform the appraiser of any errors or omissions of which you are aware, prior to utilizing the report.
32. All disputes shall be settled by binding arbitration in accordance with then then-existing commercial arbitration rules of the American Arbitration Association (the "AAA").
33. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Summary of Conclusions

Current Owners-Land	State of Montana
Leasehold Improvements	#1138 Rod & Sonya Herrick #1139 Caroline Saunders Smith #1140 Richard Kramer #1141 Philip R. Hambley #1166 Lonnie & Catherine Collinsworth
Client/Intended User	State of Montana, State of Montana Board of Land Commissioners Montana Department of Natural Resources & Conservation/Client Agencies & Individual Lessees Noted in the Report
Purpose/Intended Use	Estimate Market Values/Potential Sale Purposes
Property Identification	#1138 Lot 1 COS 18353 #1139 Lot 3 COS 18353 #1140 Lot 8 COS 18353 #1141 Lot 16 COS 18353 #1166 Lot 5 COS 18353 T31N-R22W, Sec. 20, Flathead County
Property Rights Appraised	Hypothetical Fee simple
Present Use	Recreational and/or residential use
Highest and Best Use	Recreational and/or residential use
Extraordinary Assumptions	Access through State DNRC lands
Hypothetical Conditions	Fee Simple ownership
Marketing and Exposure Time	Appraised values as if vacant and improved are based on a 12 month marketing and exposure times.

<i>Fair Market Value indications by the Sales Comparison approach August 19, 2021</i>					
Description	#1138 Lot 1 COS 18353	#1139 Lot 3 COS 18353	#1140 Lot 8 COS 18353	#1141 Lot 16 COS 18353	#1166 Lot 5 COS 18353
Lot size/amenity	1.551 ac Beaver lake	2.774 ac Beaver lake	2.513 ac Beaver lake	1.457 ac Beaver lake	2.238 ac Beaver lake
Improvement size/Year	none	936 SF 2015	560 SF 1966	756 SF 1978	560 SF 2020
Land-segregated value	\$250,000	\$255,000	\$240,000	\$240,000	\$250,000
Improvements-segregated value	\$0	\$150,000	\$72,000	\$85,000	\$165,000
Total fee simple market value (Hypothetical Condition)	\$250,000	\$405,000	\$312,000	\$325,000	\$415,000

Introduction

Identification of the client, Intended users, Purpose and Intended Use

The report has been prepared for the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). The intended users are State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) and Individual Lessees listed in the table below:

Lot#	Sale #	Lessee
1	1138	Rod & Sonya Herrick
3	1139	Caroline Saunders Smith
8	1140	Richard Kramer
16	1141	Philip R. Hambley
5	1166	Lonnie & Catherine Collinsworth

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. No other party may use or rely on the information in this report without written consent of the preparer.

Significant Dates of Appraisal

The effective date of the appraisal is August 19, 2021. The original report was completed and delivered on October 28, 2021 and a revised report on November 3, 2021.

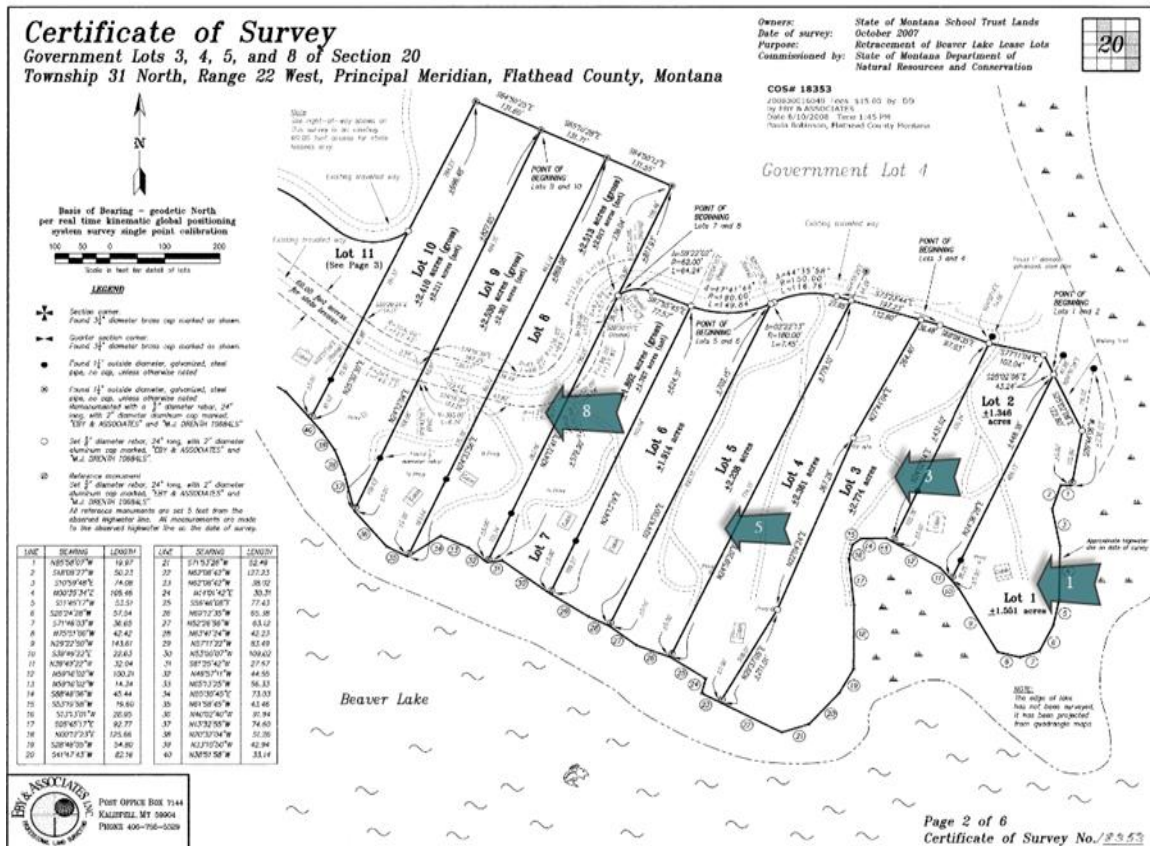
Identification of the subject real estate and the property rights appraised

This appraisal is made with the **Hypothetical Condition** that present ownership of the subject property includes all rights that may be lawfully owned, and is, therefore, title in fee simple, subject to all easements and restrictions of record. The use of a **Hypothetical Condition** that the lease does not exist affects assignment results.

The properties are legally described as follows:

Lot#	Sale #	COS #	Township/Range/Section	County	Size/Acres	waterfront	WF'
1	1138	18353	T31N-R22W, Sec. 20	Flathead	1.551	Beaver Lake	606.1
3	1139	18353	T31N-R22W, Sec. 20	Flathead	2.774	Beaver Lake	643.44
8	1140	18353	T31N-R22W, Sec. 20	Flathead	2.513	Beaver Lake	173.91
16	1141	18353	T31N-R22W, Sec. 20	Flathead	1.457	Beaver Lake	203.37
5	1166	18353	T31N-R22W, Sec. 20	Flathead	2.238	Beaver Lake	128.5

Certificate of Survey #18353

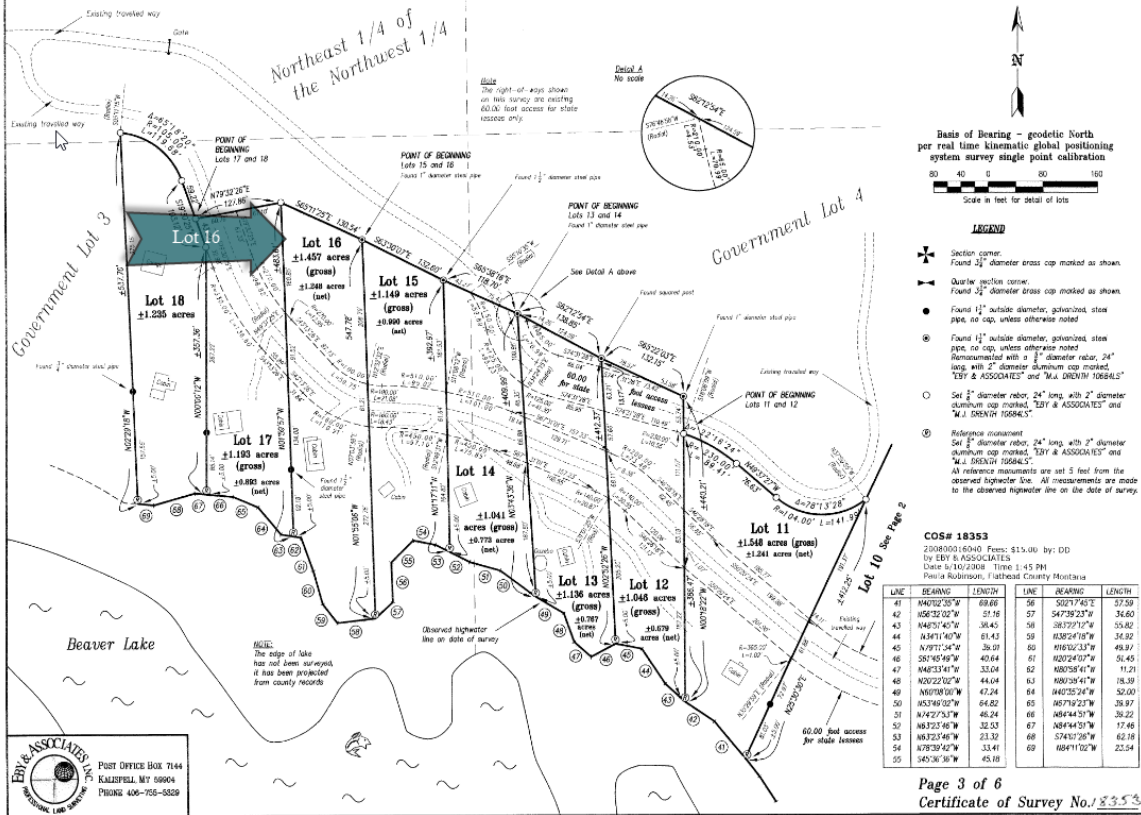


Certificate of Survey

Government Lots 3, 4, 5, and 8 of Section 20

Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana

Owners: State of Montana School Trust Lands
Date of survey: October 2007
Purpose: Retraiment of Beaver Lake Lease Lots
Commissioned by: State of Montana Department of Natural Resources and Conservation



Lot 1

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 17°05'03" West 3214.70 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 25°02'06" East 122.80 feet; thence South 09°44'06" West 110.99 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following courses: North 85°58'07" West 19.97 feet, South 18°08'27" West 50.23 feet, South 10°59'48" East 74.08 feet, South 00°35'34" West 105.46 feet, South 11°45'17" West 53.51 feet, South 26°24'28" West 57.54 feet, South 71°46'03" West 36.65 feet, North 75°51'00" West 42.42 feet, North 29°22'50" West 143.61 feet, and North 39°49'22" West 22.63 feet; thence North 24°36'28" East 448.38 feet, more or less, to the Point of Beginning containing 1.551 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 3

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 20°27'55" West 3395.52 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 73°23'44" East 36.48 feet; thence South 68°08'35" East 97.03 feet; thence South 24°02'14" West 431.02 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following ten courses: North 59°16'02" West 14.34 feet, South 88°48'06" West 45.44 feet, South 53°19'58" West 19.60 feet, South 13°13'01" West 28.95 feet, South 05°45'17" East 92.77 feet, South 00°12'23" West 125.66 feet, South 28°48'05" West 54.80 feet, South 41°47'43" West 82.16 feet, South 71°53'26" West 52.49 feet and North 62°08'42" West 127.23 feet; thence North 29°37'05" East 211.01 feet, more or less; thence North 22°04'24" East 367.28 feet; thence North 27°44'04" East 264.40 feet to the Point of Beginning containing 2.774 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 5

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 24°27'29" West 3529.18 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 180.00 foot radius curve concave northwesterly having a radial bearing of North 25°37'29" West; thence northeasterly long said curve through a central angle of 02°22'13" an arc length of 7.45 feet to the beginning of a 150.00 foot radius reverse curve; thence along said curve through a central angle of 44°35'58" an arc length of 116.76 feet; thence South 73°23'44" East 27.95 feet; thence South 24°59'20" West 779.10 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following two courses: North 69°12'35" West 65.38 feet and North 52°26'56" West 63.12 feet; thence North 24°43'00" East 702.15 feet, more or less, to the Point of Beginning containing 2.238 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 8

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 28°18'38" West 3667.68 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 24°12'41" West 579.90 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following three courses: North 48°57'11" West 44.55 feet, North 65°13'25" West 56.33 feet, and South 55°30'45" West 73.03 feet; thence North 24°33'56" East 869.08 feet, more or less; thence South 64°50'12" East 131.55 feet; thence South 24°12'41" West 238.04 feet to the Point of Beginning containing 2.513 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 16

That portion of Government 3, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 37°26'16" West 4703.13 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 01°55'06" East 547.78 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: South 83°22'12" West 55.82 feet, North 38°24'18" West 34.92 feet, North 16°02'33" West 49.97 feet, North 20°24'07" West 51.45 feet, and North 80°58'41" West 11.21 feet; thence North 01°59'57" West 483.61 feet, more or less; thence South 65°11'25" East 130.54 feet to the Point of Beginning containing 1.457 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Subject location maps



Scope of Work and Definition of Current Fair Market Value

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ATTACHMENT A

Scope of Work for Appraisals of Potential Property Sales through the Cabin/Home Site Sale Program

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

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2021 Beaver Lake, Flathead County Appraisal

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 the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), Rod & Sonya Herrick, Caroline Saunders Smith, Richard Kramer, Philip R. Hambley, and Lonnie & Catherine Collinsworth. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

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 5 (five) cabin sites identified in the Supplemental Appraisal Instructions.

The subject property must be valued with the actual or hypothetical condition that the 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

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION Supplemental Appraisal Instructions

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

Subject Property Located in Flathead County:

Sale #	Acres	Legal Description	Site Address (if known)
1138	1.551±	Lot 1, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1139	2.774±	Lot 3, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1140	2.513±	Lot 8, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1141	1.457±	Lot 16, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1166	2.238±	Lot 5, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT

<u>DNRC Contact Information:</u> Seth Goodwin, Real Estate Specialist PO Box 201601 Helena, MT 59620-1601 Telephone: (406) 444-4289 Fax: (406) 444-2684 Seth.goodwin2@mt.gov	<u>Lessees:</u> Sale 1138: Rod & Sonya Herrick, (406) 314-9314 Sale 1139: Caroline Saunders Smith, (706) 888-9248 Sale 1140: Richard Kramer, (406) 250-9786 Sale 1141: Philip R. Hambley, (403)620-0572 Sale 1166: Lonnie & Catherine Collinworth, (406)250-4947
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The following will be located in the body of the contract:

The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel(s). 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 may be returned to the appraiser for retention in his/her files upon request. 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 12 C.F.R. § 34.42 (h).

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

This appraisal report employs the Sales Comparison Approach to value the subject sites as if vacant. All three approaches to value are considered for 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. The Income Capitalization Approach is not developed, as there is insufficient data due to most properties in the area being owner occupied. The Sales Comparison Approach to value is developed to estimate the value of the subject properties as if vacant and improved which is necessary for credible results given the intended use, property characteristics and type of value sought. The data collection and analysis followed the normal procedures as required by the Uniform Standards of Professional Appraisal Practice, as well as the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

Data was obtained from the following sources:

- Flathead County website
- Montana Cadastral website
- Federal Reserve Economic Data website
- Site to do business
- Regional Montana Multiple Listing Service
- Data files of McGinnis Real Estate Appraisal Group, LLC.
- Real estate brokers and property owners in Flathead County.

Upon receiving the assignment, a file was prepared which included: certificate of survey, land status reports, water rights, zoning information, courthouse research including owner of record for land and leasehold improvements, real estate taxes, legal description, as well as floodplain maps.

An interior and exterior site visit was completed August 19, 2021, with each Lessee, and DNRC representatives. Comparables were viewed and the MLS

photo is used in the sale data as that is most representative of the sale condition at the time of sale.

Identification of personal property or other items that are not real property

No personal property is included in this report, with the exception of kitchen appliances, which are typically included with residential sales.

History/Last Sale of the Subject Properties

The subject sites have been under the State of Montana ownership for over three years. Improvements on the subject lots are owned by the Lessees for over three years.

The subject properties are not currently listed for sale and there are no known offers to purchase the subject properties at this time, however, the purpose of this appraisal is for decision making purposes concerning a potential sale of the said subject properties. Montana is a non-disclosure State, therefore purchase prices are not of public record.

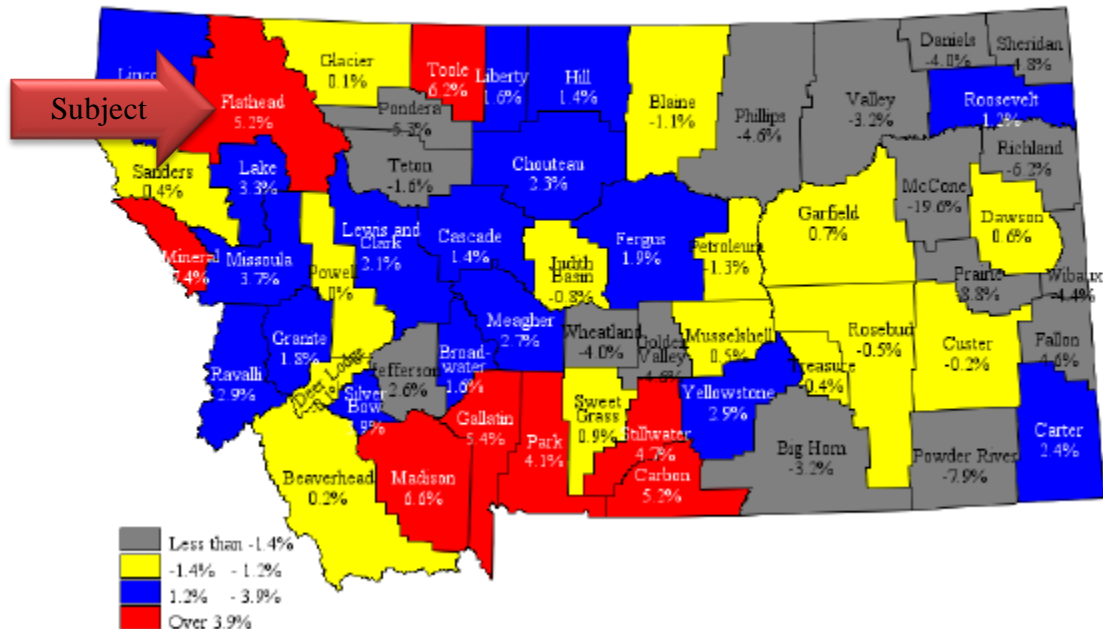
Use/Marketing Histories of the Subject Properties

The subject lots are in the Montana Department of Natural Resources and Conservation residential cabin site lease program and owned by the State of Montana. The subject lots have been used for recreational/residential purposes for at least the past three years. Lessee owned cabin construction dates and any recent MLS listing information for the improvements is shown below:

Lot#	Sale #	Lessee	House Built	Cabin Size/SF	MLS Listing history
1	1138	Rod & Sonya Herrick	vacant land	none	none
3	1139	Caroline Saunders Smith	2007 (2015)	936	none
8	1140	Richard Kramer	1966	560	none
16	1141	Philip R. Hambley	1978	756	none
5	1166	Lonnie & Catherine Collinsworth	2020	560	none

General Area Data

Percent Growth in Real Nonfarm Earnings 2017

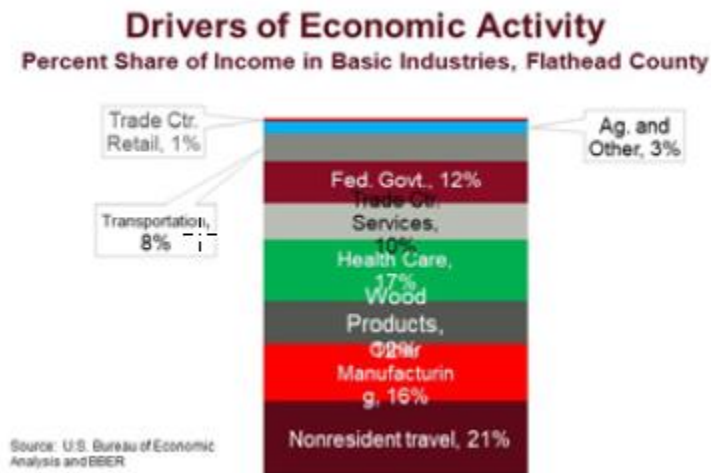


Location

Flathead County, located in NW Montana encompasses 5,098 square miles with approximately 94% of the area in National or State Forest Land, Wilderness, agricultural and corporate timber land. Glacier National Park, the Bob Marshall Wilderness, Whitefish Mountain Resort, Blacktail Mountain Ski Area, eight golf courses, and Flathead Lake the largest freshwater lake in the western United States, make the Flathead Valley a popular tourist attraction. There are three incorporated cities in the County. Kalispell is the largest and the County seat with a population of 23,241+/-, Whitefish with a population of 7,714+/- and Columbia Falls totaling 5,429+/- people.

Economic Considerations

As depicted in the following graph, the drivers of economic activity in Flathead County are Nonresident travel, manufacturing, Wood products, Health Care, trade center/services and federal government:



Illustrated in the table below, Flathead County is ranked 20th in the State for earning per job at \$44,333, with the highest earnings in manufacturing and construction:

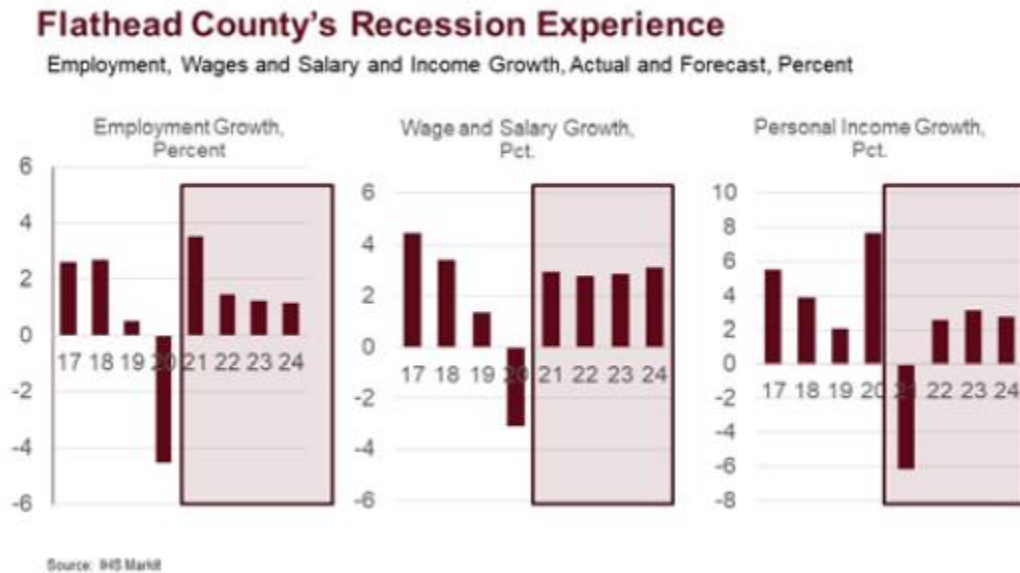
Indicator	Value	State Rank
Earnings per Job, 2019	\$44,333	20
Construction	\$48,502	23
Manufacturing	\$56,852	6
Retail Trade	\$33,416	17
Mining	\$37,341	21
Information	\$43,560	19

Source: U.S. Bureau of Economic Analysis

Declines in wages due to the pandemic were found in most industries, except for finance and business services, which increased, as shown in the graph below:



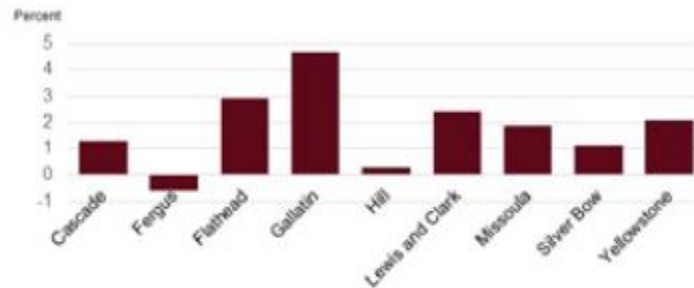
Overall, Flathead County employment growth and wage and salary growth is expected to be strong in 2021 and stabilizing at a lower rate through 2024. Personal income growth is anticipated to stabilize through 2024, after a sharp decline in 2021, as shown in the following graph:



Flathead County is No. 2 behind Gallatin County for expected average growth of Nonfarm Earning from 2022-24 as shown below:

Gallatin County Expected to Pace Growth

Average Growth in Nonfarm Earnings, 2022-24, Percent per Year



Source: Bureau of Business and Economic Research

[Population](#)

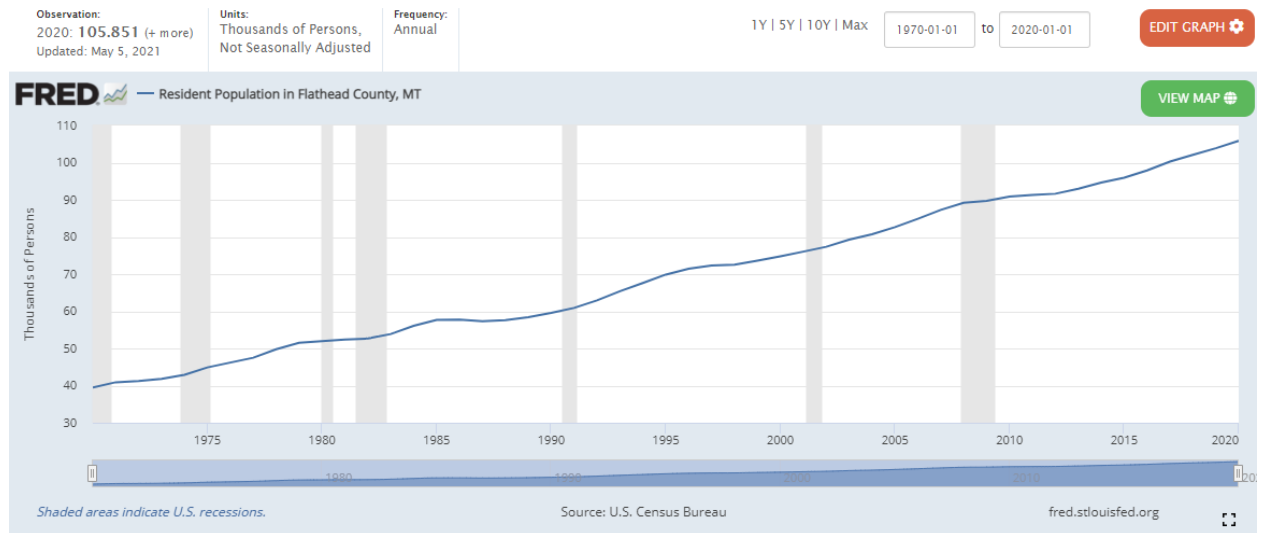
Flathead County is Montana's fourth largest county with approximately 105,851 residents in 2021 with population growth of 14.2% from 2010. Population increases by an estimated 40% during the months of June through August, moving the economic base towards recreation and tourism, creating new jobs in the service industry. Lodging facilities indicate the highest occupancy of 85% to 90% during July and August. Lowest occupancy rates of 30% to 35% are shown in the winter months.

Flathead County Profile

Indicator	Value	State Rank
Total Population, 2019	103,806	4
Percent change since 2010	14.2%	2
Median age	42.2	37
Percent Aged 65 or Older	12.2%	
Percent with Bachelors Degree or Higher (Age 25+)	31.0%	10
Percent without Health Insurance Coverage, 2018	9.8%	42

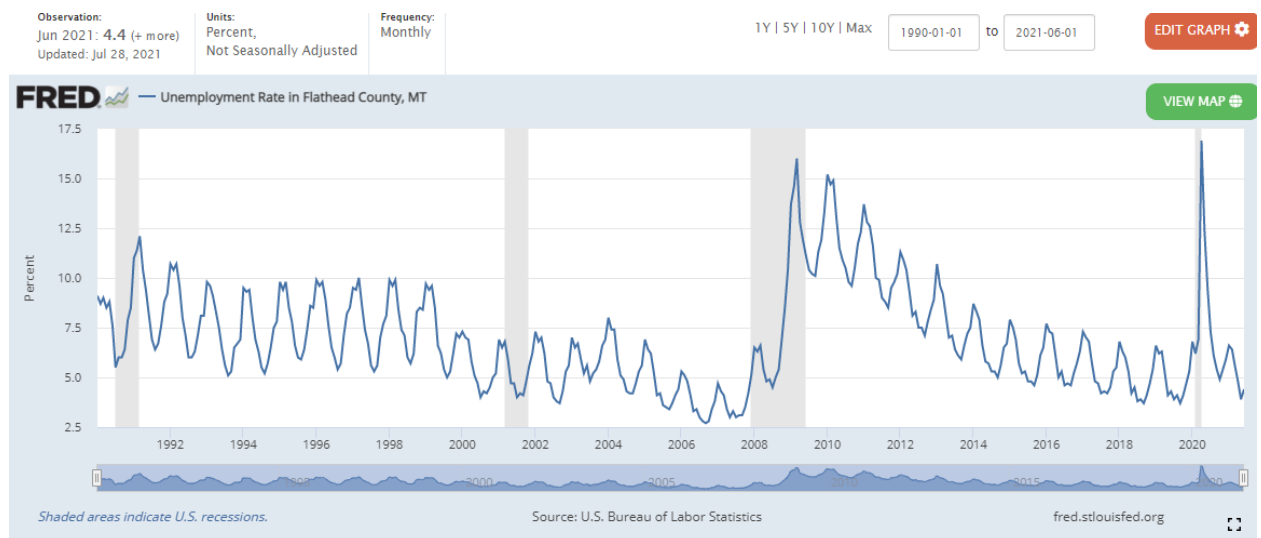
Source: U.S. Census Bureau

Flathead County population trends in the past 50 years:



Employment

Unemployment rates improved in 2014-2021 with Flathead County data showing an unemployment rate of 4.4% in July 2021, compared to over 15% in 2009-2011 and the low of 2.5% to 6.1% unemployment in 2004-2008. As a result of the COVID-19 pandemic, unemployment rates skyrocketed to 16.9% as shown below:



Summary

The economy continues to evolve, supporting job growth in the higher wage paying sectors of manufacturing, construction, health care, business, and

financial services, as well as benefitting from the number of Canadians that come to the area to shop and recreate. However, the exchange rate has recently been unfavorable for the Canadians, \$0.79 to the US dollar, prompting them to stay closer to home.

Kalispell new development

Kalispell experienced a 44% increase building permits in 2020 compared to 2019, with the majority being residential development permits which are at a record high of 340, according to the following City Building Department Activity Summary:

2015 through 2020 Building Department Activity Summary

	2015	2016	2017	2018	2019	2020
Total Building Permits Issued (all types)	276	323	290	280	281	406
Commercial, Office, Industrial, Utility	75	126	79	80	67	58
Residential	163	173	180	181	210	340
Government, Public/Quasi Public,	16	3	10	12	3	4
Health Care	22	21	21	7	1	4
New or Significant Commercial, Office, Industrial or Utility Permits (\$250,000 or greater)	16	25	21	20	21	15
Value of New or Significant Commercial, Office, Industrial, Utility & Remod or Additions	\$19,841,582	\$23,637,004	\$39,641,500	\$21,156,047	\$25,785,792	\$21,142,601
New Residential Units	184	222	195	215	244	460
Single Family, Townhouse and/or Duplex units	88	136	151	133	160	300
Multi-family units	96	86	44	82	84	160
Value of All New Residential Units	\$22,936,339	\$31,782,525	\$25,558,959	\$36,283,902	\$41,728,860	\$79,393,670
New or Significant Additions to Public/Quasi-Public, Health Care Permits (\$250,000 or greater)	7	9	11	15	2	2
Value of New or Significant Public/Quasi-Public or Health Care	\$13,430,783	\$69,480,917	\$32,813,597	\$29,433,706	\$2,300,000	\$24,000,000
Total Value all Construction Types	\$63,512,562	\$128,914,228	\$104,600,358	\$91,429,643	\$65,849,456	\$126,139,717

[Kalispell lot development](#)

The following table summarizes subdivision activity in Kalispell, with the total number of lots increasing 79% to 348 in 2020 compared to 194 lots in 2019. Number of acres annexed into the city decreased in 2020 to 6.17 acres compared to 217.51 acres in 2018:

2015 through 2020 Planning Department Applications

	2015	2016	2017	2018	2019	2020
• Preliminary Subdivision Plat Applications	4	2	3	7	4	4
○ Total lots	328	39	193	268	194	348
• Preliminary Plats Expired	0	0	1	1	1	1
○ Total Lots	0	0	471	2	2	57
• Final Subdivision Plat Applications	4	5	2	8	6	10
○ Total lots	34	41	29	97	156	238
• Conditional Use Permit Applications	8	6	12	5	4	5
• Annexation Applications	1	4	7	7	4	4
○ Acres Annexed	4.14	38.64	85.71	217.51	7.4	6.17

[Linkages](#)

Transportation facilities in Flathead County are good with major airlines providing daily flights to and from Glacier Park International Airport, which is located on US Highway 2 E, just a short distance to the north of Kalispell. Glacier Park International Airport set passenger records in 2019, up 16% from 2018 and continued passenger growth is expected once the pandemic subsides. Rail facilities in Whitefish include Amtrak services for passengers and Burlington Northern services for freight and other uses. Bus services to and from Kalispell are available. Motor freight is supplied through several major carriers and serves the entire Flathead Valley. Kalispell is located at the intersection of U.S. Highways No. 93 and No. 2, and Montana Highway 35 which facilitate good access to and from the city.

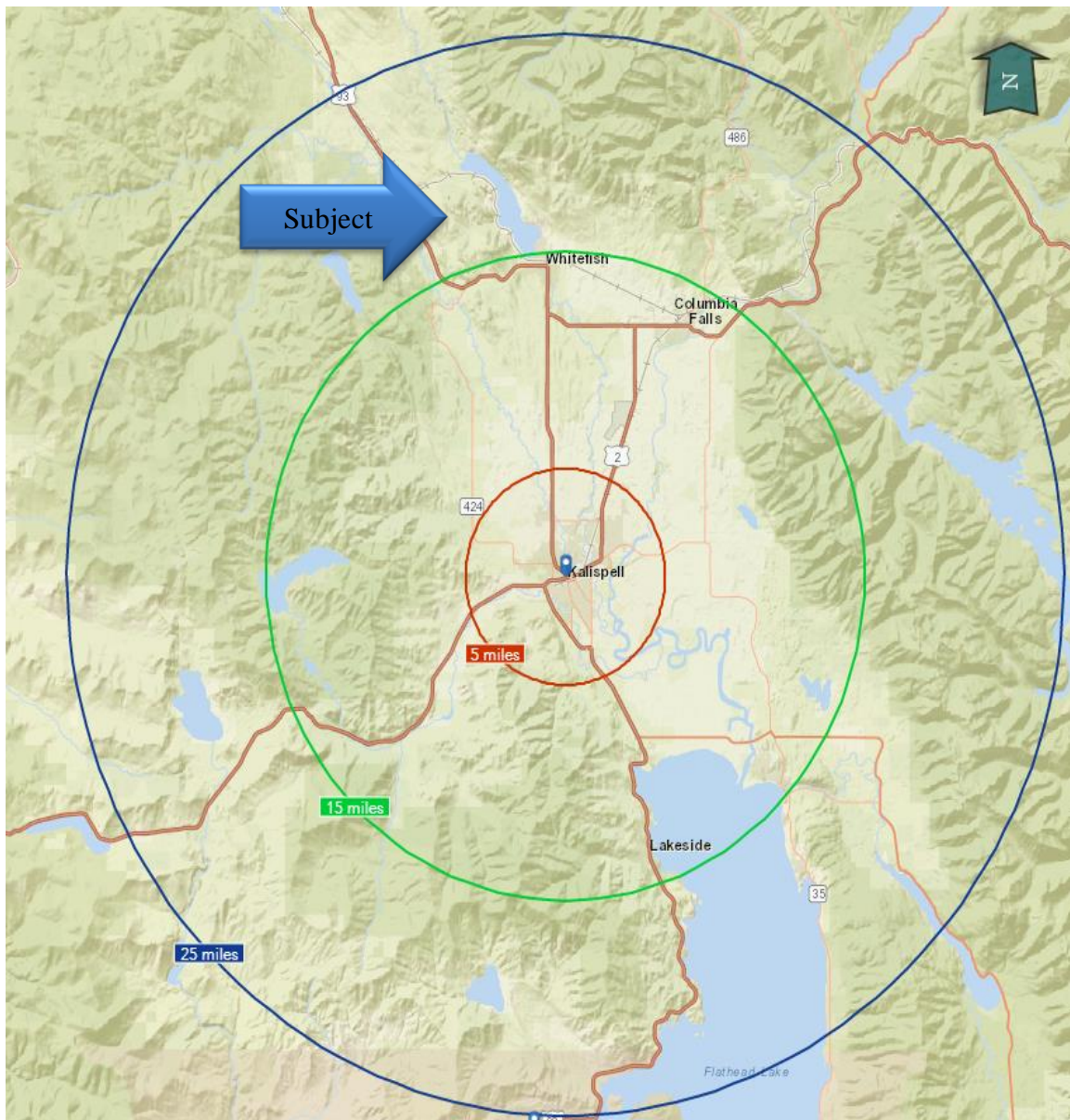
Social Considerations

Recreational aspects in the Flathead area are excellent. The Kalispell/Columbia Falls/Whitefish area is the western gateway to Glacier National Park, a tremendous economic asset, with over 3.2 million visitors annually.

Fishing and water recreation sports can be enjoyed at Flathead Lake and Whitefish Lake, and winter sports such as skiing can be enjoyed at the Whitefish Mountain Ski Resort located in Whitefish. Whitefish Mountain Resort has experienced an increase in number of skier days for the third consecutive year at 384,800 visits (number of people visiting the resort, multiplied by the number of days they ski), and have expanded recreational opportunities during the summer months to include zip lining, hiking and mountain biking.

In summary, the Flathead County economy posted 3.1% to 7.4% growth each year from 2015-2019 and is expected to continue to grow at an average of around 3% per year after the pandemic recovery from 2022 to 2024, with unemployment rates declining, and real estate values increasing in segments of the market where supply and demand are out of balance. Kalispell as a trade and finance/business center is growing, construction and manufacturing is increasing, while the improved economy brings more non-resident travel. It is unknown if the number of Canadians coming from Alberta to shop, recreate and purchase real estate will decline substantially with the unfavorable exchange rate.

Market Area Map (Data rings in 5, 15 & 25 mile radius)



Neighborhood Data and forecasts

The subject is located in Whitefish 25+- miles north of Kalispell. There are public schools for grades K-12, medical facilities, and shopping available in both Whitefish and Kalispell.

Population forecast 2025

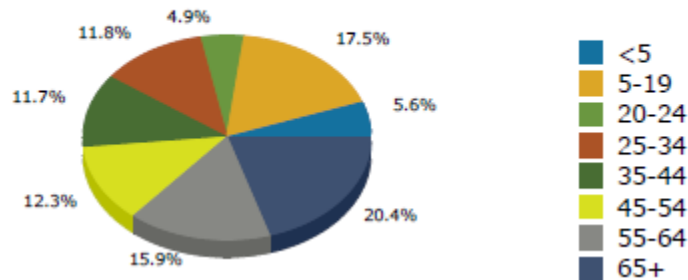
Following is the esri population, housing and income forecast within a 5-, 15- and 25-mile radius of Kalispell; the subject is within a 15 mile radius:

	5 miles	15 miles	25 miles
Population			
2000 Population	30,279	65,178	76,465
2010 Population	37,501	80,293	92,925
2020 Population	42,708	94,081	108,716
2025 Population	45,569	101,267	117,028
2000-2010 Annual Rate	2.16%	2.11%	1.97%
2010-2020 Annual Rate	1.28%	1.56%	1.54%
2020-2025 Annual Rate	1.31%	1.48%	1.48%
2020 Male Population	49.2%	49.7%	49.8%
2020 Female Population	50.8%	50.3%	50.2%
2020 Median Age	39.1	42.5	43.7

In the identified area, the current year population is 108,716. In 2010, the Census count in the area was 92,925. The rate of change since 2010 was 1.54% annually. The five-year projection for the population in the area is 117,028 representing a change of 1.48% annually from 2020 to 2025. Currently, the population is 49.8% male and 50.2% female.

Population by age in a 25 mile radius:

2020 Population by Age

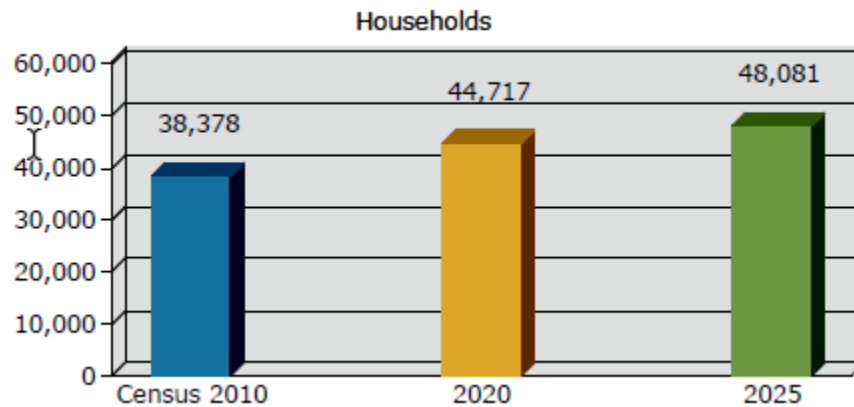


Household forecast 2025

	5 miles	15 miles	25 miles
Households			
2020 Wealth Index	75	88	92
2000 Households	12,289	25,825	30,477
2010 Households	15,515	32,813	38,378
2020 Total Households	17,556	38,297	44,717
2025 Total Households	18,696	41,169	48,081
2000-2010 Annual Rate	2.36%	2.42%	2.33%
2010-2020 Annual Rate	1.21%	1.52%	1.50%
2020-2025 Annual Rate	1.27%	1.46%	1.46%
2020 Average Household Size	2.41	2.43	2.41

The household count in this area has changed from 38,378 in 2010 to 44,717 in the current year, a change of 1.50% annually. The five-year projection of households is 48,081, a change of 1.46% annually from the current year total. Average household size is currently 2.41, compared to 2.40 in the year 2010. The number of families in the current year is 29,015 in the specified area.

Households in a 25 mile radius:



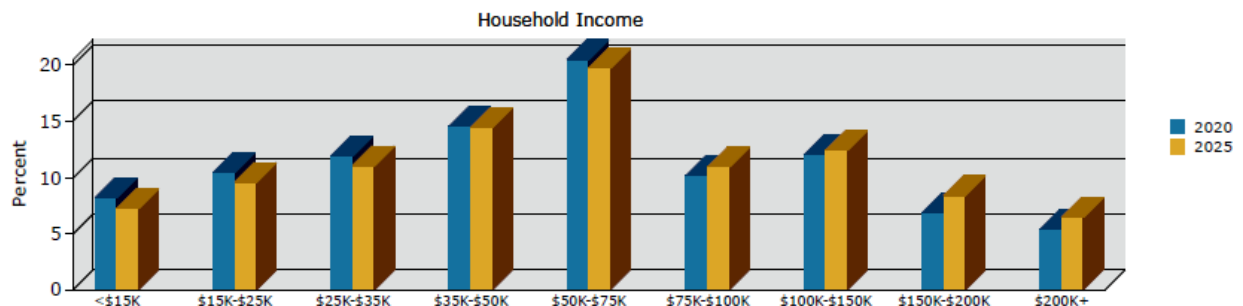
Income forecast 2025

	5 miles	15 miles	25 miles
Mortgage Income			
2020 Percent of Income for Mortgage	20.1%	22.7%	23.3%
Median Household Income			
2020 Median Household Income	\$50,422	\$53,881	\$54,237
2025 Median Household Income	\$52,501	\$57,109	\$57,581
2020-2025 Annual Rate	0.81%	1.17%	1.20%
Average Household Income			
2020 Average Household Income	\$71,502	\$77,859	\$78,946
2025 Average Household Income	\$79,827	\$87,076	\$88,176
2020-2025 Annual Rate	2.23%	2.26%	2.24%
Per Capita Income			
2020 Per Capita Income	\$29,440	\$31,750	\$32,516
2025 Per Capita Income	\$32,799	\$35,459	\$36,273
2020-2025 Annual Rate	2.18%	2.23%	2.21%
Households by Income			

Current median household income is \$54,237 in the area, compared to \$62,203 for all U.S. households. Median household income is projected to be \$57,581 in five years, compared to \$67,325 for all U.S. households

Current average household income is \$78,946 in this area, compared to \$90,054 for all U.S. households. Average household income is projected to be \$88,176 in five years, compared to \$99,510 for all U.S. households

Current per capita income is \$32,516 in the area, compared to the U.S. per capita income of \$34,136. The per capita income is projected to be \$36,273 in five years, compared to \$37,691 for all U.S. households

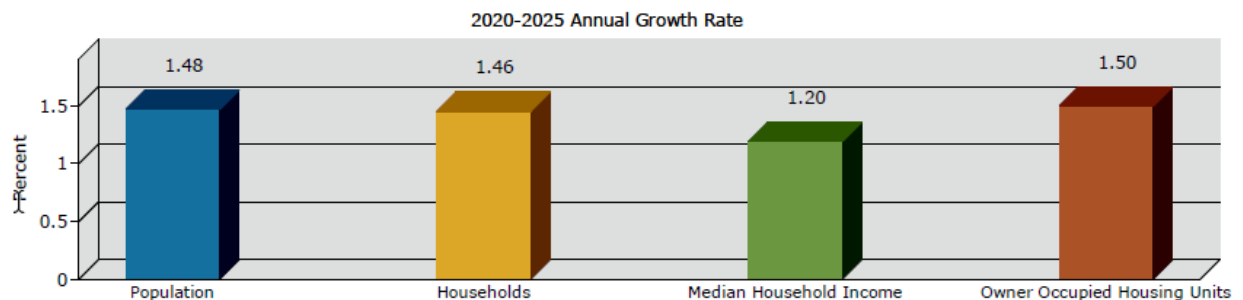


2025 housing forecast

	5 miles	15 miles	25 miles
Housing			
2020 Housing Affordability Index	114	103	101
2000 Total Housing Units	12,942	28,531	35,627
2000 Owner Occupied Housing Units	8,411	18,829	22,378
2000 Renter Occupied Housing Units	3,878	6,997	8,099
2000 Vacant Housing Units	653	2,705	5,150
2010 Total Housing Units	16,640	37,956	47,821
2010 Owner Occupied Housing Units	10,122	23,043	27,251
2010 Renter Occupied Housing Units	5,393	9,770	11,127
2010 Vacant Housing Units	1,125	5,143	9,443
2020 Total Housing Units	18,817	44,413	55,822
2020 Owner Occupied Housing Units	12,307	28,644	33,753
2020 Renter Occupied Housing Units	5,249	9,653	10,964
2020 Vacant Housing Units	1,261	6,116	11,105
2025 Total Housing Units	19,928	47,521	59,720
2025 Owner Occupied Housing Units	13,140	30,848	36,369
2025 Renter Occupied Housing Units	5,556	10,321	11,712
2025 Vacant Housing Units	1,232	6,352	11,639

Currently, 60.5% of the 55,822 housing units in the area are owner occupied; 19.6%, renter occupied; and 19.9% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 47,821 housing units in the area - 57.0% owner occupied, 23.3% renter occupied, and 19.7% vacant. The annual rate of change in housing units since 2010 is 7.12%. Median home value in the area is \$302,780, compared to a median home value of \$235,127 for the U.S. In five years, median value is projected to change by 3.04% annually to \$351,764.

Neighborhood Summary-25 mile radius



Forecasts for population, number of households and income all show positive trends in the next five years within a 5, 15 and 25 mile radius of Kalispell.

Market Trends

Residential

As of the 2nd Quarter 2021 the residential market in Whitefish experienced a 32% increase in number of sales compared to 2020 with 312 sales. Dollar volume is 124% higher over 2020, indicating an appreciating market. At the end of the 2nd quarter there were 299 active listings, indicating a 6+- month supply, and an average marketing time for sales of 187 days and 87% list to sale price ratio as shown in the following table:

Whitefish Residential Sales/Listing Data from MR MLS 2nd Q 2021

Residential		Whitefish Area	
		No of Sales	Dollar Volume
\$1	\$99,999	1	\$15,000
\$100,000	\$199,999	3	\$553,000
\$200,000	\$299,999	9	\$2,377,000
\$300,000	\$399,999	45	\$15,943,000
\$400,000	\$499,999	45	\$20,189,000
\$500,000	\$999,999	129	\$87,379,000
\$1,000,000	\$2,999,999	70	\$115,295,000
\$3,000,000	\$5,999,999	7	\$26,250,000
\$6,000,000	+	3	\$46,000,000
Through June 2021		312	\$314,001,000
Through June 2020		237	\$140,412,000
Percentage Change		32%	124%
Number of Sales for Period			177
Sales - Average Price			\$1,097,000
Sales - Average Days on Market			187
Median Price of Sales			\$606,000
Sale Price as Percent of List Price			87%
Number of Listings			299
Listings - Average Price			\$1,261,000
Listings - Average Days on Market			98
Median Price of Listings			\$728,849
Total Listing Asking Price			\$376,900,000

Vacant Land

There is a 2+ month supply of vacant land in Whitefish as shown in the following table which indicates 61 active listings with 292 sales in 2020, and 182 sales in 2019 a 60% increase. The largest supply of parcels is in the 5 acres to over 20-acre size with 15 listings on the market as the end of the 2nd quarter with a 95% list to sale price ratio:

Whitefish Land Sales/Listing Data from MR MLS 2nd Q 2021

Vacant Land		% of List Price	
Number of Sales for Period		48	95%
Sales through June 2021		142	
Number of Listings (EOM)		61	\$86,768,679
Average List Price			\$1,422,000
Average Listing Site Size (Acre)			23.48
Months supply compared to prev			2
		No	Average Price
Listings	1 up to 0.49 Ac	13	\$337,538
	2 0.5 to 0.99 Ac	7	\$906,826
	3 1 to 1.99 Ac	7	\$729,143
	4 2 to 4.99 Ac	7	\$968,557
	5 5 to 19.99 Ac	15	\$2,000,000
	6 over 20 Ac	12	\$2,845,750
Land Sales in			
2005		275	
2006		180	
2007		131	
2008		55	
2009		45	
2010		62	
2011		93	
2012		126	
2013		147	
2014		148	
2015		127	
2016		128	
2017		174	
2018		200	
2019		182	
2020		292	

Whitefish Commercial Market

Commercial/Industrial sales activity has increased in Whitefish with 33 closed sales, 7 listings under contract in the past year compared to 18 closed sales during the same period last year; however, there are currently 15 active listings of commercial/industrial property in Whitefish indicating a 5+- month supply. The following table summarizes the commercial/industrial activity in Whitefish from the past year:

Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price		Sold Price	Sale/List Price	Total Sq. Ft.	List Price Per Total Sq. Ft.	Sold Price Per Total Sq. Ft.	Days on Market	Cumulative Days on Market
Active	15	19,258,300	0	Low	495,000	0	0.00	540	10.43	0.00	13	13	
				Avg	1,283,887	0	0.00	8,957	646.72	0.00	152	266	
				Med	1,048,000	0	0.00	1,908	594.66	0.00	117	125	
				High	3,100,000	0	0.00	95,832	1,670.26	0.00	452	1,097	
Under Contract Taking Back-Up Offers	7	23,678,900	0	Low	600,000	0	0.00	1,088	207.25	0.00	15	15	
				Avg	3,382,700	0	0.00	18,221	433.83	0.00	152	302	
				Med	2,395,000	0	0.00	4,900	372.41	0.00	106	345	
				High	13,850,000	0	0.00	66,828	849.17	0.00	307	572	
Closed	33	30,089,200	28,402,200	Low	179,000	169,900	0.85	500	125.84	106.97	0	0	
				Avg	911,794	860,673	0.96	3,705	302.65	290.68	344	405	
				Med	600,000	600,000	0.96	1,754	297.59	276.73	213	346	
				High	3,700,000	3,500,000	1.02	17,932	993.18	969.55	1,397	1,397	
Overall	55	73,026,400	28,402,200	Low	179,000	169,900	0.85	500	10.43	106.97	0	0	
				Avg	1,327,753	860,673	0.96	6,570	409.96	290.68	267	354	
				Med	750,000	600,000	0.96	1,856	315.46	276.73	135	301	
				High	13,850,000	3,500,000	1.02	95,832	1,670.26	969.55	1,397	1,397	

COVID-19 Pandemic

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Many people lost employment due to temporary business closures such as restaurants, bars, and health clubs. Temporary business closures were extended until April 24th, with a gradual phase-in reopening through May 2020. Overall impact on the economy is devastating with unemployment rates soaring, however the long-term impact is unknown. The Senate passed a 2.2 trillion-dollar aid package which included funds to help people who lost employment due to the pandemic, easing economic loss. Additional stimulus packages followed.

The BBER graph below illustrates Montana’s 2020 recession experience and forecasts for employment, wage and salary, and personal income growth:

Montana's Recession Experience

Employment, Wages and Salary and Income Growth, Actual and Forecast, Percent



The slowing of the local and national economy has increased demand in the Western Montana real estate market, with Realtors reporting strong market activity and inventory levels low. The following graphic illustrates changes since the COVID-19 pandemic:

Which Changes We've Experienced Will Stick?

- High savings rates
- Strong spending on durables
- Eating at home
- Re-shoring or near-shoring supply chains
- Exit from major cities
- Technology adoption
- Whither commercial real estate?
- High government debt levels
- Larger government role in the economy

Key Economic Data and Events during July 2021

- Interest Rates: The 10-Year US Treasury yield fell to 1.24% (July 30) from 1.48% (July 1).
- Housing: Home Prices set another record high, with the FHFA HPI increasing 18.0% YoY.
- Labor: The Economy added 850,000 new jobs during June.
- Inflation: Inflation stormed higher as the CPI jumped 0.9%, now up 5.4% YoY.
- The Economy: US GDP grew at 6.5% in the 1st Quarter of 2021.
- Consumers: Retails Sales surged 0.6% in June, now up 18% in the last 12 months.
- Stock Markets set new record highs: Dow 35,144, Nasdaq 14,840, S&P 4,422.

Interest Rates and Federal Reserve

The last FOMC Meeting was on July 28 with no change to Monetary Policy or the Fed's view on Inflation. The Fed's belief is that current high Inflation is only temporary, and it is too soon to scale back their accommodative Monetary Policy. The Fed will continue to buy \$120B per month of US Treasury and MBS Securities, and keep Fed Funds at 0.0% - 0.25%, until "substantial further progress has been made toward the Committee's maximum employment and price stability goals". The Economy has not recovered enough to change Monetary Policy, and they are willing to tolerate high Inflation - for now.

Conclusion

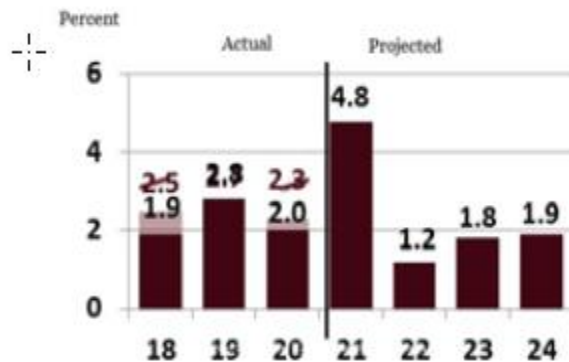
The following BBER tables best summarize the effects of the pandemic, along with illustrating historical and projected growth in Nonfarm earnings. The post-pandemic future is unknown; however, technology has allowed many to continue working remotely and there is a positive outlook for agriculture and construction.

The Covid-19 Recession One Year Later

- Unprecedented downturn, followed by a unprecedented recovery
- March-April saw most economic indicators in uncharted territory
- Policy actions were swift, decisive, and effective
- Most surprises since mid-summer have been positive
- Aggregate economic measures fail to capture substantial swings in consumption, investment and trade patterns
- Parts of the economy have more than recovered, others face daunting challenges
- Montana is emerging as a state less affected than others



Growth in Nonfarm Earnings,
Montana, 2018-24



Source: BBER and U.S. Bureau of Economic Analysis



Site Description



General Description Legal Description, Size, water amenity

The subject legal description, sale number, Lessee, lot size and waterfront amenity are outlined in the table below, along with COS and legal description of each lot:

Lot#	Sale #	Lessee	COS #	Township/Range/Section	County	Size/Acres	waterfront	WF'
1	1138	Rod & Sonya Herrick	18353	T31N-R22W, Sec. 20	Flathead	1.551	Beaver Lake	606.1
3	1139	Caroline Saunders Smith	18353	T31N-R22W, Sec. 20	Flathead	2.774	Beaver Lake	643.44
8	1140	Richard Kramer	18353	T31N-R22W, Sec. 20	Flathead	2.513	Beaver Lake	173.91
16	1141	Philip R. Hambley	18353	T31N-R22W, Sec. 20	Flathead	1.457	Beaver Lake	203.37
5	1166	Lonnie & Catherine Collinsworth	18353	T31N-R22W, Sec. 20	Flathead	2.238	Beaver Lake	128.5

Certificate of Survey

Government Lots 3, 4, 5, and 8 of Section 20

Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana

Owners: State of Montana School Trust Lands
Date of survey: October 2007
Purpose: Retracement of Beaver Lake Lease Lots
Commissioned by: State of Montana Department of Natural Resources and Conservation



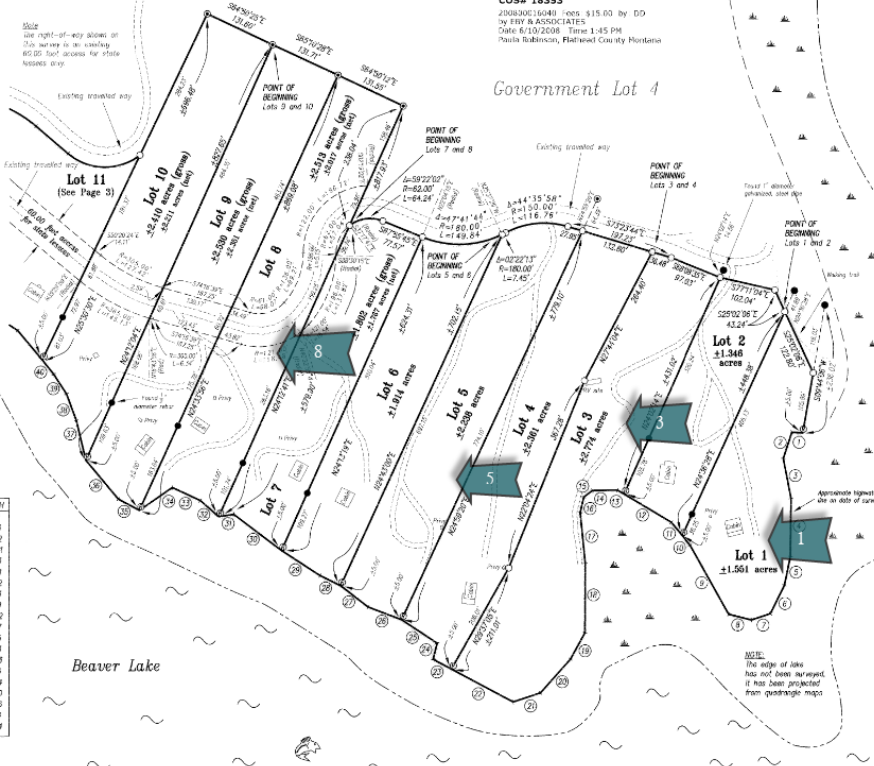
Basis of Bearing - geodetic North
per real time kinematic global positioning
system survey single point calibration

Scale in feet for dated of lots

LEGEND

- Section corner
Found 1/2" diameter brass cap marked as shown.
- Quarter section corner
Found 1/2" diameter brass cap marked as shown.
- Found 1/2" outside diameter, galvanized, steel
pipe, no cap, unless otherwise noted.
- Found 1/2" outside diameter, galvanized, steel
pipe, no cap, unless otherwise noted.
- Set 1/2" diameter rebar, 24" long, with 2" diameter
aluminum cap marked, TSV & ASSOCIATES' and "M.J. DRENTH 1998/4.5"
- Set 1/2" diameter rebar, 24" long, with 2" diameter
aluminum cap marked, TSV & ASSOCIATES' and
"M.J. DRENTH 1998/4.5"
- Reference monument
Set 1/2" diameter rebar, 24" long, with 2" diameter
aluminum cap marked, TSV & ASSOCIATES' and
"M.J. DRENTH 1998/4.5"
- All reference monuments are set 5 feet from the
observed highwater line. All measurements are made
to the observed highwater line as of the date of survey.

LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
1	N85°50'07"W	19.97	21	S71°53'26"W	52.49
2	S81°06'27"W	50.23	22	N62°08'47"W	137.33
3	S70°04'46"E	74.08	23	N62°08'47"W	38.02
4	N02°29'24"E	105.68	24	N41°01'42"E	30.31
5	S71°40'17"W	33.53	25	S55°46'10"E	77.43
6	S58°24'28"W	57.54	26	N52°12'18"W	65.38
7	S71°46'13"W	36.65	27	N52°29'36"W	63.12
8	N70°51'00"W	42.42	28	N63°41'24"W	42.23
9	N52°22'50"W	143.61	29	N57°11'22"W	65.49
10	S33°49'22"E	22.63	30	N53°10'07"W	109.62
11	N39°40'22"E	32.04	31	S87°25'42"W	27.67
12	N59°46'10"E	103.23	32	N48°57'17"W	44.55
13	N59°46'10"E	14.34	33	N65°13'25"W	56.33
14	S58°46'08"W	40.44	34	N55°30'45"E	73.33
15	S53°04'38"W	76.60	35	N61°56'45"W	43.46
16	S21°17'01"W	26.95	36	N46°02'40"W	31.94
17	S58°45'17"E	92.77	37	N13°32'58"W	74.60
18	N03°17'23"E	125.66	38	N07°10'04"W	51.36
19	S58°46'10"W	34.80	39	N21°15'04"W	42.84
20	S41°47'43"W	82.18	40	N32°51'58"W	33.14



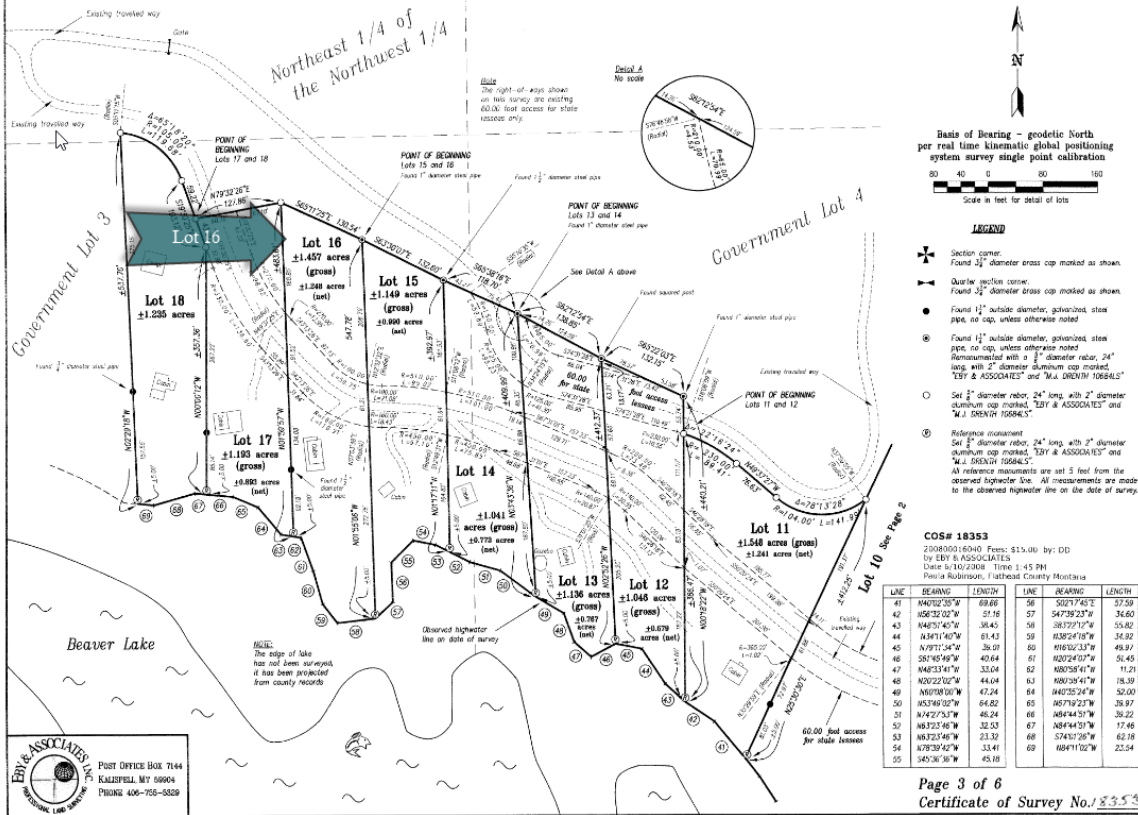
Page 2 of 6
Certificate of Survey No. 18353

Certificate of Survey

Government Lots 3, 4, 5, and 8 of Section 20

Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana

Owners: State of Montana School Trust Lands
Date of survey: October 2007
Purpose: Retraiment of Beaver Lake Lease Lots
Commissioned by: State of Montana Department of Natural Resources and Conservation



Lot 1

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 17°05'03" West 3214.70 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 25°02'06" East 122.80 feet; thence South 09°44'06" West 110.99 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following courses: North 85°58'07" West 19.97 feet, South 18°08'27" West 50.23 feet, South 10°59'48" East 74.08 feet, South 00°35'34" West 105.46 feet, South 11°45'17" West 53.51 feet, South 26°24'28" West 57.54 feet, South 71°46'03" West 36.65 feet, North 75°51'00" West 42.42 feet, North 29°22'50" West 143.61 feet, and North 39°49'22" West 22.63 feet; thence North 24°36'28" East 448.38 feet, more or less, to the Point of Beginning containing 1.551 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 3

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 20°27'55" West 3395.52 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 73°23'44" East 36.48 feet; thence South 68°08'35" East 97.03 feet; thence South 24°02'14" West 431.02 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following ten courses: North 59°16'02" West 14.34 feet, South 88°48'06" West 45.44 feet, South 53°19'58" West 19.60 feet, South 13°13'01" West 28.95 feet, South 05°45'17" East 92.77 feet, South 00°12'23" West 125.66 feet, South 28°48'05" West 54.80 feet, South 41°47'43" West 82.16 feet, South 71°53'26" West 52.49 feet and North 62°08'42" West 127.23 feet; thence North 29°37'05" East 211.01 feet, more or less; thence North 22°04'24" East 367.28 feet; thence North 27°44'04" East 264.40 feet to the Point of Beginning containing 2.774 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 5

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 24°27'29" West 3529.18 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 180.00 foot radius curve concave northwesterly having a radial bearing of North 25°37'29" West; thence northeasterly long said curve through a central angle of 02°22'13" an arc length of 7.45 feet to the beginning of a 150.00 foot radius reverse curve; thence along said curve through a central angle of 44°35'58" an arc length of 116.76 feet; thence South 73°23'44" East 27.95 feet; thence South 24°59'20" West 779.10 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following two courses: North 69°12'35" West 65.38 feet and North 52°26'56" West 63.12 feet; thence North 24°43'00" East 702.15 feet, more or less, to the Point of Beginning containing 2.238 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 8

That portion of Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 28°18'38" West 3667.68 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 24°12'41" West 579.90 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following three courses: North 48°57'11" West 44.55 feet, North 65°13'25" West 56.33 feet, and South 55°30'45" West 73.03 feet; thence North 24°33'56" East 869.08 feet, more or less; thence South 64°50'12" East 131.55 feet; thence South 24°12'41" West 238.04 feet to the Point of Beginning containing 2.513 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 16

That portion of Government 3, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:

BEGINNING at a point that bears North 37°26'16" West 4703.13 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West; thence South 01°55'06" East 547.78 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: South 83°22'12" West 55.82 feet, North 38°24'18" West 34.92 feet, North 16°02'33" West 49.97 feet, North 20°24'07" West 51.45 feet, and North 80°58'41" West 11.21 feet; thence North 01°59'57" West 483.61 feet, more or less; thence South 65°11'25" East 130.54 feet to the Point of Beginning containing 1.457 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Address/access

The subject lots have access on DNRC gravel Beaver Lease Road.

Lot#	Sale #	Lessee	Address	City	Access
1	1138	Rod & Sonya Herrick	Beaver Lease Road	Whitefish, MT	DNRC gravel road
3	1139	Caroline Saunders Smith	222 Beaver Lease Road	Whitefish, MT	DNRC gravel road
8	1140	Richard Kramer	156 Beaver Lease Road	Whitefish, MT	DNRC gravel road
16	1141	Philip R. Hambley	60 Beaver Lease Road	Whitefish, MT	DNRC gravel road
5	1166	Lonnie & Catherine Collinsworth	Beaver Lease Road	Whitefish, MT	DNRC gravel road

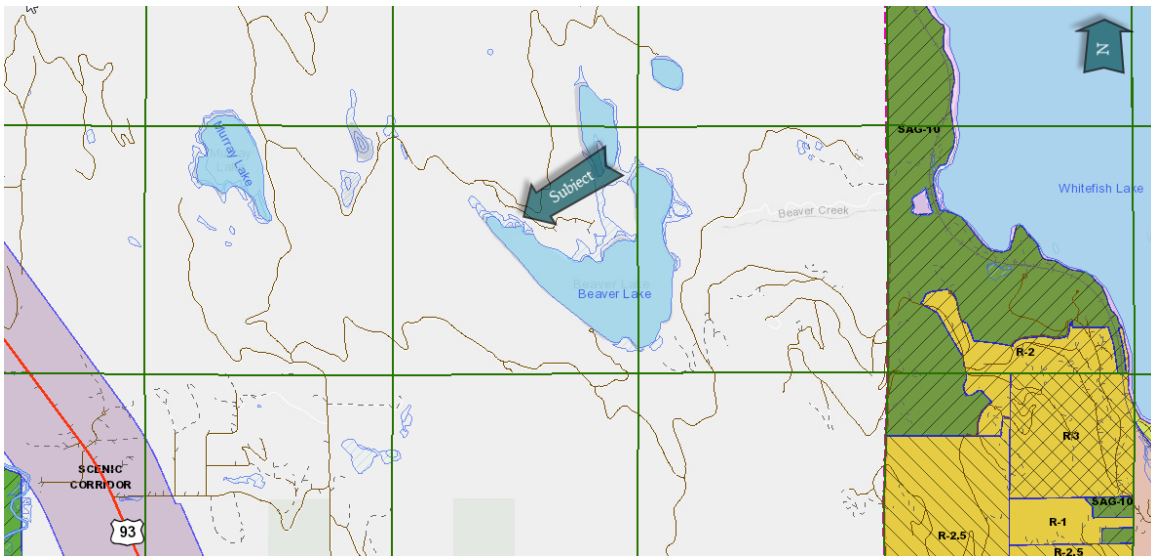
Water Rights

According to DNRC, the following water rights are associated with the sales and will be transferred to the buyers at closing.

Lot#	Sale #	Lessee	Water Right	Date
1	1138	Rod & Sonya Herrick	none	
3	1139	Caroline Saunders Smith	76LJ 30149295	7/10/2020
8	1140	Richard Kramer	none	
16	1141	Philip R. Hambley	76LJ 37947-00	6/22/1981
5	1166	Lonnie & Catherine Collinsworth	none	

Zoning

There is no zoning according to the Flathead County Planning Department.

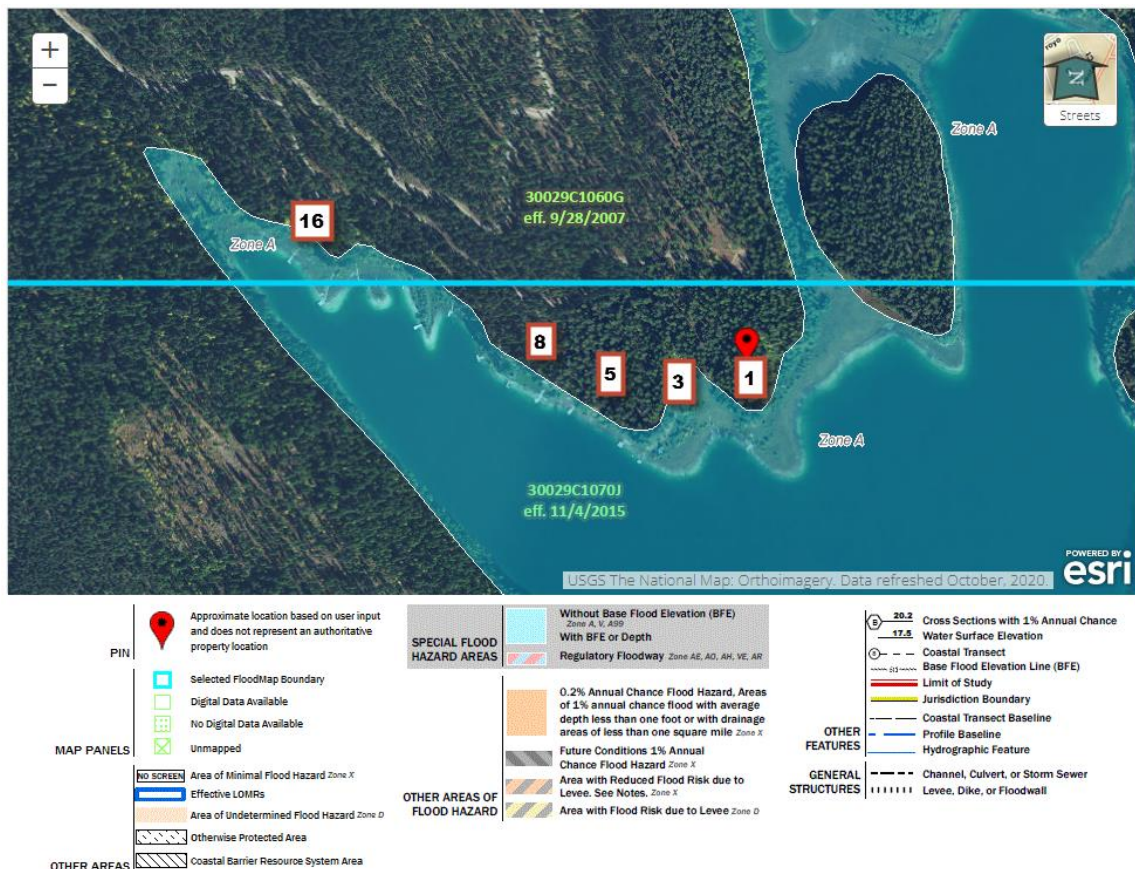


Flood Maps

According to FEMA Flood map service Flood map numbers listed below with an effective on 11/4/2015 and 9/28/2007, a portion of the subject tracts along Beaver Lake lie within Zone A. According to FEMA and the

National Flood Insurance Program, any building located in an A zone is considered to be in a Special Flood Hazard Area and is lower than the Base Flood Elevation. Zone X is an area of minimal flood hazard. Following are the FEMA flood maps for each location:

Lot#	Sale #	Lessee	Zone	FEMA Map #	Date
1	1138	Rod & Sonya Herrick	A & X	30029C1070J	11/4/2015
3	1139	Caroline Saunders Smith	A & X	30029C1070J	11/4/2015
8	1140	Richard Kramer	A & X	30029C1070J	11/4/2015
16	1141	Philip R. Hambley	A & X	30029C1060G	9/28/2007
5	1166	Lonnie & Catherine Collinsworth	A & X	30029C1070J	11/4/2015



Topography, vegetation, soils and drainage

The subject Lots 16, 8 and 5 are moderate to gently sloped and Lots 1 and 3 are undulating to mostly level and it appears that drainage and storm water runoff is adequate and/or properly designed and engineered for the subject sites. A soil

study for the subject sites was not provided; it is assumed that the soil can accommodate the type of construction which is typically seen in the subject area. The subject lots all include native vegetation and trees.

Environmental audits for the subject sites were not provided and it is assumed there are no toxic or hazardous materials, no groundwater contamination, or unstable soils on or in the subject lots. Should any of these conditions be present, the values concluded in this report may be affected.

Easement, Restrictions and Encroachments

A land status report was provided for the subject tracts by the DNRC as follows:

Sale #1138

Seth Goodwin, having first been duly sworn, deposes and says:

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 20, Township 31 North, Range 22 West
Lot 1, Beaver Lake, COS 18353, containing 1.551 acres, more or less.**

Title vested in the State of Montana on March 23, 1895 under Clear List Selection No. 4 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Flathead County Clerk and Recorder's office on June 27, 1913, at Vol. 61 of Records, on page 422.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

Residential Lease issued October 11, 2013 to Rod and Sonya Herrick and expiring February 28, 2029.

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;
5. Your use of this information is at your own risk, and confirms that DNRC will not be held liable for any errors or missing omissions contained in the content of this information.

Seth Goodwin, having first been duly sworn, deposes and says:

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 20, Township 31 North, Range 22 West
Lot 3, Beaver Lake, COS 18353, containing 2.774 acres, more or less.**

Title vested in the State of Montana on March 23, 1895 under Clear List Selection No. 4 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Flathead County Clerk and Recorder's office on June 27, 1913, at Vol. 61 of Records, on page 422.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Residential Lease No. 3052107 issued March 1, 2021 to Caroline Saunders Smith and expiring February 28, 2036;
Water Right No. 76LJ 30149295 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of July 10, 2020.**

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;
5. Your use of this information is at your own risk, and confirms that DNRC will not be held liable for any errors or missing omissions contained in the content of this information.

[Sale #1140](#)

Seth Goodwin, having first been duly sworn, deposes and says:

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 20, Township 31 North, Range 22 West
Lot 8, Beaver Lake, COS 18353, containing 2.513 acres, more or less.**

Title vested in the State of Montana on March 23, 1895 under Clear List Selection No. 4 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Flathead County Clerk and Recorder's office on June 27, 1913, at Vol. 61 of Records, on page 422.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

Residential Lease No. 3052629 issued March 1, 2007 to Richard Kramer and expiring February 28, 2022;

Easement No. D-15381 issued January 19, 2016 to Brian and Tracy Stoutjesdyk for a private access road to a single family residence and associated outbuildings;

Easement No. D-17174 issued March 16, 2020 to Steven and Jennifer Burrough for a private access road to a single family residence and associated outbuildings;

Easement No. D-17175 issued March 16, 2020 to Jerrold Barnes, Trustee under Jerrold Vernon Barnes Revocable Trust dated June 12, 2003 and Marlene Stuebe Barnes, Trustee under Marlene Stuebe Barnes Revocable Trust dated June 12, 2003 for a private access road to a single family residence and associated outbuildings;

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;

Sale #1141

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 20, Township 31 North, Range 22 West
Lot 16, Beaver Lake, COS 18353, containing 1.457 acres, more or less.**

Title vested in the State of Montana on March 23, 1895 under Clear List Selection No. 4 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Flathead County Clerk and Recorder's office on June 27, 1913, at Vol. 61 of Records, on page 422.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

Residential Lease No. 3052641 issued March 1, 2021 to Philip R. Hambley and expiring February 28, 2036;

Easement No. D-15381 issued January 19, 2016 to Brian and Tracy Stoutjesdyk for a private access road to one single family residence and associated outbuildings;

Easement No. D-15628 issued December 8, 2016 to Ryan and Beth Gunlikson for a private access road to one single family residence and associated outbuildings;

Easement No. D-17174 issued March 16, 2020 to Steven and Jennifer Burrough for a private access road to one single family residence and associated outbuildings;

Easement No. D-17175 issued March 16, 2020 to Jerrold Barnes, Trustee under Jerrold Vernon Barnes Revocable Trust dated June 12, 2003 and Marlene Stuebe Barnes, Trustee under Marlene Stuebe Barnes Revocable Trust dated June 12, 2003 for a private access road to one single family residence and associated outbuildings;

Cabin Site Sale #1141
Montana Tech Trust

Page 1 of 2

Easement No. D-17153 issued January 24, 2020 to Hunter Dominick and John Ulitsch for a private access road to one single family residence and associated outbuildings;

Easement No. D-17158 issued February 25, 2020 to Keri Thorn and Richard Graves for a private access road to one single family residence and associated outbuildings;

Easement No. D-17176 issued March 23, 2020 to Dennis W. Theissen and Ginger Theissen for a private access road to one single family residence and associated outbuildings;

Water Right No. 76LJ 37947-00 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of June 22, 1981.

Sale #1166

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 20, Township 31 North, Range 22 West
Lot 5, Beaver Lake, COS 18353, containing 2.238 acres, more or less.**

Title vested in the State of Montana on March 23, 1895 under Clear List Selection No. 4 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Flathead County Clerk and Recorder's office on June 27, 1913, at Vol. 61 of Records, on page 422.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Residential Lease No. 3052598 issued August 14, 2017 to Lonnie and Catherine Collinsworth and expiring February 28, 2032;
Easement No. D-17174 issued March 16, 2020 to Steven and Jennifer Burrough for a private access road to one single family residence and associated outbuildings.**

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;
5. Your use of this information is at your own risk, and confirms that DNRC will not be held liable for any errors or missing omissions contained in the content of this information.

Improvement Description

Utilities

Power is not available in the subject area, therefore power source, water source and septic type is outlined in the table below.

Lot#	Sale #	Lessee	Septic	Water Source	Power source
1	1138	Rod & Sonya Herrick	outhouse	None-haul	none
3	1139	Caroline Saunders Smith	shared septic	well	lpg generator
8	1140	Richard Kramer	outhouse	None-haul	lpg generator
16	1141	Philip R. Hambley	vaulted toilet outhouse	well-not using	lpg generator
5	1166	Lonnie & Catherine Collinsworth	outhouse	none to transfer	solar

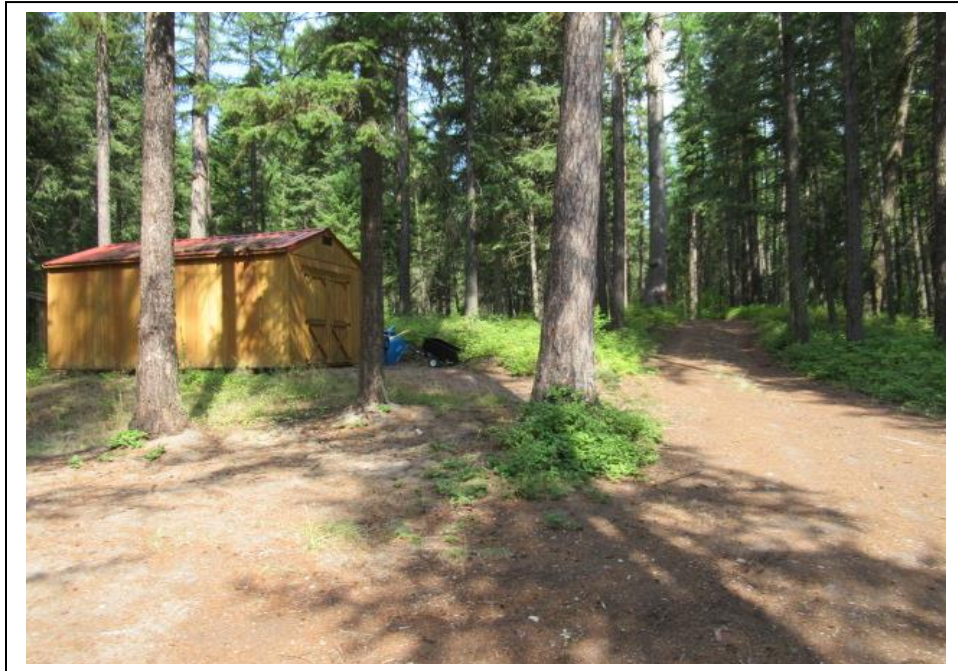
Cabin Improvements

Improvements on each lot are summarized in the table below:

<i>Cabin Improvements</i>				
Sale#/Lot#	#1139/Lt.3	#1140/Lt.8	#1141/Lt.16	#1166/Lt.5
Residence :	936	560	756	560
Constructio	wood frame	wood frame	wood frame	wood frame
Foundation	Concrete	post & pier	post & pier	post & pier
Quality	avg/gd	average	average	good
Condition	good	avg/gd	average	new
Year Built	2007(2015)	1966	1978	2020
# Bedroom:	2	2	2	2
#Baths	1	outhse	V outhse	1(no water)
Porch/Deck	308	350	684	840
Outbuilding	238	412	96	20
Utilities	sh septic/well/generator	lpg generator	lpg generator	solar
WS/Firepla	WS	WS	WS	WS
Appliances	range/oven. Ref	lpg stove/ref	lpg stove/ref	lpg stove/ref

*No permanent improvements on Sale #1138, however pictures of the lot are included.

SUBJECT PROPERTY PHOTOGRAPHS #1138



Subject Sale #1138 personal property shed on skids. Beaver Lease Road.



Subject Sale #1138 outhouse.

SUBJECT PROPERTY PHOTOGRAPHS #1138



Subject Sale #1138 level lake frontage-floating dock is considered personal property-not included.



Subject Sale #1138 Beaver Lake views and frontage.

Sale #1139 Improvement sketch and photos



1139

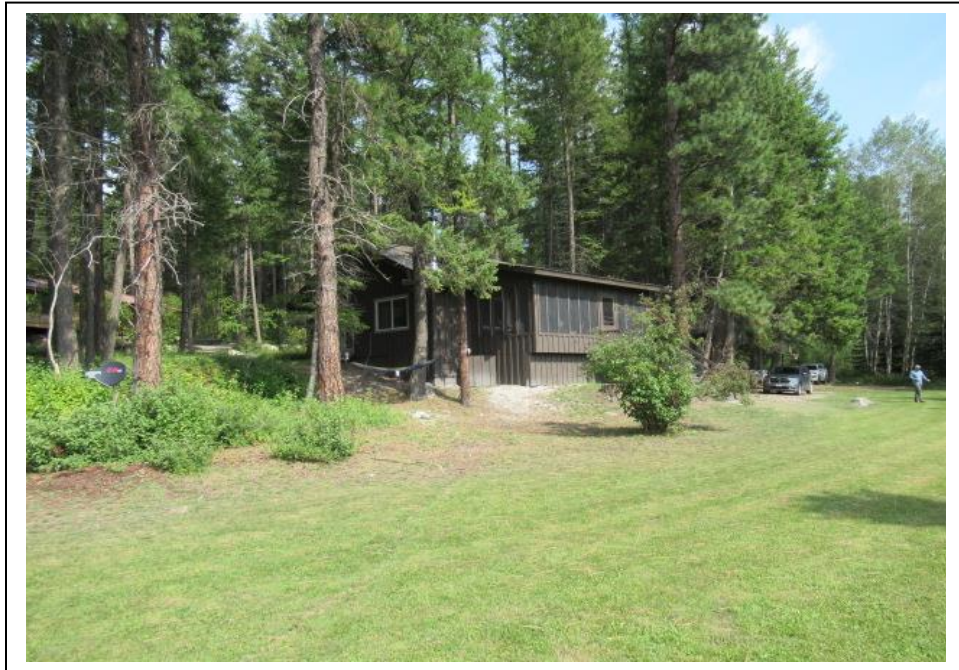


<div>1139</div> AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	936.00	936.00
P/P	Screen porch	240.00	
	Wood Deck	68.00	308.00
OTH	Gazebo	238.00	238.00

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject Sale #1139-cabin rear and side view



Subject Sale #1139-cabin front

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject Sale #1139-Beaver Lease Road.



Subject Sale #1139-Beaver Lake frontage and views

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject Sale #1139-Living room with wood stove.



Subject Sale #1139-Kitchen, Dining and Laundry

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject Sale #1139-bathroom



Subject Sale #1139-Typical bedroom

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject Sale #1139-screened porch.



Subject Sale #1139-Gazebo and firepit

SUBJECT PROPERTY PHOTOGRAPHS #1139

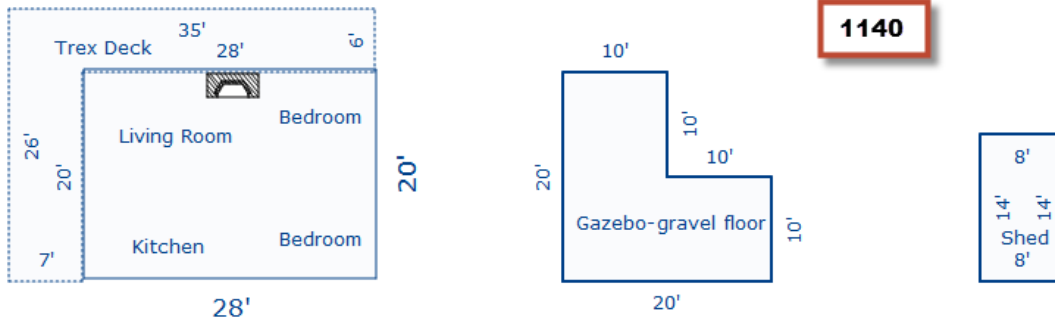


Subject Sale #1139-shared septic system.



Subject Sale #1139-well

Sale #1140 Improvement sketch and photos



1140 AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	560.00	560.00
P/P	Trex Deck	350.00	350.00
OTH	Gazebo	300.00	
	Shed	112.00	412.00

SUBJECT PROPERTY PHOTOGRAPHS #1140



Subject Sale #1140 rear view.



Subject Sale #140 front-post and pier foundation

SUBJECT PROPERTY PHOTOGRAPHS #1140



Subject Sale #1140 Beaver Lease Road



Subject Sale #1140 Beaver Lake frontage-floating dock is considered to be personal property and is not included

SUBJECT PROPERTY PHOTOGRAPHS #1140



Subject Sale #1140 gazebo with gravel floor.



Subject Sale #1140 shed.

SUBJECT PROPERTY PHOTOGRAPHS #1140



Subject Sale #1140 Living room with wood stove



Subject Sale #1140 kitchen-Lpg appliances and lights.

SUBJECT PROPERTY PHOTOGRAPHS #1140

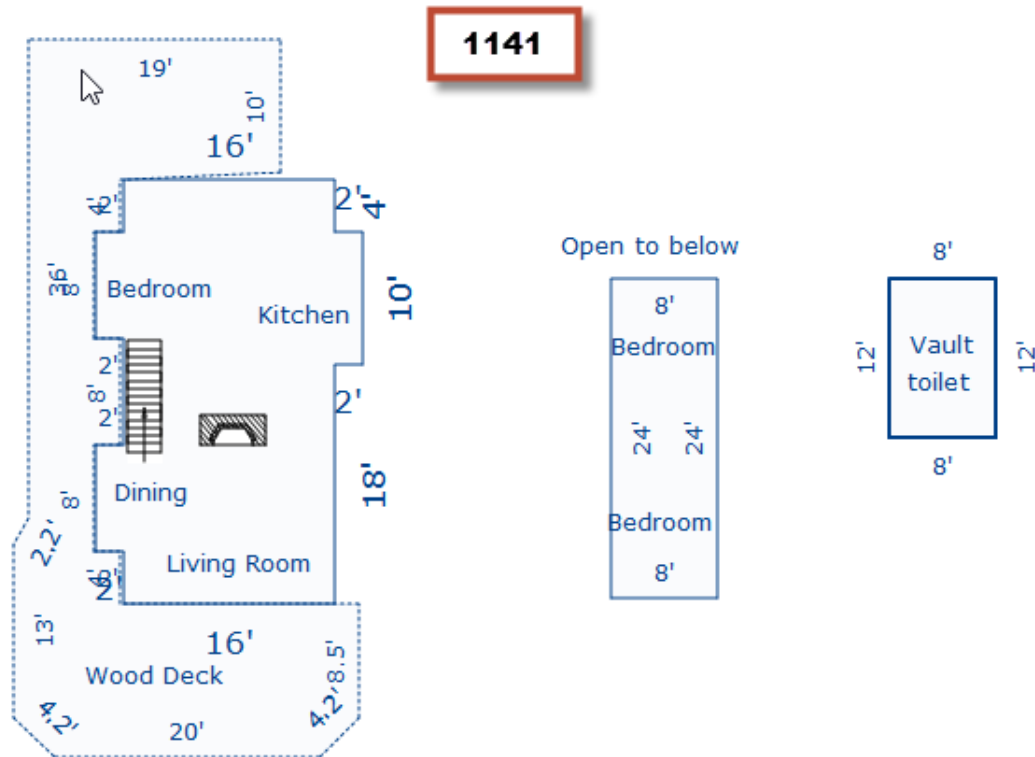


Subject Sale #1140 typical bedroom.



Subject Sale #1140 outhouse

[Sale #1141 Improvement sketch and photos](#)



1141 AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	564.00	
	Second floor	192.00	756.00
P/P	deck	684.00	684.00
OTH	Outhouse	96.00	96.00

SUBJECT PROPERTY PHOTOGRAPHS #1141



Subject Sale #1141 rear view



Subject Sale #1141 front-post and pier foundation

SUBJECT PROPERTY PHOTOGRAPHS #1141



Subject Sale #1141 Beaver Lease Road



Subject Sale #1141 Beaver Lake frontage

SUBJECT PROPERTY PHOTOGRAPHS #1141



Subject Sale #1141 Living/Dining room with wood stove.



Subject Sale #1141 kitchen-Lpg appliances and lights.

SUBJECT PROPERTY PHOTOGRAPHS #1141



Subject Sale #1141 main floor bedroom

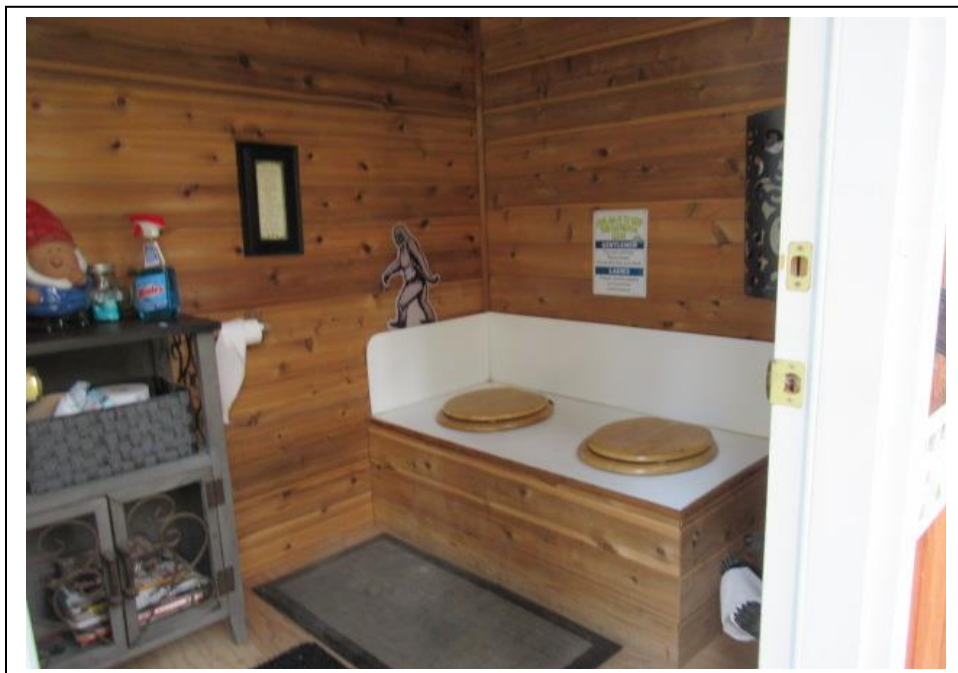


Subject Sale #1141 loft bedroom

SUBJECT PROPERTY PHOTOGRAPHS #1141

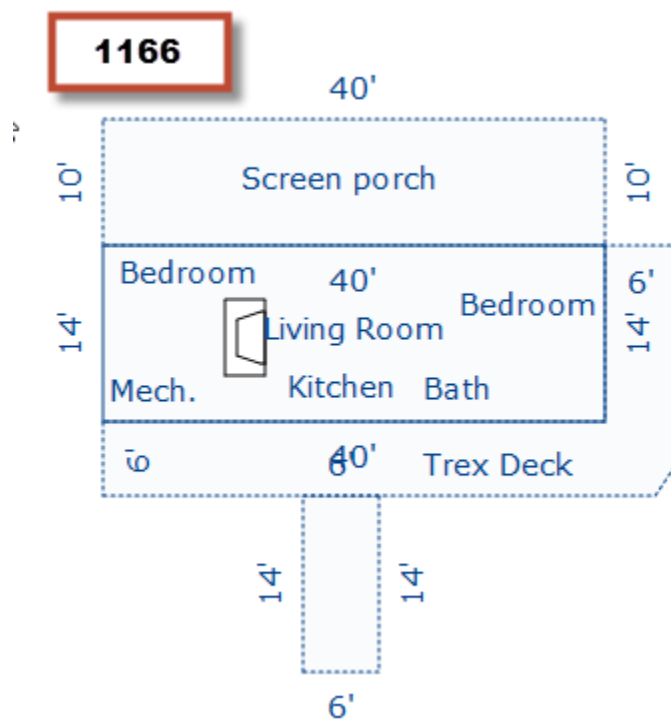


Subject Sale #1141 outhouse



Subject Sale #1141 outhouse with vaulted toilets

Sale #1166 Improvement sketch and photos



1166 AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	560.00	560.00
P/P	Screen Porch	400.00	
	Trex Deck	356.20	
	Trex Deck	84.00	840.20

SUBJECT PROPERTY PHOTOGRAPHS #1166



Subject Sale #1166 rear view



Subject Sale #1166 front with large screen in porch living area.

SUBJECT PROPERTY PHOTOGRAPHS #1166



Subject Sale #1166 Beaver Lease road



Subject Sale #1166 Beaver Lake frontage/view. Floating dock is considered to be personal property and is not included.

SUBJECT PROPERTY PHOTOGRAPHS #1166

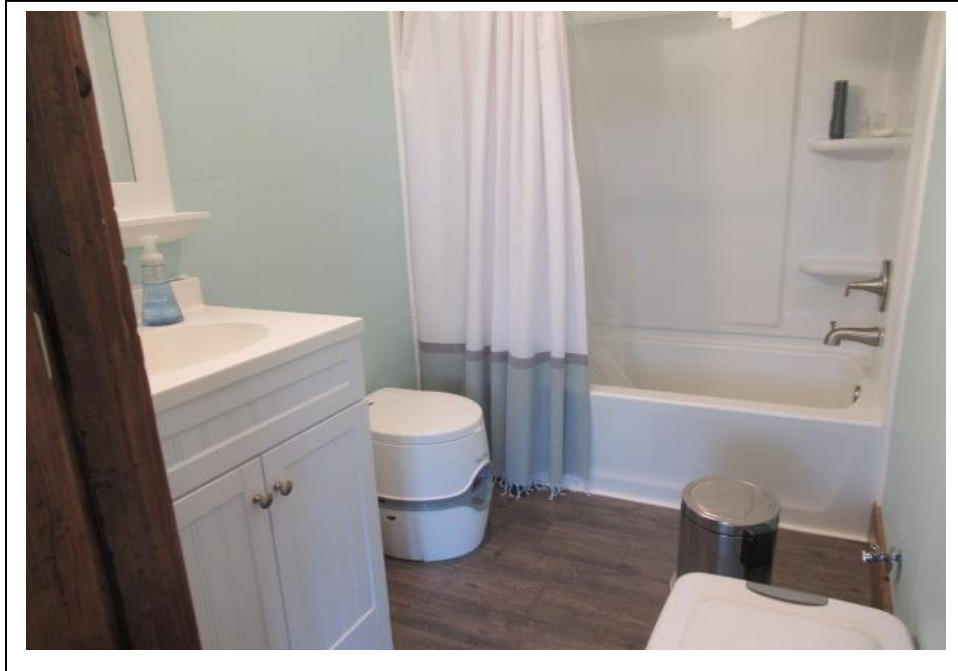


Subject Sale #1166 Living room with wood stove



Subject Sale #1166 kitchen-solar powered

SUBJECT PROPERTY PHOTOGRAPHS #1166



Subject Sale #1166 bathroom-currently no water rights.



Subject Sale #1166 typical bedroom

SUBJECT PROPERTY PHOTOGRAPHS #1166



Subject Sale #1166 400 SF screen-in porch living area.



Subject Sale #1166 outhouse

Strengths, Weaknesses, Opportunities and Threats

Strengths and weaknesses are internal to the subject; opportunities and threats are external to the subject properties.

Strengths of the subject properties are that they are located in a desirable outdoor recreational area with Beaver Lake frontage and close proximity to public recreational lands with access from the DNRC gravel road and gravel/dirt road easements. Beaver Lake is known for its boating and fishing amenity.

A weakness is that there is not power in this remote area, with residents living “off-grid” using generators or solar panels to generate power for the improvements. Additionally, some of the residents utilize outhouses and haul water for domestic purposes.

Opportunities exist due to buyers purchasing homes and vacant lots for both primary and secondary vacation residences. Threats mainly have to do with the lack of power to the area. However, due to the large amount of public land ownership in the immediate area, there are a limited number of properties available in this area.

In summary, the subject location has multiple recreational opportunities and DNRC road access but is also off-grid with no power. The improvements are recreational cabins, and there are limited properties available on 144-acre Beaver Lake.

Taxes and assessment data

<i>Tax Bills for Improvements</i>					
Lot#	Sale #	Lessee	Assr#	Imp. Assessed Vaue	Tax Bill
1	1138	Rod & Sonya Herrick	0	\$0	\$0.00
3	1139	Caroline Saunders Smith	14893	\$103,230	\$879.79
8	1140	Richard Kramer	711295	\$47,160	\$524.07
16	1141	Philip R. Hambley	314485	\$55,370	\$575.76
5	1166	Lonnie & Catherine Collinsworth	0	\$0	\$0.00

Annual tax amount for each Lessee is based on a total assessed improvement value with no taxes assessed on the State land which is tax exempt. The subject's improvement real estate taxes are within the comparable properties tax amounts therefore are considered reasonable. The improvements on Lot 5 are new, therefore are not assessed yet, however would likely be at the upper end of the range due to the quality and condition of the improvements.

Highest and Best Use

The highest and best use of a property is 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.

Improved properties may have a highest and best use that is different than the existing use. The existing use will generally continue until land value exceeds the total value of the property in its existing use plus demolition costs.

Analysis of Highest & Best Use as Vacant

In determining the highest and best use of the property as though vacant, an appraiser focuses on: 1) the existing use, 2) a projected development, 3) a subdivision, 4) an assemblage, or 5) holding the land as an investment.

Legally Permissible

A threshold of highest and best use is what is legally permissible. This analysis considers private restrictions, existing zoning, likely zoning, building codes,

historic district controls, urban renewal ordinances, and other encumbrances because they may preclude many potential uses.

LEGALLY PERMISSABLE	
Characteristic	Conclusion
Classification:	No Zoning
Permitted Uses	Must meet DEQ requirements for development
Conditional Uses	No Zoning
Probability of Change	Unlikely

Physically Possible

Multiple factors affect the uses with which the land may be developed. These factors are considered in the following table, followed by a conclusion of the legally permissible uses that are also physically possible.

PHYSICALLY POSSIBLE	
Characteristic	Conclusion
Site Area-Lot #	Size/Water amenity
1	1.551 ac, 606.1' Beaver Lake
3	2.774 ac, 643.44' Beaver Lake
8	2.513 ac, 173.91' Beaver Lake
16	1.457 ac, 203.37' Beaver Lake
5	2.238 ac, 128.5' Beaver Lake
Shape	irregular
Topography	sloped to undulating
Parcel Type	Single family residential recreational site off-grid
Utilities	None-propane delivery
Access	DNRC Road with easement
Flood Plain	Zone A along Beaver Lake
Soil Conditions	Appears good for development based on surrounding use
Environmental Concerns	None noted
Other	Residential recreational site
Physically possible uses	single family residential/recreational on each lot

Financially Feasible

After determining the uses that are physically possible and legally permissible, an appraiser considers the uses that are likely to produce an adequate return on

investment. All uses that yield a positive return are financially feasible. Feasibility is tested through a cost/benefit analysis or through direct market observation. Based on the recent similar sales and listings, and surrounding use of developed sites, it appears that owner occupied residential/recreational use are both feasible and maximally productive. There is strong demand and an undersupply of available properties. The use that indicates financial feasibility is single family residential/recreational development based on current use of similar properties in the area.

FINANCIALLY FEASIBLE		
	residential	vacant lot
Demand	strong	strong
Supply	undersupply	undersupply
Feasibility	good	good
Support	sales/active listings	sales/active listings

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. The subject properties consist of residential recreational sites. Therefore, single family residential/recreational use is maximally productive.

Conclusion of Highest and Best Use as though Vacant

The conclusion of the highest and best use as though vacant, as analyzed in the previous section, is as follows:

CONCLUSION AS THOUGH VACANT	
Characteristic	Conclusion
Use:	residential recreational use
Timing:	Now
Participants (User):	owner occupied
Participants (Buyer):	owner occupied

Analysis of Highest & Best Use as improved

After taking into consideration the four tests of highest and best use, it is physically possible to occupy the subject improved properties as single family

recreational residences, permissible since there is no zoning, financially feasible based on development of surrounding sites, therefore this use is maximally productive. Highest and best use as improved is the continued use as a single family residence/recreational cabin for all the improved lots, and single family residential recreational development on the vacant lot 1.

Conclusion of Highest and Best Use as improved

The current use as a single-family residences/recreational cabins meets the general tests for highest and best use and is considered maximum site utilization. Given the attributes of the subject real estate, the conclusion of highest and best use is based on logic and observed evidence. Therefore, the highest and best use, as improved, is a continuation of the existing single family residential/recreational cabin use.

Most Probable Buyer/User

As of the date of value, the most probable buyer of the subject properties is an owner occupant.

Appraisal Methodology

The following definitions were taken from *The Dictionary of Real Estate Appraisal, sixth addition, 2015* sponsored by The Appraisal Institute.

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Income Capitalization Approach

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Methods and/or Techniques Employed

Whenever possible, all three basic approaches to value are employed. The resulting indications of value are then correlated into a final estimate of market value. In the course of investigating the marketplace sufficient data was found to employ the Sales Comparison Approach to value the sites as if vacant and as improved, which is necessary for credible results given the intended use, property characteristics and type of value sought. 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. The Income Capitalization Approach is not developed as there is insufficient data due to most properties are owner occupied.

Organization of the data and analysis

Comparable lot sales and cabin 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, followed by the total value indication reconciliation.

Land Valuation-Comparable Land Sales

Methodology

Land is valued using the Sales Comparison Approach. This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same utility. In the Sales Comparison Approach, the opinion of market value is based on closed sales, listings, and pending sales of properties similar to the subject property.

A systematic procedure for applying the Sales Comparison Approach includes the following steps:

- Researching and verifying transactional data
- Selecting relevant units of comparison
- Analyzing and adjusting the comparable sales for differences in various elements of comparison
- Reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison for the site analysis is price per home site or economic unit.

Elements of Comparison

Elements of comparison are property characteristics that cause the prices of real estate to vary. The following are the main elements of comparison:

Transaction adjustments

- Real property rights conveyed
- Financing terms
- Condition of sale
- Expenditures immediately after purchase
- Market conditions

Property adjustments

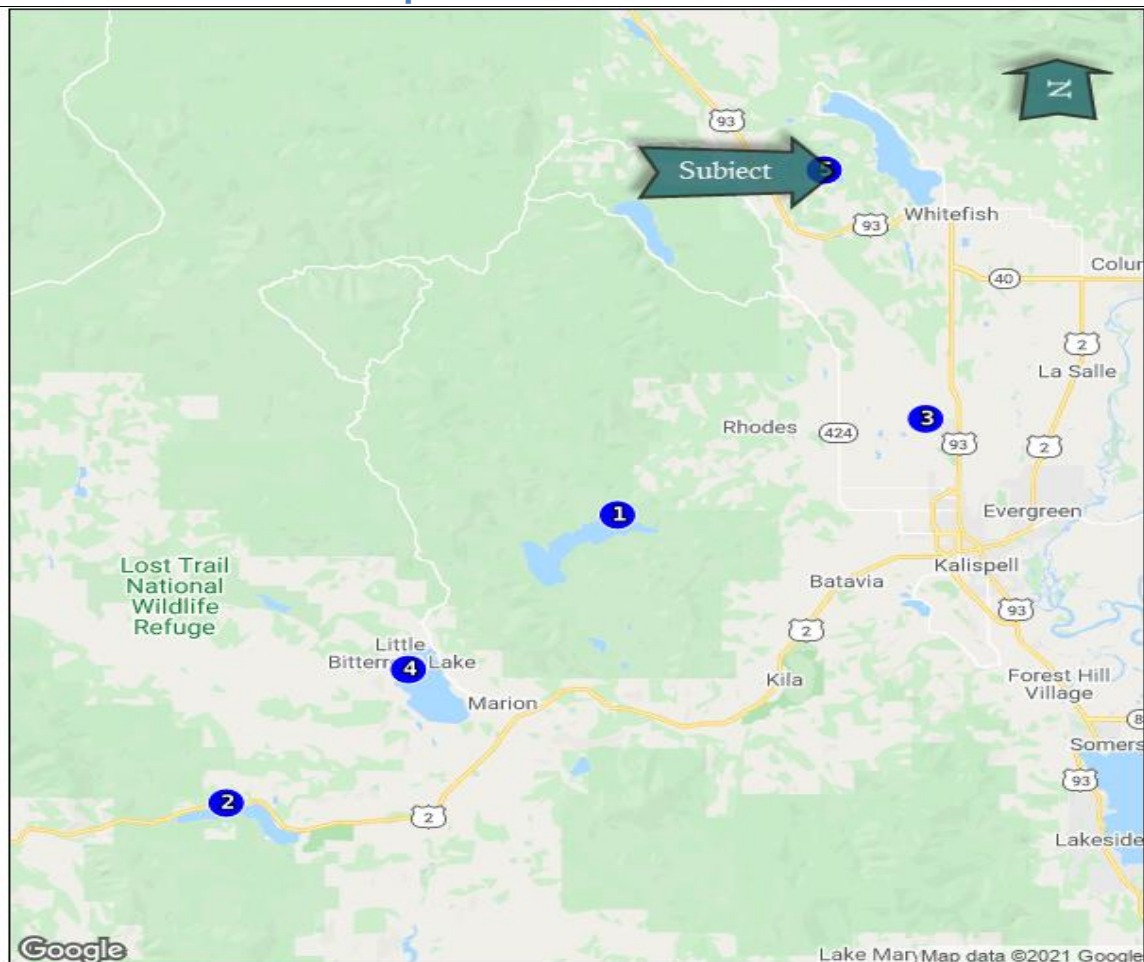
- Location
- Physical characteristics
- Economic characteristics
- Zoning/use
- Non-realty components of value

Comparable Land Sales Data

In searching for comparables, all water frontage land sales and listings, lot to 3 acres in size in Flathead County are reviewed that occurred in the past year. The following four sales bracket the subject lots in size, waterfront amenity and topography. However, no “off grid” waterfront sales were found, therefore six additional paired sales are analyzed to determine an adjustment for power/utilities available. Sales are analyzed for the purpose of indicating what a well-informed buyer or seller would consider in forming an opinion of value for a site. The most pertinent data and value indications from these sales are shown on the Land Sales Synopsis Chart to follow:

<i>Land Sale Synopsis</i>				
General Data	Sale 1	Sale 2	Sale 3	Sale 4
	120	12790	TR 2 Prairie	26 Schmid
Address	Vaughn Dr	US 2 W	View Rd	Point Pl
City, MT	Kalispell	Marion	Kalispell	Marion
Sale Date	Mar-21	Oct-20	Aug-21	Aug-20
MLS or Doc#	22007851	22005355	22018885	21911200
Market Time	786	179	232	403
Land size/AC	1.23	1.20	2.52	1.03
waterfront ft	225	442	259	226
Waterfront	Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
Water right	livestock	none	irrigation	none
List Price	\$299,000	\$225,000	\$295,000	\$299,000
Sale Price	\$265,000	\$210,000	\$265,000	\$290,000
List to sale %	89%	93%	90%	97%
Price/Site	\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'	\$1,178	\$475	\$1,023	\$1,283

Land Sale Location Map



Land Sales Data

Land Sale No. 1



120 Vaughn Dr, Kalispell, MT 59901



120 Vaughn Drive, Kalispell, MT

Transaction			
Property ID	1912	Sale Date	03-11-2021
Address	120 Vaughn Drive	Sale Price	\$265,000
City	Kalispell	Price per site	\$265,000
State	Montana	Sale Status	Closed
Seller	Johnson	Sale Conditions	Typical
Buyer	Silverman	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	202100008310	Confirmed Phone	406-871-4014
Tax Parcel Number	980843	Confirmed With	Eric Perlstein
Legal Description	North Ashley Estates, S06, T28N, R23W, Lot 006		
MLS#	22007851		
Asking Price	\$299,000		
Sale/List Ratio	89%		
DOM	786		

Site			
Land Acres	1.23000	Topography	Rolling
Land Sq Ft	53,579	Zoning	none
Frontage	Private gravel road 225' Ashley Lake wetland frontage	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power	Environ. Issues?	unknown
Water right	Livestock-Ashley Lake		

Remarks
1.23 acre lot in a little cove with 225 feet of Ashley Lake <i>wetland frontage</i> and is buffered by HOA common area on either side. Dock and boat ramp is accessed through lot 5 with easement in place.

Land Sale No. 2



12790 US 2 W, Marion, MT 59925



12790 US 2 W, Marion

Transaction			
Property ID	1913	Sale Date	10-23-2020
Address	12790 U.S. Hwy 2 W,	Sale Price	\$210,000
City	Marion	Price per site	\$210,000
State	Montana	Sale Status	Closed
Seller	Nadeau & Rahdert	Sale Conditions	Typical
Buyer	HC 196 LLC	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	202000035660	Confirmed Phone	406-250-5594
Tax Parcel Number	0003141	Confirmed With	Diana Rahdert
Legal Description	Tr 1ED in Lot 8 (Tr A of COS 14083) in S6-T26-R25		
MLS#	22005355		
Asking Price	\$225,000		
Sale/List Ratio	93%		
DOM	179		

Site			
Land Acres	1.20000	Topography	Sloped
Land Sq Ft	52,272	Zoning	none
Frontage	Paved public street 442' McGregor Lake	In Flood Plain?	Unknown
Shape	Elongated	Encumbrances	30' road easement
Utilities	power	Environ. Issues?	Unknown
Water right	none		

Remarks
1.20 acres with 442' of McGregor Lake frontage. Waterfront split by a 30' road easement on the south side of the lot. US 2 borders the north side of the lot

Land Sale No. 3



TR 2 Prairie View, Kalispell, MT



TR 2 Prairie View Rd, Kalispell, MT

Transaction			
Property ID	1921	Sale Date	08-03-2021
Address	Nhn Prairie View Road (Tract #2)	Sale Price	\$265,000
City	Kalispell	Price per ssite	\$265,000
State	Montana	Sale Status	Closed
Seller	PISK CHARLES A	Sale Conditions	Typical
Buyer	PELTIER JONATHAN	Rights Conveyed	Fee Simple
Financing Terms	Conventional		
Recording Number	202100026445	Confirmed Phone	406-253-2042
Tax Parcel Number	16198	Confirmed With	Zane Levensgood
Legal Description	S11 T29 N, R22 W, IN SE4SE4. COS 21525 TRACT 2		
MLS#	22018885		
Asking Price	\$295,000		
Sale/List Ratio	90%		
DOM	233		

Site			
Land Acres	2.52000	Topography	Level to Sloping
Land Sq Ft	109,771	Zoning	R 2.5
Frontage	Paved public street 259' Stillwater River	In Flood Plain?	Zone A along the river
Shape	Rectangular	Encumbrances	utility, water well easement
Utilities	power	Environ. Issues?	Unknown
Water right	Irrigation-Stillwater River pump		

Remarks	
2.52 mostly level acres with 259' Stillwater River frontage located between Whitefish and Kalispell. Lot has septic pre-approval. Water well and utility easement for adjacent lot.	

Land Sale No. 4



26 Schmid Point Pl, Marion, MT



26 Schmid Point Place, Marion, MT 59925

Transaction			
Property ID	1915	Sale Date	08-14-2020
Address	26 Schmid Point Place	Sale Price	\$290,000
City	Marion	Price per site	\$290,000
State	Montana	Sale Status	Closed
Seller	Ritzdorf	Sale Conditions	Typical
Buyer	GLACIER COUNTRY CABINS BITTERROOT BLISS LLC	Rights Conveyed	Fee Simple
Financing Terms	Conventional		
Recording Number	202000025094	Confirmed Phone	406-212-7175
Tax Parcel Number	980177	Confirmed With	Dusty Dziza
Legal Description	S06, T27 N, R24 W, 15286-B, Parcel N/A, TR 2-7A in L 14		
MLS#	21911200		
Asking Price	\$299,000		
Sale/List Ratio	97%		
DOM	403		

Site			
Land Acres	1.03000	Topography	Sloped
Land Sq Ft	44,867	Zoning	Bitterroot Lake
Frontage	Private Gravel Road 226' Bitterroot Lake	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	unknown
Utilities	power	Environ. Issues?	Unknown
Water right	none		

Remarks
1.03 acres with 226' Bitterroot Lake frontage improved with an unfinished 12 x20 cabin and dock with a contributory value of \$30,000. Septic approval, composting outhouse.

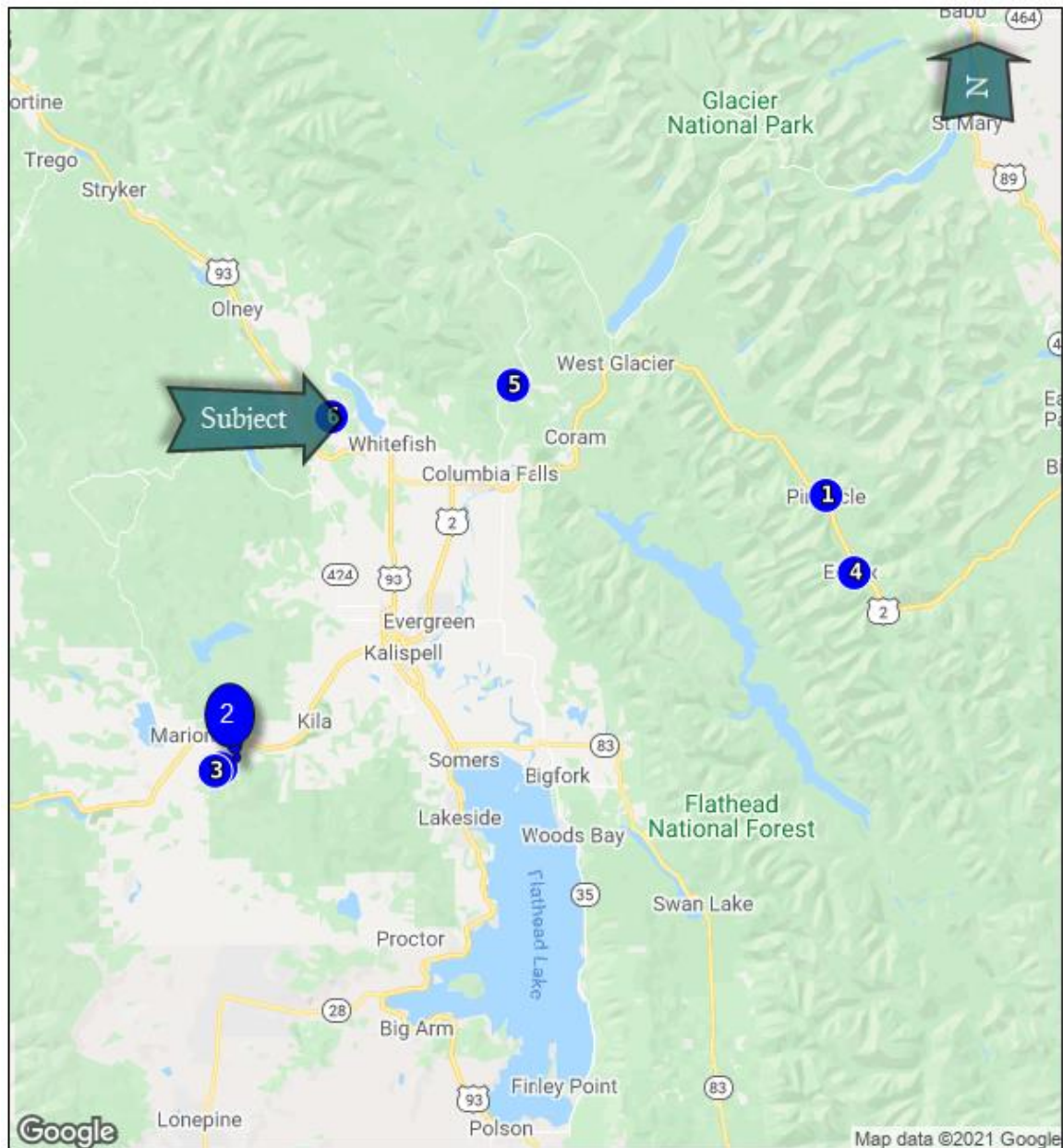
Comparable Improved Sales

In the Sales Comparison Approach, the appraiser arrives at an indication of value by comparing the relative utility and desirability of the subject properties with comparable properties recently sold. These properties should have approximately the same physical characteristics as the subject, be in the same general or a similar neighborhood, and be capable of housing the same or a similar use. Adjustments can be made for relatively minor differences. Each should be an arm's length transaction. Basic to this approach is the principle of substitution which states that "when a property is replaceable in the market, its value tends to be set by the price required to acquire an equally desirable substitute property."

One similar "off grid" improved cabin sale and four additional similar cabin sales from the past year has been found and analyzed to estimate the market value of each of the subject improvements. Following is the improved comparable sale synopsis, location map and data for each comparable sale:

<i>Comparable Improved Sales Synopsis</i>							
Sale/MLS#	Address	City	Sale Date	Price	Less site value	Imp Value	
1 22009762	64 1st Avenue E	Essex	11/20/2020	\$265,000	\$100,000	\$165,000	
2 21908769	1409 Rogers Lane	Kila	6/4/2020	\$144,900	\$0	\$144,900	
3 22015456	1675 Rogers Lake Road	Kila	2/22/2021	\$75,000	\$0	\$75,000	
4 22107902	418 Parma Drive	Essex	7/7/2021	\$407,500	\$225,000	\$182,500	
5 22101343	Nhn Bailey Drive	Columbia Falls	3/19/2021	\$235,000	\$150,000	\$85,000	

Improved Sale Location Map



Improved Sale No. 1



64 1st Avenue E, Essex, MT 59916

Transaction			
Property ID	1916	Date of Sale	11-20-2020
Name		Adjusted Sale Price	\$265,000
Address	64 1st Avenue E	Price Per SF	\$265.53
City	Essex	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	Dolesh	Rights Conveyed	Fee Simple
Buyer	MCDONNELL ANTHONY J	Days on Market	141
Financing Terms	<i>Conventional</i>	Confirmed Phone	406-270-6538
Recording Number	202000039363	Confirmed With	Charles S Shields, Jr, BA
Legal Description	PAOLA PLAZA, S16, T30 N, R16 W, BLOCK 3, Lot 16		
Tax Parcel Number	14466		
Property Use	Single Family Home		
MLS #	22009762		
Asking Price	\$271,000		
Site			
Land Acres	0.46000	Topography	Level
Land Sq Ft	20,038	Zoning	CALURS
Frontage	Gravel public road	In Flood Plain?	No
Shape	mostly rectangular	Encumbrances	unknown
Utilities	p/com water/septic	Land Building Ratio	20.08
Improvements and Financial Data			
GBA	998	Site value est.	\$100,000
Rentable Area	998		
Year Built	2012		
Building Condition	Average to Good		
Construct Quality	Average to Good		
Ancillary Area	gazebo		
Basement Type	None		
Remarks			
998 SF 1.5 story cabin with 2BR/1BA, blue pine and wood finishes throughout with radiant floor heating, and granite counter tops. \$795 concession for repairs. Sold previously 6/20/2017 for \$245,000 MLS 21700423.			

Improved Sale No. 2



1409 Rogers Lane, Kila, MT 59920

Transaction			
Property ID	1917	Date of Sale	06-04-2020
Name		Adjusted Sale Price	\$144,900
Address	1409 Rogers Lane	Price Per SF	\$146.07
City	Kila	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	Copp Kevin	Rights Conveyed	Leasehold
Buyer	FREDENBERG ALAN	Days on Market	365
Financing Terms	Cash to Seller	Confirmed Phone	406-260-5339
Recording Number	202100027658	Confirmed With	Rebecca Lynn Kyle
Legal Description	Section 30, T27N, R23W, State Lease Improvements 1295 on Lot 6 Rogers Lake, Lease #3052841		
Tax Parcel Number	517		
Property Use	Single Family Home		
MLS #	21908769		
Asking Price	\$150,000		
Site			
Land Acres	DNRC lease land	Topography	Level
Land Sq Ft	na	Zoning	none
Frontage	Gravel public road	In Flood Plain?	Unknown
Shape	Unknown	Encumbrances	unknown
Utilities	power/lake water/septic	Land Building Ratio	na
Improvements and Financial Data			
GBA	992	Lease land	\$0
Rentable Area	992		
No. of Units	1		
Year Built	2007		
Building Condition	Average to Good		
Construct Quality	Average to Good		
Ancillary Area	none		
Basement Type	None		
Remarks			

992+- SF 2 bedroom, 1 bath cabin with 88+/- feet of State Lease Rogers Lake frontage. Partly covered Trex deck and Hardi-plank siding. Vaulted pine t & g ceiling. Additional buildings include a 16X14 sleeping cabin and a storage shed.

Improved Sale No. 3



1675 Rogers Lake Road, Kila, MT 59920

Transaction			
Property ID	1918	Date of Sale	02-22-2021
Name		Adjusted Sale Price	\$75,000
Address	1675 Rogers Lake Road	Price Per SF	\$97.66
City	Kila	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	Piscopo	Rights Conveyed	Leasehold
Buyer	Rebecca Madison	Days on Market	152
Financing Terms	Conventional	Confirmed Phone	
Recording Number	202100006119	Confirmed With	Terry S Burback, GRI
Legal Description	IMP 598 on Lot 26 ROGERS LAKE in s30-T27N-R23W		
Tax Parcel Number	0000934960		
Property Use	Single Family Home		
MLS #	22015456		
Asking Price	\$75,000		
Site			
Land Acres	DNRC lease	Topography	Level
Land Sq Ft	na	Zoning	none
Frontage	Gravel County Road	In Flood Plain?	Unknown
Shape	unknown	Encumbrances	unknown
Utilities	Electric; Lake Water; Septic System	Land Building Ratio	Lease land
Improvements and Financial Data			
GBA	768	Lease Land	\$0
Rentable Area	768		
No. of Units	1		
Year Built	1969		
Building Condition	Average		
Construct Quality	Fair		
Ancillary Area	none		
Basement Type	None		
Remarks			

768 SF 2 bedroom, 1 bath cabin on a post and pier foundation with a deck. Wood stove heat, flush toilet, tub and shower, electricity, range, refrigerator, storage sheds, and rolling dock. Has a backup outhouse. Currently uses lake water for toilet, tub, & sinks. Portion of the roof is metal and a portion is asphalt shingle. Cabin needs finish flooring and some finish work. Rogers Lake DNRC land lease expires in 2032.

Improved Sale No. 4



418 Parma Drive, Essex, MT 59916

Transaction			
Property ID	1919	Date of Sale	07-07-2021
Name		Adjusted Sale Price	\$407,500
Address	418 Parma Drive	Price Per SF	\$410.79
City	Essex	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	Dittman	Rights Conveyed	Fee Simple
Buyer	DUENICH STACIE J	Days on Market	40
Financing Terms	Cash to Seller	Confirmed Phone	406-261-7869
Recording Number	202100022809	Confirmed With	Dan Slezak
Legal Description	PARMA ADD, S14, T29 N, R16 W, Lot 60 PARMA ADD, S14, T29 N, R16 W, Lot 61		
Tax Parcel Number	220488		
Property Use	Single Family Home		
MLS #	22107902		
Asking Price	\$407,500		
Site			
Land Acres	0.33000	Topography	Level
Land Sq Ft	14,375	Zoning	CALRUS
Frontage	Paved private road	In Flood Plain?	No
Shape	Rectangular	Encumbrances	unknown
Utilities	Community Water; Electric; Gas; Septic System;	Land Building Ratio	14.49
Improvements and Financial Data			
GBA	992	Estimated Site value	\$225,000 w/excess land
Rentable Area	992		
No. of Units	1		
Year Built	1993		
Building Condition	Average to Good		
Construct Quality	Good		
Ancillary Area	none		
Basement Type	none		
Remarks			

992 SF 2BR/1BA 1.5 story cabin of good quality built in 1993 on a 0.22 acre site . Additional adjacent 0.11 acre lot included in sale.

Improved Sale No. 5



Nhn Bailey Drive, Columbia Falls, MT 59912

Transaction			
Property ID	1920	Date of Sale	03-19-2021
Name		Adjusted Sale Price	\$235,000
Address	Nhn Bailey Drive	Price Per SF	\$268.57
City	Columbia Falls	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	Mc Intosh	Rights Conveyed	Fee Simple
Buyer	SPECTOR ELYSSA	Days on Market	46
Financing Terms	Cash to Seller	Confirmed Phone	406-270-9468
Recording Number	202100009386	Confirmed With	Sharon G Kahle, BA, CRS, GRI,
Legal Description	TRI LAKE SUB, S10, T31 N, R20 W, BLOCK 003, Lot 010 and Lot 011		
Tax Parcel Number	0015788, 0509050		
Property Use	Single Family Home		
MLS #	22101343		
Asking Price	\$225,000		
Site			
Land Acres	2.69000	Topography	Rolling
Land Sq Ft	117,176	Zoning	Scenic corridor
Frontage	Gravel private road	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	unknown
Utilities	solar, composting toilet	Land Building Ratio	133.92
Improvements and Financial Data			
GBA	875	Site Value	\$150,000
Rentable Area	875		
No. of Units	1		
Year Built	0		
Building Condition	Average		
Construct Quality	Average		
Ancillary Area	shed		
Basement Type	None		
Remarks			
Off-grid, Dry cabin consisting of 875 SF with 2 bedrooms, composting toilet, solar power and small sleeping cabin on 2.69 acres with 450' 9-Mile Creek frontage.			

Property Valuations

Site Adjustments

All comparables differ somewhat from each other and from the subject in a number of different ways. The usual differences are time of sale, size, availability of utilities, access, physical characteristics, amenities, general location, and specific location. All these factors, in varying degrees, are applicable in the appraisal of the subject property. When dissimilarities are found in comparable properties, they should be adjusted for by adding to the comparable price when the dissimilar factor is inferior to the same factor found in the subject property. Likewise, a minus adjustment should be made when the comparable sale has a factor which is superior to that found in the subject property. The sale properties, then, are adjusted to the subject property.

However, in the market it is often difficult and sometimes impossible to accurately isolate a given factor. In short, one very seldom finds sales which are identical in all respects but one, and thus is able to prove conclusively the value, or lack of it, for any one factor due to a difference in sale price. Often, there are plus and minus factors which offset each other. Nevertheless, the differences in values are real, and an attempt, based on as much fact as can be found, will be made to determine the value of these factors. Then, the appraiser may call upon her experience to make subjective judgments. The following generalities are cited to acquaint the reader with a background for the appraiser's reasoning and judgment to follow:

- Value increases per unit of comparison as the size of the parcel decreases.
- Value tends to decrease as distance from an urban center increases. An exception to this generalization might be certain recreational properties.
- Value tends to decrease as the topography becomes steeper, more rocky, more barren, more arid, etc.
- Value tends to decrease as access becomes more difficult.
- Value tends to increase with amenities such as creek or lake frontage, or a good view.
- Value tends to increase when zoning allows greater density and/or a more optimum use of the land.

The opposite may be said of each of the above illustrations.

Sale #1138-Lot 1

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Sale #1138 vacant Lot 1. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 1 Sale #1138 Beaver Lake					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
Address	Lot 1	120	12790	TR 2 Prairie	26 Schmid
City, MT	Beaver Lease Rd.	Vaughn Dr	US 2 W	View Rd	Point Pl
Sale Date	Whitefish	Kalispell	Marion	Kalispell	Marion
MLS or Doc#	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
Market Time		22007851	22005355	22018885	21911200
Land size/AC	1.551	786	179	232	403
waterfront ft		1.23	1.20	2.52	1.03
Waterfront		225	442	259	226
List Price		Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
Sale Price		\$299,000	\$225,000	\$295,000	\$299,000
List to sale %		\$265,000	\$210,000	\$265,000	\$290,000
		89%	93%	90%	97%
Price/Site		\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'		\$1,178	\$475	\$1,023	\$1,283
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	conv.	conv.
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	power	power	pwr/cabin/dck
		-\$10,000	-\$10,000	-\$10,000	-\$40,000
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
# months		5	9	0	12
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$255,000	\$200,000	\$255,000	\$250,000
Property Adjustments					
Location Characteristics:	no water right	livestck AL	none	irrigation/SR	none
Easements affecting use	typical	typical	typical	typical	typical
access	DNRC dirt rd	private/gravel	pubic/paved	pubic/paved	private/gravel
Shape/Topography	irregular/rolling	irregular/rolling	irregular/slpd	irrg/levl slop	irreg/slpd
Site Utility	average	wetlands	rd. bisects LF	similar	similar
Zoning	none	none	none	R2.5	Bitterroot Lake
Utilities-(adj above)	none	power	power	power	power
water/amenity	606.1' BL	225'AL	442'ML	259'SR	226'BL
Overall Adjustment		similar	inferior	similar	similar
		0%	25%	0%	0%
Physical Characteristics	606.1' BL	225'AL	442'ML	259'SR	226'BL
Land size/AC	1.551	1.23	1.20	2.52	1.03
		0%	0%	0%	0%
Net Adjustment %		0%	25%	0%	0%
Gross Adjustment %		0%	25%	0%	0%
Final Adjusted \$/Site		\$255,000	\$250,000	\$255,000	\$250,000
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$210,000	\$250,000			
High	\$290,000	\$255,000			
Median	\$265,000	\$252,500			
Average	\$257,500	\$252,500			

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
Address	NHN Blue Slide Rd.	NHN Dolan Flats Rd	NHN Blue Slide Rd.	NHN Dolan Flats Rd	209 North Madison St	NHN Bras Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	\$55,000	\$45,000	\$57,000	\$40,000	\$29,900	\$12,000
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	18%	\$10,000	30%	\$17,000	60%	\$17,900

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$10,000 is applied for sales with power, and \$17,000 for sales with power, water, and sewer availability.

Improvements

Land Sale No. 4 also includes an unfinished cabin and dock with an estimated contributory value of \$30,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 12 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

All sales are fee simple ownership, arms-length transactions with typical cash or cash equivalent financing terms with no adjustment necessary.

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 2 has an inferior location with a 30' road easement bisecting the homesite from the lake frontage with a 25% upward adjustment required based on paired comparables in the grid.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; with no adjustment indicated based on paired sales in the grid.

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject Lot 1 characteristics with the exception of larger waterfront footage, however all the sales have site utility of one homesite. Unadjusted site values range from a low of \$210,000 for inferior Sale No. 2 with road easement bisecting lake frontage to as high as \$290,000 for Sale No. 4 which has unfinished cabin. After a \$10,000 adjustment for utilities available, improvements, locational characteristics and size, the value indication is much closer from \$250,000 for Sale No. 2 and 4 to as high as \$255,000 for Sale No. 1 and 3. A market value of \$250,000 (R) for the subject 1.551 acre Lot 1 with 606.1' Beaver Lake frontage is well supported by this analysis.

Lot 1 Site Value Indication- 1.551 ac 606.1' Beaver Lake frontage

\$250,000 (R

Sale #1139-Lot 3

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Sale #1139, Lot 3 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 3 Sale #1139 Beaver Lake					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	Lot 3	120	12790	TR 2 Prairie	26 Schmid
Address	Beaver Lease Rd.	Vaughn Dr	US 2 W	View Rd	Point Pl
City, MT	Whitefish	Kalispell	Marion	Kalispell	Marion
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
MLS or Doc#		22007851	22005355	22018885	21911200
Market Time		786	179	232	403
Land size/AC	2.774	1.23	1.20	2.52	1.03
waterfront ft		225	442	259	226
Waterfront		Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
List Price		\$299,000	\$225,000	\$295,000	\$299,000
Sale Price		\$265,000	\$210,000	\$265,000	\$290,000
List to sale %		89%	93%	90%	97%
Price/Site		\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'		\$1,178	\$475	\$1,023	\$1,283
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	conv.	conv.
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	power	power	pwr/cabin/dck
		-\$10,000	-\$10,000	-\$10,000	-\$40,000
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
# months		5	9	0	12
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$255,000	\$200,000	\$255,000	\$250,000
Property Adjustments					
Location Characteristics:	water right	livestck AL	none	irrigation/SR	none
Easements affecting use	typical	typical	typical	typical	typical
access	DNRC dirt rd	private/gravel	pubic/paved	pubic/paved	private/gravl
Shape/Topography	irregular/rolling	irregular/rolling	irregular/slpd	irrg/levl slop	irreg/slpd
Site Utility	average	wetlands	rd. bisects LF	similar	similar
Zoning	none	none	none	R2.5	Bitterroot Lake
Utilities-(adj above)	none	power	power	power	power
water/amenity	643.44'BL	225'AL	442'ML	259'SR	226'BL
Overall Adjustment		similar	inferior	similar	similar
		0%	25%	0%	0%
Physical Characteristics	643.44'BL	225'AL	442'ML	259'SR	226'BL
Land size/AC	2.774	1.23	1.20	2.52	1.03
		0%	0%	0%	0%
Net Adjustment %		0%	25%	0%	0%
Gross Adjustment %		0%	25%	0%	0%
Final Adjusted \$/Site		\$255,000	\$250,000	\$255,000	\$250,000
Statistics	Unadjusted \$/Site	Adjusted \$/Site			
Low	\$210,000	\$250,000			
High	\$290,000	\$255,000			
Median	\$265,000	\$252,500			
Average	\$257,500	\$252,500			

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
Address	NHN Blue Slide Rd. Thomson Falls	NHN Dolan Flats Rd St. Regis	NHN Blue Slide Rd. Thomson Falls	NHN Dolan Flats Rd St. Regis	209 North Madison St Thompson Falls	NHN Bras Rd Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	\$55,000	\$45,000	\$57,000	\$40,000	\$29,900	\$12,000
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	18%	\$10,000	30%	\$17,000	60%	\$17,900

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$10,000 is applied for sales with power, and \$17,000 for sales with power, water, and sewer availability.

Improvements

Land Sale No. 4 also includes an unfinished cabin and dock with an estimated contributory value of \$30,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 12 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

All sales are fee simple ownership, arms-length transactions with typical cash or cash equivalent financing terms with no adjustment necessary.

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 2 has an inferior location with a 30' road easement bisecting the homesite from the lake frontage with a 25% upward adjustment required based on paired comparables in the grid.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales are similar to the subject lot in size, with site utility of one home site; with no adjustment indicated based on paired sales in the grid.

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject lot characteristics with the exception of larger size and waterfront footage, however all the sales have site utility of one homesite. Unadjusted site values range from a low of \$210,000 for inferior Sale No. 2 with road easement bisecting lake frontage to as high as \$290,000 for Sale No. 4 which has unfinished cabin. After a \$10,000 adjustment for utilities available, improvements, locational characteristics and size, the value indication is much closer from \$250,000 for Sale No. 2 and 4 to as high as \$255,000 for Sale No. 1 and 3. A market value of \$255,000 (R) for the subject 2.774 acre Lot 3 with 643.44' Beaver Lake frontage is well supported by this analysis and concluded at the upper end of the range due to larger size.

Lot 3 Site Value Indication- 2.774 ac 643.44' Beaver Lake frontage

\$255,000 (R)

Sale #1139 Improvement Value Estimate

Four improved sales are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for #1139/Lt.3									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
	222 Beaver Lease Road Whitefish, MT 59937	64 1st Ave East Essex, MT 59916		1409 Rogers Ln. Kila, MT 59920		1675 Rogers Lake Rd Kila, MT 59920		418 Parma Dr Essex, MT 59916	
Data Source/MLS#		22009762		21908769		22015456		22107902	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$271,000		\$150,000		\$75,000		\$407,500
Sale Price			\$265,000		\$144,900		\$75,000		\$407,500
List to sale %			98%		97%		100%		100%
Closing Date			11/20/2020		6/4/2020		2/22/2021		7/7/2021
Days on Market			141		365		152		40
Price/GLA SF			\$265.53		\$146.07		\$97.66		\$410.79
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	VA	\$0	cash	\$0	conventional	\$0	cash	\$0
Concessions	na	repairs	-\$795	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Nov-20	\$0	Jun-20	\$0	Feb-21	\$0	Jul-21	\$0
Location	Whitefish	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	.46 ac	-\$100,000	lease Rogers lk	\$0	lease Rogers lk	\$0	.22ac/.111ac	-\$225,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	ranch/conc	1.5 story /slab	\$0	1 story cabin	\$0	1 stry cabin	\$0	1.5 story cabin	\$0
Quality construct.	avg/gd	similar	\$0	similar	\$0	inferior/\$35 sf	\$26,880	superior/\$20 sf	-\$19,840
Age	6a/5e	8a/5e	\$0	14a/5e	\$0	52a/25	\$20,000	28a/5e	\$0
Condition	good	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	2	2	\$0	2	\$0	2	\$0	2	\$0
Above grade Baths	1	1.5	-\$1,500	1	\$0	1	\$0	1	\$0
GLA/SF	936	998	-\$3,720	992	-\$3,360	768	\$10,080	992	-\$3,360
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	septic/well/gen	pwr/com w/septic	\$0	pwr/lake water/septic	\$0	wr/lake water/sept	\$0	pwr/com water/septic	\$0
Heating Cooling	WS	WS/radiant	-\$8,000	EBB/PS	-\$500	WS	\$0	EBB/FP	-\$500
Outbuilding	238 gazebo	similar	\$0	224 sf sleep cabin	\$0	similar	\$0	similar	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	308 sf	similar	\$0	similar	\$0	inferior	\$10,000	similar	\$0
Other	appliances	appliances	\$0	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$114,015		-\$3,860		\$66,960		-\$248,700
Net Adjustment %		-43%		-3%		89%		-61%	
Gross Adjustment %		42%		3%		53%		56%	
Adjusted Sale Price			\$150,985		\$141,040		\$141,960		\$158,800
								Average	\$148,196
								Median	\$146,473

Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Flathead County area and bracket the subject improvements in lease site location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

Financing

All sales are cash or conventional financing with no adjustment necessary.

Market Conditions/List to Sale Price ratio

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 13 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, and conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone. Sale No. 1 estimated site value is \$100,000 based on (MLS#2201813) 0.50 acres which sold for \$76,000 and (MLS listing #22116507) 0.29 acres in Essex for \$159,000. Comparable Sale No. 4 cabin improvements are on 0.22 acre and includes an additional 0.11 acre vacant adjacent parcel with an estimate overall site value of \$225,000 based on the sale and listing in Essex above. Sale 2 and 3 are on DNRC lease lots with no value attributed to the site.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling, or deficiencies. Comparables bracket the subject's quality and condition, with Sale No. 4 having superior quality of construction adjusted at \$20/SF based on paired sales. Sale No. 1 and 2 are similar in quality with no adjustment necessary. Sale No. 3 has inferior quality of construction adjusted at \$35/SF. Sale No. 3 has a higher effective age/inferior condition, which are adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath and \$1,500 for a half bath.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$60/SF for square footage differences based on market data for similar sales.

Functional utility

The subject has a well, shared septic and generator power. All sales have similar septic, water and power with no adjustment necessary.

Heating/Cooling

All the comparables have similar wood stoves with Sale No. 1 having radiant heat adjusted at \$8,000 and Sale No. 2 & 4 have electric baseboard heat which is adjusted downward \$500.

Outbuildings.

All of the comparables have similar sheds/gazebos; with no adjustment necessary.

Porch/Deck

Sale No. 1, 2 and 4 all have similar decks, with no adjustment applied. Sale No. 3 does not have a deck with a \$10,000 upward adjustment made.

Generator/appliances

All the sales have similar appliances, with no adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$141,040 shown by Sale No. 2 to \$158,800 illustrated by Sale No. 4. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$150,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	#1139 Lot 3 COS 18353
Lot size/amenity	2.774 ac Beaver lake
Improvement size/Year	936 SF 2015
Land-segregated value	\$255,000
Improvements-segregated value	\$150,000
Total fee simple market value (Hypothetical Condition)	\$405,000

Sale #1140

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Sale #1140, Lot 8 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 8 Sale #1140 Beaver Lake					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	Lot 8	120	12790	TR 2 Prairie	26 Schmid
Address	Beaver Lease Rd.	Vaughn Dr	US 2 W	View Rd	Point Pl
City, MT	Whitefish	Kalispell	Marion	Kalispell	Marion
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
MLS or Doc#		22007851	22005355	22018885	21911200
Market Time		786	179	232	403
Land size/AC	2.513	1.23	1.20	2.52	1.03
waterfront ft		225	442	259	226
Waterfront		Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
List Price		\$299,000	\$225,000	\$295,000	\$299,000
Sale Price		\$265,000	\$210,000	\$265,000	\$290,000
List to sale %		89%	93%	90%	97%
Price/Site		\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'		\$1,178	\$475	\$1,023	\$1,283
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	conv.	conv.
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	power	power	pwr/cabin/dck
		-\$10,000	-\$10,000	-\$10,000	-\$40,000
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
# months		5	9	0	12
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$255,000	\$200,000	\$255,000	\$250,000
Property Adjustments					
Location Characteristics:	no water right	livestck AL	none	irrigation/SR	none
Easements affecting use	multiple access	typical	inferior	typical	typical
access	DNRC dirt rd	private/gravel	pubic/paved	pubic/paved	private/grav
Shape/Topography	irregular/rolling	irregular/rolling	irregular/slpd	irrg/levl slop	irreg/slpd
Site Utility	average	wetlands	rd. bisects LF	similar	similar
Zoning	none	none	none	R2.5	Bitterroot Lake
Utilities-(adj above)	none	power	power	power	power
water/amenity	173.91	225'AL	442'ML	259'SR	226'BL
Overall Adjustment		superior	inferior	superior	superior
		-5%	20%	-5%	-5%
Physical Characteristics	173.91'BL	225'AL	442'ML	259'SR	226'BL
Land size/AC	2.513	1.23	1.20	2.52	1.03
		0%	0%	0%	0%
Net Adjustment %		-5%	20%	-5%	-5%
Gross Adjustment %		5%	20%	5%	5%
Final Adjusted \$/Site		\$242,250	\$240,000	\$242,250	\$237,500
Statistics	Unadjusted \$/Site	Adjusted \$/Site .			
Low	\$210,000	\$237,500			
High	\$290,000	\$242,250			
Median	\$265,000	\$241,125			
Average	\$257,500	\$240,500			

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
Address	NHN Blue Slide Rd.	NHN Dolan Flats Rd	NHN Blue Slide Rd.	NHN Dolan Flats Rd	209 North Madison St	NHN Bras Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	\$55,000	\$45,000	\$57,000	\$40,000	\$29,900	\$12,000
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	18%	\$10,000	30%	\$17,000	60%	\$17,900

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$10,000 is applied for sales with power, and \$17,000 for sales with power, water, and sewer availability.

Improvements

Land Sale No. 4 also includes an unfinished cabin and dock with an estimated contributory value of \$30,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 12 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

All sales are fee simple ownership, arms-length transactions with typical cash or cash equivalent financing terms with no adjustment necessary.

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 2 has an inferior location with a 30' road easement bisecting the homesite from the lake frontage with a 20% upward adjustment required based on paired comparables in the grid. The remaining sales are superior to the subject which has multiple road easements, resulting in a -5% downward adjustment based on paired comparables.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; with no adjustment indicated based on paired sales in the grid.

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject lot characteristics. Unadjusted site values range from a low of \$210,000 for inferior Sale No. 2 with road easement bisecting lake frontage to as high as \$290,000 for Sale No. 4 which has unfinished cabin. After a \$10,000 adjustment for utilities available, improvements, locational characteristics and size, the value indication is much closer from \$237,500 for Sale No. 4 to as high as \$242,250 for Sale No. 1 and 3. A market value of \$240,000 (R) for the subject 2.513 acre Lot 8 with 173.91' Beaver Lake frontage and road easements is well supported by this analysis and concluded at the lower end of the range due to the road easements.

Lot 8 Site Value Indication- 2.513 ac 173.91' Beaver Lake frontage

\$240,000 (R)

Sale #1140 Improvement Value Estimate

Four improved sales are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for #1140 /Lot 8									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 5	
	156 Beaver Lease Road Whitefish, MT 59937	64 1st Ave East Essex, MT 59916		1409 Rogers Ln. Kila, MT 59920		1675 Rogers Lake Rd Kila, MT 59920		NHN Bailey Dr Columbia Falls, MT 59912	
Data Source/MLS#		22009762		21908769		22015456		22101343	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$271,000		\$150,000		\$75,000		\$225,000
Sale Price			\$265,000		\$144,900		\$75,000		\$235,000
List to sale %			98%		97%		100%		104%
Closing Date			11/20/2020		6/4/2020		2/22/2021		3/19/2021
Days on Market			141		365		152		46
Price/GLA SF		\$265.53		\$146.07		\$97.66		\$335.71	
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	VA	\$0	cash	\$0	conventional	\$0	cash	\$0
Concessions	na	repairs	-\$795	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Nov-20	\$0	Jun-20	\$0	Feb-21	\$0	Mar-21	\$0
Locaton	Whitefish	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	.46 ac	-\$100,000	lease Rogers lk	\$0	lease Rogers lk	\$0	2.69ac/crk	-\$150,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	cabin/p&p	1.5 story /slab	\$0	1 story cabin	\$0	1 stry cabin	\$0	1.5 story cabin	\$0
Quality construct.	avg	superior/\$20sf	-\$19,960	superior/\$20sf	-\$19,840	inferior/\$10sf	\$7,680	similar	\$0
Age	43a/25e	8a/5e	-\$15,000	14a/5e	-\$15,000	52a/25	\$0	unk/25E	\$0
Condition	avg	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	2	2	\$0	2	\$0	2	\$0	2	\$0
Above grade Baths	vault outhse	1.5	-\$5,000	1	-\$3,500	1	-\$3,500	dry cabin, cmpst toilet	\$0
GLA/SF	560	998	-\$26,280	992	-\$25,920	768	-\$12,480	700	-\$8,400
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	fair/generator	pwr/com w/septic	-\$17,000	pwr/lake water/septic	-\$10,000	wr/lake water/sept	-\$10,000	solar	\$0
Heating Cooling	WS	WS/radiant	-\$8,000	EBB/PS	-\$500	WS	\$0	WS	\$0
Outbuilding	412 gazebo	similar	\$0	224 sf sleep cabin	\$0	similar	\$0	sleep cabin	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	350 SF	similar	\$0	similar	\$0	inferior	\$10,000	similar	\$0
Other	appliances	appliances	\$0	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$192,035		-\$74,760		-\$8,300		-\$158,400
Net Adjustment %		-72%		-52%		-11%		-67%	
Gross Adjustment %		55%		38%		48%		67%	
Adjusted Sale Price			\$72,965		\$70,140		\$66,700		\$76,600
								Average	\$71,601
								Median	\$71,553

Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Flathead County area and bracket the subject improvements in lease site location, size, effective age/condition, location, number of baths and bedrooms, site improvements,

outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

Financing

All sales are cash or conventional financing with no adjustment necessary.

Market Conditions/List to Sale Price ratio

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 13 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, and conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone. Sale No. 1 estimated site value is \$100,000 based on (MLS#2201813) 0.50 acre which sold for \$76,000 and (MLS listing #22116507) 0.29 acres in Essex for \$159,000. Comparable Sale No. 5 cabin improvements are on 2.69 acres with 9-mile creek frontage with an estimate overall site value of \$150,000 based on (MLS#22101532) 5.27 acres with no creek frontage which sold 3/19/21 for \$137,500 located on the same road. Sale 2 and 3 are on DNRC lease lots with no value attributed to the site.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling, or deficiencies. Comparables bracket the subject's quality and condition, with Sale No. 1 and 2 having superior quality of construction adjusted at \$20/SF based on paired sales. Sale No. 5 is similar in quality with no adjustment necessary. Sale No. 3 has inferior quality of construction adjusted at \$10/SF. Sale No.1 and 2

have a lower effective age/superior condition, which are adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths.

Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath and \$1,500 for a half bath.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$60/SF for square footage differences based on market data for similar sales.

Functional utility

The subject has generator power. Sale No. 1 is adjusted -\$17,000 for superior power/water and septic. Sale No. 2 & 3 have power and septic but use lake water with a -\$10,000 adjustment made. Sale No. 5 is similar with no adjustment applied.

Heating/Cooling

All the comparables have similar wood stoves with Sale No. 1 having radiant heat adjusted at \$8,000 and Sale No. 2 has electric baseboard heat which is adjusted downward \$500.

Outbuildings.

All of the comparables have similar sheds/gazebos; with no adjustment necessary.

Porch/Deck

Sale No. 1, 2 and 5 all have similar decks, with no adjustment applied. Sale No. 3 does not have a deck with a \$10,000 upward adjustment made.

Generator/appliances

All the sales have similar appliances, with no adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$66,700 shown by Sale No. 3 to \$76,600 illustrated by Sale No. 5. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$72,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	#1140 Lot 8 COS 18353
Lot size/amenity	2.513 ac Beaver lake
Improvement size/Year	560 SF 1966
Land-segregated value	\$240,000
Improvements-segregated value	\$72,000
Total fee simple market value (Hypothetical Condition)	\$312,000

Sale #1141

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Sale #1141, Lot 16 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 16 Sale #1141 Beaver Lake					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	Lot 16	120	12790	TR 2 Prairie	26 Schmid
Address	Beaver Lease Rd.	Vaughn Dr	US 2 W	View Rd	Point Pl
City, MT	Whitefish	Kalispell	Marion	Kalispell	Marion
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
MLS or Doc#		22007851	22005355	22018885	21911200
Market Time		786	179	232	403
Land size/AC	1.457	1.23	1.20	2.52	1.03
waterfront ft		225	442	259	226
Waterfront		Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
List Price		\$299,000	\$225,000	\$295,000	\$299,000
Sale Price		\$265,000	\$210,000	\$265,000	\$290,000
List to sale %		89%	93%	90%	97%
Price/Site		\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'		\$1,178	\$475	\$1,023	\$1,283
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	conv.	conv.
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	power	power	pwr/cabin/dck
		-\$10,000	-\$10,000	-\$10,000	-\$40,000
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
# months		5	9	0	12
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$255,000	\$200,000	\$255,000	\$250,000
Property Adjustments					
Location Characteristics:	water right	livestck AL	none	irrigation/SR	none
Easements affecting use	multiple access	typical	inferior	typical	typical
access	DNRC dirt rd	private/gravel	pubic/paved	pubic/paved	private/gravl
Shape/Topography	irregular/rolling	irregular/rolling	irregular/slpd	irrg/levl slop	irreg/slpd
Site Utility	average	wetlands	rd. bisects LF	similar	similar
Zoning	none	none	none	R2.5	Bitterroot Lake
Utilities-(adj above)	none	power	power	power	power
water/amenity	203.37	225'AL	442'ML	259'SR	226'BL
Overall Adjustment		superior	inferior	superior	superior
		-5%	20%	-5%	-5%
Physical Characteristics	203.37'BL	225'AL	442'ML	259'SR	226'BL
Land size/AC	1.457	1.23	1.20	2.52	1.03
		0%	0%	0%	0%
Net Adjustment %		-5%	20%	-5%	-5%
Gross Adjustment %		5%	20%	5%	5%
Final Adjusted \$/Site		\$242,250	\$240,000	\$242,250	\$237,500
Statistics	Unadjusted \$/Site	Adjusted \$/Site			
Low	\$210,000	\$237,500			
High	\$290,000	\$242,250			
Median	\$265,000	\$241,125			
Average	\$257,500	\$240,500			

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
Address	NHN Blue Slide Rd.	NHN Dolan Flats Rd	NHN Blue Slide Rd.	NHN Dolan Flats Rd	209 North Madison St	NHN Bras Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	\$55,000	\$45,000	\$57,000	\$40,000	\$29,900	\$12,000
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	18%	\$10,000	30%	\$17,000	60%	\$17,900

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$10,000 is applied for sales with power, and \$17,000 for sales with power, water and sewer availability.

Improvements

Land Sale No. 4 also includes an unfinished cabin and dock with an estimated contributory value of \$30,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 12 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

All sales are fee simple ownership, arms-length transactions with typical cash or cash equivalent financing terms with no adjustment necessary.

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 2 has an inferior location with a 30' road easement bisecting the homesite from the lake frontage with a 20% upward adjustment required based on paired comparables in the grid. The remaining sales are superior to the subject which has multiple road easements, resulting in a -5% downward adjustment based on paired comparables.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; with no adjustment indicated based on paired sales in the grid.

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject lot characteristics. Unadjusted site values range from a low of \$210,000 for inferior Sale No. 2 with road easement bisecting lake frontage to as high as \$290,000 for Sale No. 4 which has unfinished cabin. After a \$10,000 adjustment for utilities available, improvements, locational characteristics and size, the value indication is much closer from \$237,500 for Sale No. 4 to as high as \$242,250 for Sale No. 1 and 3. A market value of \$240,000 (R) for the subject 1.457 acre Lot 16 with 203.37' Beaver Lake frontage and road easements is well supported by this analysis and concluded at the lower end of the range due to the road easements.

Lot 16 Site Value Indication- 1.457 ac 203.37' Beaver Lake frontage

\$240,000 (R)

Sale #1141 Improvement Value Estimate

Four improved sales are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for #1141 /Lot 16									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 5	
60 Beaver Lease Road Whitefish, MT 59937		64 1st Ave East Essex, MT 59916		1409 Rogers Ln. Kila, MT 59920		1675 Rogers Lake Rd Kila, MT 59920		NHN Bailey Dr Columbia Falls, MT 59912	
Data Source/MLS#		22009762		21908769		22015456		22101343	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$271,000		\$150,000		\$75,000		\$225,000
Sale Price			\$265,000		\$144,900		\$75,000		\$235,000
List to sale %			98%		97%		100%		104%
Closing Date			11/20/2020		6/4/2020		2/22/2021		3/19/2021
Days on Market			141		365		152		46
Price/GLA SF			\$265.53		\$146.07		\$97.66		\$335.71
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	VA	\$0	cash	\$0	conventional	\$0	cash	\$0
Concessions	na	repairs	-\$795	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Nov-20	\$0	Jun-20	\$0	Feb-21	\$0	Mar-21	\$0
Locaton	Whitefish	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	.46 ac	-\$100,000	lease Rogers lk	\$0	lease Rogers lk	\$0	2.69ac/crk	-\$150,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	1.5cabin/p&p	1.5 story /slab	\$0	1 story cabin	\$0	1 stry cabin	\$0	1.5 story cabin	\$0
Quality construct.	avg/fair	superior/\$20sf	-\$19,960	superior/\$20sf	-\$19,840	inferior/\$10sf	\$7,680	similar	\$0
Age	55a/20e	8a/5e	-\$15,000	14a/5e	-\$15,000	52a/25	\$5,000	unk/25e	\$5,000
Condition	avg	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	2	2	\$0	2	\$0	2	\$0	2	\$0
Above grade Baths	outhouse	1.5	-\$5,000	1	-\$3,500	1	-\$3,500	dry cabin, cmpst toilet	\$0
GLA/SF	756	998	-\$14,520	992	-\$14,160	768	-\$720	700	\$3,360
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	fair/generator	pwr/com w/septic	-\$17,000	pwr/lake water/septic	-\$10,000	wr/lake water/sept	-\$10,000	solar	\$0
Heating Cooling	WS	WS/radiant	-\$8,000	EBB/PS	-\$500	WS	\$0	WS	\$0
Outbuilding	96 SF ouths	similar	\$0	224 sf sleep cabin	\$0	similar	\$0	sleep cabin	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	684 SF	similar	\$0	similar	\$0	inferior	\$10,000	similar	\$0
Other	appliances	appliances	\$0	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$180,275		-\$63,000		\$8,460		-\$141,640
Net Adjustment %		-68%		-43%		11%		-60%	
Gross Adjustment %		55%		30%		39%		67%	
Adjusted Sale Price			\$84,725		\$81,900		\$83,460		\$93,360
								Average	\$85,861
								Median	\$84,093

Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Flathead County area and bracket the subject improvements in lease site location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

Financing

All sales are cash or conventional financing with no adjustment necessary.

Market Conditions/List to Sale Price ratio

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 13 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, and conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone. Sale No. 1 estimated site value is \$100,000 based on (MLS#2201813) 0.50 acre which sold for \$76,000 and (MLS listing #22116507) 0.29 acres in Essex for \$159,000. Comparable Sale No. 5 cabin improvements are on 2.69 acres with 9-mile creek frontage with an estimate overall site value of \$150,000 based on (MLS#22101532) 5.27 acres with no creek frontage sold 3/19/21 for \$137,500 on the same road. Sale 2 and 3 are on DNRC lease lots with no value attributed to the site.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling, or deficiencies. Comparables bracket the subject's quality and condition, with Sale No. 1 and 2 having superior quality of construction adjusted at \$20/SF based on paired sales. Sale No. 5 is similar in quality with no adjustment necessary. Sale No. 3 has inferior quality of construction adjusted at \$10/SF. Sale No. 1 and 2 have a lower effective age/superior condition, and Sale No. 3 & 5 have a higher effective age which are adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths.

Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath and \$1,500 for a half bath.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$60/SF for square footage differences based on market data for similar sales.

Functional utility

The subject has generator power. Sale No. 1 is adjusted -\$17,000 for superior power/water and septic. Sale No. 2 & 3 have power and septic but use lake water with a -\$10,000 adjustment made. Sale No. 5 is similar with no adjustment applied.

Heating/Cooling

All the comparables have similar wood stoves with Sale No. 1 having radiant heat adjusted at \$8,000 and Sale No. 2 has electric baseboard heat which is adjusted downward \$500.

Outbuildings.

All of the comparables have similar sheds/gazebos; with no adjustment necessary.

Porch/Deck

Sale No. 1, 2 and 5 all have similar decks, with no adjustment applied. Sale No. 3 does not have a deck with a \$10,000 upward adjustment made.

Generator/appliances

All the sales have similar appliances, with no adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$81,900 shown by Sale No. 2 to \$93,360 illustrated by Sale No. 5. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$85,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	#1141 Lot 16 COS 18353
Lot size/amenity	1.457 ac Beaver lake
Improvement size/Year	756 SF 1978
Land-segregated value	\$240,000
Improvements-segregated value	\$85,000
Total fee simple market value (Hypothetical Condition)	\$325,000

Sale #1166-Lot 5

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Sale #1166, Lot 5 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 5 Sale #1166 Beaver Lake					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	Lot 5	120	12790	TR 2 Prairie	26 Schmid
Address	Beaver Lease Rd.	Vaughn Dr	US 2 W	View Rd	Point Pl
City, MT	Whitefish	Kalispell	Marion	Kalispell	Marion
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
MLS or Doc#		22007851	22005355	22018885	21911200
Market Time		786	179	232	403
Land size/AC	2.238	1.23	1.20	2.52	1.03
waterfront ft		225	442	259	226
Waterfront		Ashley Lk	McGregor Lk	Stillwater Rvr	Bitterroot Lk
List Price		\$299,000	\$225,000	\$295,000	\$299,000
Sale Price		\$265,000	\$210,000	\$265,000	\$290,000
List to sale %		89%	93%	90%	97%
Price/Site		\$265,000	\$210,000	\$265,000	\$290,000
Price/LF'		\$1,178	\$475	\$1,023	\$1,283
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	conv.	conv.
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	power	power	pwr/cabin/dck
		-\$10,000	-\$10,000	-\$10,000	-\$40,000
Sale Date	Aug-21	Mar-21	Oct-20	Aug-21	Aug-20
# months		5	9	0	12
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$255,000	\$200,000	\$255,000	\$250,000
Property Adjustments					
Location Characteristics:	no water right	livestck AL	none	irrigation/SR	none
Easements affecting use	typical	typical	typical	typical	typical
access	DNRC dirt rd	private/gravel	pubic/paved	pubic/paved	private/gravl
Shape/Topography	irregular/rolling	irregular/rolling	irregular/slpd	irrg/levl slop	irreg/slpd
Site Utility	average	wetlands	rd. bisects LF	similar	similar
Zoning	none	none	none	R2.5	Bitterroot Lake
Utilities-(adj above)	none	power	power	power	power
water/amenity	128.50	225'AL	442'ML	259'SR	226'BL
Overall Adjustment		similar	inferior	similar	similar
		0%	25%	0%	0%
Physical Characteristics	128.5'BL	225'AL	442'ML	259'SR	226'BL
Land size/AC	2.238	1.23	1.20	2.52	1.03
		0%	0%	0%	0%
Net Adjustment %		0%	25%	0%	0%
Gross Adjustment %		0%	25%	0%	0%
Final Adjusted \$/Site		\$255,000	\$250,000	\$255,000	\$250,000
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$210,000	\$250,000			
High	\$290,000	\$255,000			
Median	\$265,000	\$252,500			
Average	\$257,500	\$252,500			

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
Address	NHN Blue Slide Rd.	NHN Dolan Flats Rd	NHN Blue Slide Rd.	NHN Dolan Flats Rd	209 North Madison St	NHN Bras Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	\$55,000	\$45,000	\$57,000	\$40,000	\$29,900	\$12,000
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	18%	\$10,000	30%	\$17,000	60%	\$17,900

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$10,000 is applied for sales with power, and \$17,000 for sales with power, water, and sewer availability.

Improvements

Land Sale No. 4 also includes an unfinished cabin and dock with an estimated contributory value of \$30,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 12 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

All sales are fee simple ownership, arms-length transactions with typical cash or cash equivalent financing terms with no adjustment necessary.

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 2 has an inferior location with a 30' road easement bisecting the homesite from the lake frontage with a 25% upward adjustment required based on paired comparables in the grid.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales are similar to the subject lot in size, with site utility of one home site; with no adjustment indicated based on paired sales in the grid.

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject lot characteristics with the exception of smaller waterfront footage, however all the sales have site utility of one homesite. Unadjusted site values range from a low of \$210,000 for inferior Sale No. 2 with road easement bisecting lake frontage to as high as \$290,000 for Sale No. 4 which has unfinished cabin. After a \$10,000 adjustment for utilities available, improvements, locational characteristics and size, the value indication is much closer from \$250,000 for Sale No. 2 and 4 to as high as \$255,000 for Sale No. 1 and 3. A market value of \$250,000 (R) for the subject 2.238 acre Lot 5 with 128.5' Beaver Lake frontage is well supported by this analysis and concluded at the lower end of the range due to the smaller waterfront size.

Lot 5 Site Value Indication- 2.238 ac 128.5' Beaver Lake frontage

\$250,000 (R)

Sale #1166 Improvement Value Estimate

Four improved sales are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for #1166/Lot 5									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
	NHN Beaver Lease Road Whitefish, MT 59937	64 1st Ave East Essex, MT 59916		1409 Rogers Ln. Kila, MT 59920		1675 Rogers Lake Rd Kila, MT 59920		418 Parma Dr Essex, MT 59916	
Data Source/MLS# Verification		22009762 Realtor		21908769 Realtor		22015456 Realtor		22107902 Realtor	
List Price			\$271,000		\$150,000		\$75,000		\$407,500
Sale Price			\$265,000		\$144,900		\$75,000		\$407,500
List to sale %			98%		97%		100%		100%
Closing Date			11/20/2020		6/4/2020		2/22/2021		7/7/2021
Days on Market			141		365		152		40
Price/GLA SF			\$265.53		\$146.07		\$97.66		\$410.79
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	VA	\$0	cash	\$0	conventional	\$0	cash	\$0
Concessions	na	repairs	-\$795	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Nov-20	\$0	Jun-20	\$0	Feb-21	\$0	Jul-21	\$0
Locaton	Whitefish	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	.46 ac	-\$100,000	lease Rogers lk	\$0	lease Rogers lk	\$0	.22ac/.111ac	-\$225,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	ranch/p&p	1.5 story /slab	\$0	1 story cabin	\$0	1 stry cabin	\$0	1.5 story cabin	\$0
Quality construct.	good	inferior/\$20sf	\$19,960	inferior/\$20sf	\$19,840	inferior/\$55 sf	\$42,240	similar	\$0
Age	1a/new	8a/5e	\$5,000	14a/5e	\$5,000	52a/25	\$25,000	28a/5e	\$5,000
Condition	new	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	2	2	\$0	2	\$0	2	\$0	2	\$0
Above grade Baths	1-no water	1.5	-\$5,000	1	-\$3,500	1	-\$3,500	1	-\$3,500
GLA/SF	560	998	-\$26,280	992	-\$25,920	768	-\$12,480	992	-\$25,920
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	fair/solar	avg/p/com w/septic	-\$10,000	p/lake water/septic	-\$5,000	p/lake water/septic	-\$5,000	pwr/com water/septic	-\$10,000
Heating Cooling	WS	WS/radiant	-\$8,000	EBB/PS	-\$500	WS	\$0	EBB/FP	-\$500
Outbuilding	outhse	similar	\$0	224 sf sleep cabin	\$0	similar	\$0	similar	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	840 sf	inferior	\$20,000	inferior	\$20,000	inferior	\$20,000	inferior	\$20,000
Other	appliances	appliances	\$0	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$105,115		\$9,920		\$66,260		-\$239,920
Net Adjustment %		-40%		7%		88%		-59%	
Gross Adjustment %		57%		41%		88%		71%	
Adjusted Sale Price			\$159,885		\$154,820		\$141,260		\$167,580
								Average	\$155,886
								Median	\$157,353

Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Flathead County area and bracket the subject improvements in lease site location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

Financing

All sales are cash or conventional financing with no adjustment necessary.

Market Conditions/List to Sale Price ratio

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 13 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, and conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone. Sale No. 1 estimated site value is \$100,000 based on (MLS#2201813) 0.50 acre which sold for \$76,000 and (MLS listing #22116507) 0.29 acres in Essex for \$159,000. Comparable Sale No. 4 cabin improvements are on 0.22 acre and includes an additional 0.11 acre vacant adjacent parcel with an estimate overall site value of \$225,000 based on the sale and listing in Essex above. Sale 2 and 3 are on DNRC lease lots with no value attributed to the site.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling, or deficiencies. Comparables bracket the subject's quality, however not the new condition. Sale No. 4 has similar quality of construction with no adjustment necessary. Sale No. 1, 2 and 3 have inferior quality of construction adjusted at \$20/SF and \$55/SF. All sales have a higher effective age/inferior condition, which are adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath and \$1,500 for a half bath.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$60/SF for square footage differences based on market data for similar sales.

Functional utility

The subject has solar power. Sales No. 1 and 4 have superior septic, water and power with a \$10,000 adjustment applied. Sales No. 2 & 3 have power, septic and lake water use with a -\$5,000 adjustment applied based on paired comparables.

Heating/Cooling

All the comparables have similar wood stoves with Sale No. 1 having radiant heat adjusted at \$8,000 and Sale No. 2 & 4 have electric baseboard heat which is adjusted downward \$500.

Outbuildings.

All of the comparables have similar sheds/gazebos; with no adjustment necessary.

Porch/Deck

The subject has a superior 400 SF screened in porch/living area with all sales adjusted \$20,000 for the subject's superior screened in porch.

Generator/appliances

All the sales have similar appliances, with no adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$141,260 shown by Sale No. 3 to \$167,580 illustrated by Sale No. 4. Most weight placed on Sale No. 1 and 4 which are most similar in quality and effective age, providing a reasonable estimate of market value for the subject improvements. A value of \$165,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	#1166 Lot 5 COS 18353
Lot size/amenity	2.238 ac Beaver lake
Improvement size/Year	560 SF 2020
Land-segregated value	\$250,000
Improvements-segregated value	\$165,000
Total fee simple market value (Hypothetical Condition)	\$415,000

Reconciliation

The Sales Comparison approach employed in this report has produced the following results with the hypothetical condition of whole fee simple ownership:

<i>Fair Market Value indications by the Sales Comparison approach August 19, 2021</i>					
Description	#1138 Lot 1 COS 18353	#1139 Lot 3 COS 18353	#1140 Lot 8 COS 18353	#1141 Lot 16 COS 18353	#1166 Lot 5 COS 18353
Lot size/amenity	1.551 ac Beaver lake	2.774 ac Beaver lake	2.513 ac Beaver lake	1.457 ac Beaver lake	2.238 ac Beaver lake
Improvement size/Year	none	936 SF 2015	560 SF 1966	756 SF 1978	560 SF 2020
Land-segregated value	\$250,000	\$255,000	\$240,000	\$240,000	\$250,000
Improvements-segregated value	\$0	\$150,000	\$72,000	\$85,000	\$165,000
Total fee simple market value (Hypothetical Condition)	\$250,000	\$405,000	\$312,000	\$325,000	\$415,000

The Sales Comparison Approach is developed for the individual lots as if vacant by analyzing four sales of similar waterfront properties in Flathead County that have occurred within 12 months. Land sales are adjusted to reflect each individual lot's characteristics. The Sales Comparison approach is also developed to estimate the contributory value of the improvements on each site. Comparable sales are adjusted to reflect each improvements site value, size, overall quality/condition, outbuildings, and site improvements. The value indication from this approach is reasonably indicative of the investor attitudes in the Flathead County influence area.

Exposure Period

Based on the Highest and Best use of the subject properties, market evidence indicates an exposure period of 12 months may be required to sell each of the subject lots "as if vacant" and each improved property as a whole. A one-year exposure period assumes an aggressive marketing effort, and similar economic conditions to the current real estate market. An additional 30 to 60 days may be required for sale consummation. Exposure Period and marketing time are synonymous in this discussion.

Average days on market of all residential sales in Whitefish from the past year are 187 days as shown in the Market Analysis.

Average days on market of all vacant waterfront land sales in Flathead County from the past year are 240 days and Median days on market for all waterfront land sales in Flathead County from the past year are 98 days, as shown in Statistical Market Analysis:

Statistical Market Analysis

Status	#	List	Sold	List Price	Sold	Sale/List	Lot	List Price Per	Sold Price Per	Days on	Cumulative Days
		Listings	Volume		Price	Price	Acres	Lot Acres	Lot Acres	Market	on Market
Closed	144	95,544,200	92,183,242	Low	62,500	60,000	0.56	0	2,803.74	3,037.38	0
				Avg	663,501	640,161	0.97	22	193,213.37	187,486.80	156
				Med	395,000	375,500	1.00	6	51,398.94	48,740.89	84
				High	4,600,000	4,325,000	1.30	428	1,640,625.00	1,676,470.59	1,412
Overall	144	95,544,200	92,183,242	Low	62,500	60,000	0.56	0	2,803.74	3,037.38	0
				Avg	663,501	640,161	0.97	22	193,213.37	187,486.80	156
				Med	395,000	375,500	1.00	6	51,398.94	48,740.89	84
				High	4,600,000	4,325,000	1.30	428	1,640,625.00	1,676,470.59	1,412


Addenda

- Contract
- Qualifications of Jennifer L. McGinnis, MAI
- Privacy Notice

FOR DNRC USE ONLY		
Amount under this Agreement: <u>\$6,000</u>		
<u>Source of Funds</u>		
<u>Fund Name</u>	<u>Fund No.</u>	
Land Banking Private Closing Costs	02031	
<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>
555HA	6049-56	50%
	6048DR-06	50%

Approved

No. 225003
Division RW
Legal MP
F.S.O. GU



**TRUST LAND MANAGEMENT DIVISION
APPRAISAL OF POTENTIAL CABIN/HOMESITE SALES PROPERTIES IN FLATHEAD COUNTY**

THIS CONTRACT is entered into by and between the State of Montana, Department of Natural Resources and Conservation, (hereinafter referred to as "the State"), whose address and phone number are P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601, (406) 444-4289 and, Jennifer McGinnis, McGinnis Real Estate Appraisal Group LLC. (Contractor), whose address and phone number are PO Box 996, Polson, MT 59860, (406) 883-1659.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is upon contract execution, through December 15, 2021, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has executed it in Section 34. **The appraisal report is to be completed and forwarded to DNRC, Seth Goodwin, Real Estate Specialist at P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601 by November 15, 2021.**

1.2 Contract Renewal.

N/A

2. COST ADJUSTMENTS – N/A

2.1 Cost Increase by Mutual Agreement. – N/A

3. SERVICES AND/OR SUPPLIES

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcels in Flathead County as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an

Appraisal Report, conducted and prepared in compliance with the Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that supports the analyses, opinions and conclusions.

Attachment A and B are attached hereto and incorporated herein by reference.

The appraisal must comply with the instructions in Attachment A, Scope of Work for Appraisal of Potential Property Sales through the Land Banking Program, and all provisions in the body of this contract including the following:

- 1) The appraisal report will be one document containing the property data and analysis, opinions, and conclusions of value for the properties. 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 can 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.
- 2) Each sale parcel listed in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions must be assigned separate values.
- 3) The definition of market value is that as defined in **12 C.F.R 34.42(h)**.

4. WARRANTIES

4.1 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The State's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the State may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration of the successful submission of the appraisal report to be provided, the State shall pay Contractor \$6,000.00.

The contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made.

In No case shall the State's total cumulative payment under this contract exceed Six Thousand dollars and no/100 (\$6,000.00).

5.2 Withholding of Payment N/A

5.3 Payment Terms. Unless otherwise noted in the solicitation document, the State has thirty (30) days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking

information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

5.4 Reference to Contract. The contract number MUST appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

5.5 Fuel Surcharge - N/A

6. PREVAILING WAGES REQUIREMENTS - N/A

7. ACCESS AND RETENTION OF RECORDS

7.1 Access to Records. Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 21, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

7.2 Retention Period. Contractor shall create and retain all records documenting the Appraisal Report for a period of eight years after either the completion date of this contract or termination of the contract.

8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract. Contractor is responsible to ensure that any assignee, transferee or subcontractor is subject to all of the terms and conditions of this Contract as fully set forth. Consent of the State to assign, transfer or subcontract any portion of this Contract does not relieve the Contractor in any manner of its responsibilities under this Contract.

9. HOLD HARMLESS/INDEMNIFICATION

9.1 Claims under this provision also include any claim arising out of or in any way connected with Contractor's breach of this contract, including any claims asserting that any of the Contractor's employees are actually employees of the state or common law employees of the state or any of its agencies or political subdivisions, including but not limited to excise taxes or penalties imposed on the State under Internal Revenue Code §§ 4980H, 6055 or 6056 and any subsequent amendments or additions to these Sections. Contractor shall be responsible for implementation of all aspects of the Affordable Care Act as this Act may apply to Contractor and shall be responsible for any violations including any sanction, penalty, fee or tax and shall indemnify the State and hold harmless and defend the State for any omission or failure of Contractor to meet its obligations under Sections 13 and 14.

9.2 Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and

against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of State, under this Contract.

10. **CONTRACTOR REGISTRATION (for construction)** - N/A

11. **CONTRACTOR WITHHOLDING (for construction)** – N/A

12. **REQUIRED INSURANCE**

12.1 General Requirements. Contractor shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

12.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

12.3 Specific Requirements for Commercial General Liability. – N/A

12.4 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by Contractor.

12.5 Specific Requirements for Professional Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$500,000 per occurrence and \$500,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If "occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of this contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

12.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the State. At the request of the State either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as pertain to the State, its officers, officials, employees, or volunteers; or (2) at the expense of Contractor, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

12.7 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State, PO Box 201601, Helena, MT 59620-1601. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

13. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the State, PO Box 201601, Helena, MT 59620-1601.

14. COMPLIANCE WITH LAWS

14.1 Federal, State, or Local laws, Rules, and Regulations. Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The State may audit or request from Contractor at any time a statement that it is fully compliant with all requirements of this Section.

14.2 Contractor as Employer under the Patient Protection and Affordable Care Act and this Contract. The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Contractor represents and warrants that all individuals who perform services for an agency of the State for Contractor under this Contract are without exception Contractor's common law employees at all times and that Contractor acknowledges that Contractor has the responsibility and retains the obligation to direct and control its employees providing services under this Contract for the term of this Contract. Contractor is responsible for providing healthcare benefits for its employees under the Patient Protection and Affordable Care Act.

14.2.1 State Benefits Plans. Contractor acknowledges and agrees that it, its agents or employees are not employees of the State and that its agents or employees have no nexus with the State to participate in any of the State's benefits plans or programs that the State offers its employees and maintains for its employees.

14.2.2 Contractor Provided Health Care Coverage. Contractor shall, if required by the Patient Protection and Affordable Care Act, offer to all its agents or employees who perform services for the State under this contract for 30 or more hours a week and for employee's or agent's dependents under age 26 health care coverage under its health care plans. Such coverage must provide minimum essential coverage and minimum value and be affordable for purposes of the employer responsibility provisions under Section 4980H of the Code and otherwise satisfy the requirements of Code 4980H if provided by the State. It shall be contractor's sole responsibility to determine applicability and compliance requirements that may apply to Contractor under the Patient Protection and Affordable Care Act.

14.2.3 Contractor Reporting Requirements. Contractor acknowledges that if it is subject to any reporting requirements under Code §§ 6055 and 6066 that Contractor will fully comply with any required reporting with respect to individuals who perform services for the State.

14.3 Any partial or whole assignment, transfer or subletting or subcontracting by Contractor subjects subcontractors to the same provisions of this Section and it is the responsibility of the Contractor to ensure any agreement to assign, transfer, sublet or subcontract binds any successor to this Contract in whole or in part or binds any subcontractor to all the terms and conditions of this Contract as if a party to the Contract from inception.

14.4 In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing this contract.

15. DISABILITY ACCOMMODATIONS

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

16. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

17. INTELLECTUAL PROPERTY/OWNERSHIP

17.1 Mutual Use. Contractor shall make available to the State, on a royalty-free, non-exclusive basis, all patent and other legal rights in or to inventions first conceived and reduced to practice or created in whole or in part under this contract, if such availability is necessary for the State to receive the benefits of this contract. Unless otherwise specified in a statement of work, both parties shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use copyrightable property created under this contract. This mutual right includes (i) all deliverables and other materials, products, modifications that Contractor has developed or prepared for the State under this contract; (ii) any program code, or site- related program code that Contractor has created, developed, or prepared under or primarily in support of the performance of its specific obligations under this contract; and (iii) manuals, training materials, and documentation. All information described in (i), (ii), and (iii) is collectively called the "Work Product".

17.2 Title and Ownership Rights. The State retains title to and all ownership rights in all data and content, including but not limited to multimedia or images (graphics, audio, and video), text, and the like provided by the State (the "Content"), but grants Contractor the right to access and use Content for the purpose of complying with its obligations under this contract and any applicable statement of work.

17.3 Ownership of Work Product. Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the State may reasonably request, to perfect the State's ownership of any Work Product.

17.4 Copy of Work Product. Contractor shall, at no cost to the State, deliver to the State, upon the State's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the State's request, or such expiration or termination.

17.5 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the State (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, Contractor fails to disclose to the State such Contractor Pre-Existing Materials, Contractor shall grant the State a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the State to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in Section 17.3 or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

18. **PATENT AND COPYRIGHT PROTECTION** – N/A

19. **CONTRACT PERFORMANCE ASSURANCE** – N/A

20. **CONTRACT TERMINATION**

20.1 Termination for Cause with Notice to Cure Requirement. The State may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

20.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the State's failure to perform any of its duties under this contract after giving the State written notice of the failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

20.3 Reduction of Funding. The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

21. **EVENT OF BREACH – REMEDIES**

21.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- Products or services furnished fail to conform to any requirement;
- Failure to submit any report required by this Contract;
- Failure to perform any of the other terms and conditions of this Contract, including but not limited to beginning work under this Contract without prior State approval or breaching Section 26.1, obligations; or
- Voluntary or involuntary bankruptcy or receivership.

21.2 Event of Breach by State. The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

21.3 Actions in Event of Breach. Upon Contractor's material breach, the State may:

- Terminate this contract under section 20.1; or
- Treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the State's material breach, the Contractor may:

- Terminate this Contract under Section 20.2 and pursue any of its remedies under this Contract, at law, or in equity; or
- Treat this Contract as materially breached and, except as the remedy is limited in this Contract, pursue any of its remedies under this Contract, at law, or in equity.

22. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

23. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

24. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

25. LIAISONS AND SERVICE OF NOTICES

25.1 Contract Liaisons. All project management and coordination on the State's behalf must be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the State's liaison and Contractor's liaison.

Seth Goodwin, Real Estate Specialist, is the State's liaison.
Address: PO Box 201601
Helena, MT 59620-1601
Telephone: (406) 444-4289

Fax: (406) 444-2684
E-Mail: seth.goodwin2@mt.gov

Jennifer McGinnis, McGinnis Real Estate Appraisal Group, LLC.
Address: PO Box 996
Polson, MT 59860
Telephone: (406) 883-1659
E-Mail: Jennifer@mreag.com

25.2 Notifications. The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three (3) business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

25.3 Identification/Substitution of Personnel. – N/A

26. MEETINGS

26.1 Technical or Contractual Problems. Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working day notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the contract.

26.2 Progress Meetings. – N/A

26.3 Failure to Notify. – N/A

26.4 State's Failure or Delay. – N/A

27. Transition Assistance

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the State terminates a project or this contract for cause, then the State may

offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of Contractor's breach.

28. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

29. TAX EXEMPTION

State of Montana is exempt from Federal Excise Taxes (#81-0302402) except as otherwise provided in the federal Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119].

30. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

31. SEVERABILITY CLAUSE

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

32. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

32.1 Contract. This contract consists of 12 numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, pages 13-19. In the case of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

32.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by all the parties.

33. WAIVER

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

34. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

A scanned copy or facsimile copy of the original has the same force and effect as the original document.

STATE OF MONTANA

**Dept. Natural Resources & Conservation
Trust Land Management Division
P.O. Box 201601
1539 11th Avenue
Helena, MT 59620-1601**

CONTRACTOR

**Jennifer McGinnis
McGinnis Real Estate Appraisal Group LLC.
PO Box 996
Polson, MT 59860
FEDERAL ID #: 463596360**

BY: Ryan Weiss Bureau Chief
(Name/Title)

DocuSigned by:
Ryan Weiss
(Signature)

DATE: 8/2/2021

BY: Jennifer McGinnis MAI
(Name/Title)

DocuSigned by:
Jennifer McGinnis
(Signature)

DATE: 8/2/2021

ATTACHMENT A

Scope of Work for Appraisals of Potential Property Sales through the Cabin/Home Site Sale Program

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

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2021 Beaver Lake, Flathead County Appraisal

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 the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), Rod & Sonya Herrick, Caroline Saunders Smith, Richard Kramer, Philip R. Hambley, and Lonnie & Catherine Collinsworth. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

DEFINITIONS:

Current fair market value. (12 C.F.R. § 34.42 (h)) Market value means the most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Highest and best use. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

PROPERTY RIGHTS APPRAISED:

State of Montana lands are always to be appraised as if they are in private ownership and could be sold on the open market and are to be appraised in Fee Simple interest. For analysis purposes, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licenses do not exist.

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

The latest date of inspection by the appraiser will be the effective date of the valuation.

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

The legal descriptions and other characteristics of the state's property that are known by the state will be provided to the appraiser. However, the appraiser should verify, as best as possible, any information provided. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property and neighborhood, or through researching information about the property, neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

The legal descriptions and other characteristics of the lessee's property that are known by the lessee will be provided to the appraiser. However, the appraiser should verify, as best as possible, any information provided. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property, or through researching information about the property, neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible. The appraiser is to physically inspect the subject properties at a level that will allow the appraiser to render a credible opinion of value about the properties. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to

provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 5 (five) cabin sites identified in the Supplemental Appraisal Instructions.

The subject property must be valued with the actual or hypothetical condition that the 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

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION Supplemental Appraisal Instructions

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

Subject Property Located in Flathead County:

Sale #	Acres	Legal Description	Site Address (if known)
1138	1.551±	Lot 1, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1139	2.774±	Lot 3, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1140	2.513±	Lot 8, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1141	1.457±	Lot 16, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT
1166	2.238±	Lot 5, Beaver Lake, COS 18353, T31N-R22W, Sec. 20	Beaver Lease Road, Whitefish, MT

DNRC Contact Information:

Seth Goodwin, Real Estate Specialist
PO Box 201601
Helena, MT 59620-1601
Telephone: (406) 444-4289
Fax: (406) 444-2684
Seth.goodwin2@mt.gov

Lessees:

Sale 1138: Rod & Sonya Herrick, (406) 314-9314
Sale 1139: Caroline Saunders Smith, (706) 888-9248
Sale 1140: Richard Kramer, (406) 250-9786
Sale 1141: Philip R. Hambley, (403)620-0572
Sale 1166: Lonnie & Catherine Collinsworth, (406)250-4947

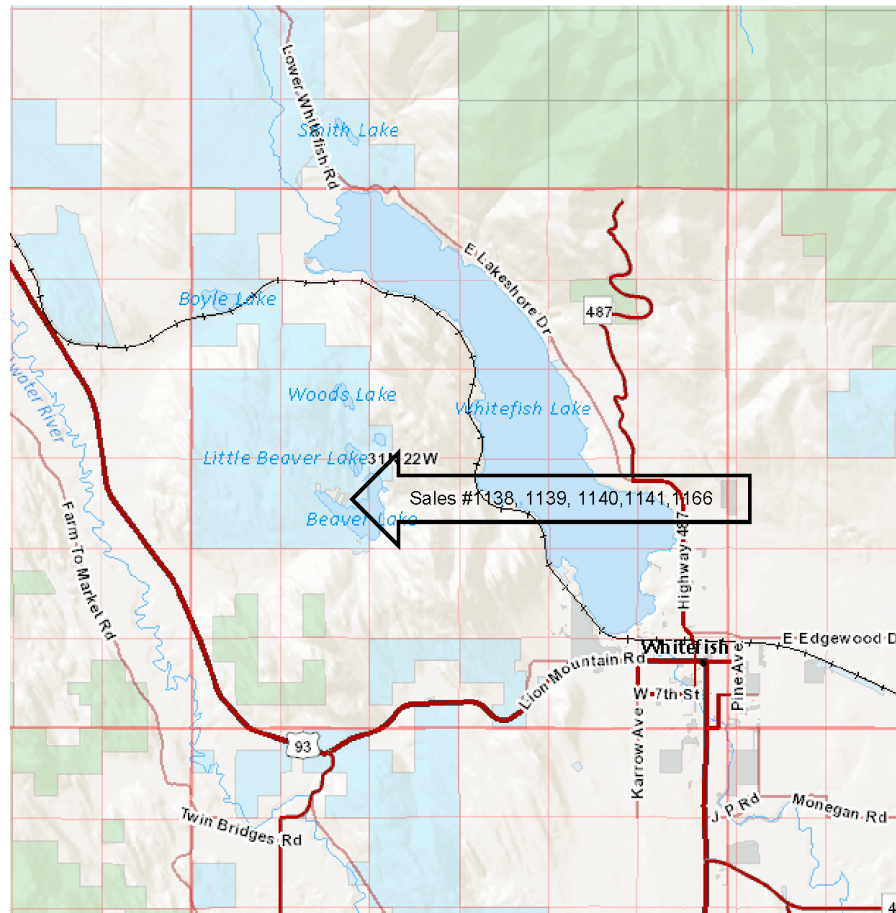
The following will be located in the body of the contract:

The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel(s). 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 may be returned to the appraiser for retention in his/her files upon request. 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 12 C.F.R. § 34.42 (h).

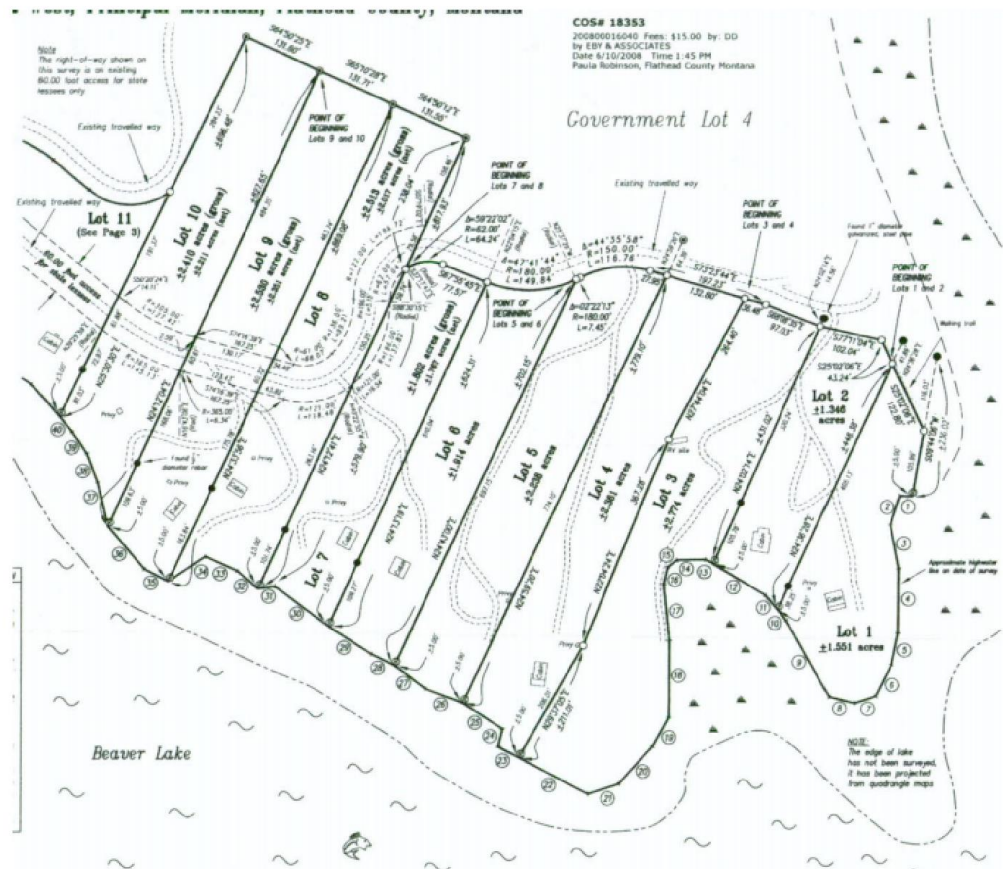
The DNRC will provide access to each state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, current lease data, any known property issues, surveys (if any). The local land office will provide the contact information to the appraiser, if necessary,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

Location Map of Parcels



Cabin Site Sale Parcel Maps

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



Lots 1, 3, 5, & 8



Lot 16

McGinnis Real Estate Appraisal Group, LLC

Qualifications of Jennifer L. McGinnis, MAI

Partner, McGinnis Real Estate Appraisal Group, LLC
2101 Dearborn Avenue #13
Missoula, MT 59801
or
P.O. Box 996
Polson, Montana 59860(406)546-1906 Cell
(406)883-1659 Office
(406)883-1649 Fax
Jennifer@mreag.com

Montana State Certification
Mt Certified General Appraiser
REA-RAG-LIC-714
State of Montana Appraiser Mentor

Membership/Affiliations:

Member: Appraisal Institute- MAI Designation
Board Member: Montana Board of Banking and Financial Institutions (2019-2020)
Appointed by Governor Steve Bullock
Past President: Montana Chapter- Appraisal Institute 2016-17
Past Board Chair: Montana Board of Real Estate Appraisers
Appointed by Governor Brian Schweitzer (2007-2013)

EDUCATION:

University of Montana
B.A. Communication Studies-1991

Appraisal Institute Courses & Seminars

- Condemnation Appraisal-2019
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications-2017
- Marketability studies-Advanced Considerations & applications-2017
- Marketability studies- 6 step process & basic applications-2017
- Uniform Standards of Professional Appraisal Practice Update-2019
- Real Estate finance, statistics, & valuation modeling-2015
- Business Practices and Ethics -2018
- Valuation of Conservation Easements -2012
- Appraising the Appraisal: Appraisal Review-2012
- Fundamental of Separating Real Property, Personal Property, & Intangible Business Assets-2012
- Advanced Spreadsheet Modeling for Valuation Applications-2011

- The Discounted Cash Flow Model: Concepts, Issues & Applications-2010
- Hotel Appraising-New techniques for today's uncertain times-2010
- Valuation by Comparison-2010
- Using Spreadsheet Programs in Real Estate Appraisals-2010
- Report Writing & Valuation Analysis-2009
- General Demonstration Report Writing-2009
- Advanced Applications-2009
- Advanced Income Capitalization-2008
- Uniform Appraisal Standards for Federal Land Acquisitions-2007
- Advanced Sales Comparison and Cost Approaches-2006
- Highest & Best Use and Market Analysis-2005
- The Professional's Guide to the URAR-2005
- General Applications-2004
- Basic Income Capitalization-2004
- Advanced Residential Form & Narrative Report Writing-2003
- Appraisal Procedures-2002
- Standards of Professional Practice, Part A & B-2002
- Appraisal Principles-2002
- 15 Hour USPAP Course 2002, 2006

Additional Seminars

- Annual Montana Economic Outlook Seminar-Bureau of Business & Economic Research, University of Montana
- The Technical Inspection of Real Estate –Beckman Group
- Spring AARO Conference-San Francisco, CA, 2008
- AARO Conference- Washington DC 2008, 2009, 2011
- Ted Whitmer's Comprehensive Exam seminar
- Managing and Procuring Commercial Appraisal Reports
- Appraisal Review: Sales Comparison and Cost Approaches
- Appraisal Review: Income Capitalization Approach
- Distressed and Depressed- Are Values Repressed? CRE Foreclosure/Workout Valuation
- Land, Condos and Subdivisions; Solutions to Hard to Value Assets
- How to Use Market Data: Solutions for Hard to Value CRE Assets

EXPERIENCE:

2013-Present

Partner, McGinnis Real Estate Appraisal Group, LLC

Appraisal/valuation and consulting assignments include: commercial/retail buildings, office buildings, commercial/industrial properties, warehouse buildings, medical office buildings, development land, residential and commercial subdivisions, residential and commercial condominiums, high-end residential properties, apartment buildings, low income housing tax credit apartments,

retirement homes, rural acreage, waterfront properties, Federal land acquisition (Yellow Book) appraisal reports, leased fee and leasehold valuations.

2003 - 2013

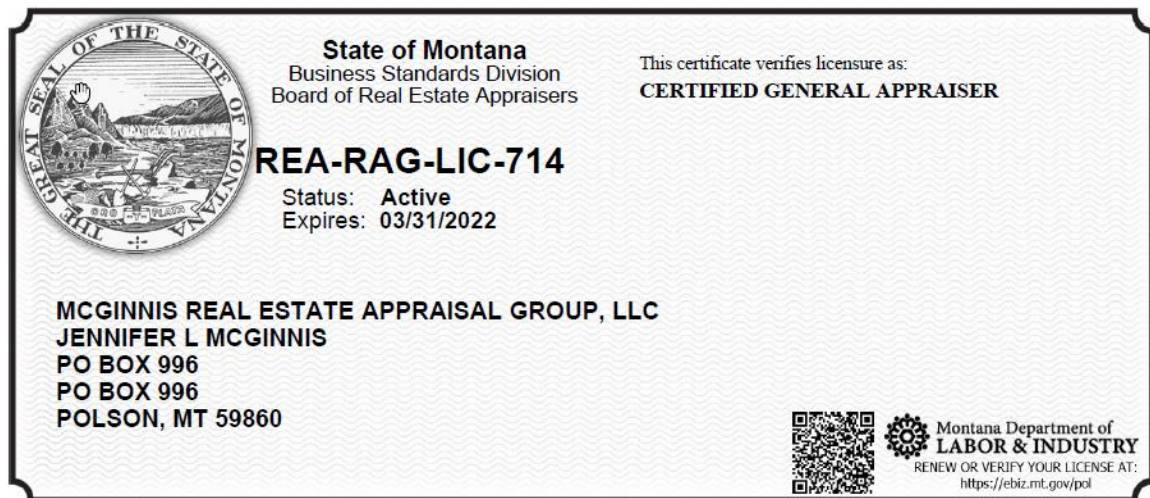
Real Estate Appraiser

Serving clients throughout the State of Montana.

Stevens & Company

P.O. Box 8287

Missoula, MT 59807



PRIVACY NOTICE

Pursuant to the Graham-Leach-Bliley Act of 1999, effective July 1, 2001, appraisers, along with all providers of personal financial services, are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as “nonpublic personal information” about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties To Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us at any time if you have any question about the confidentiality of the information that you provide to us.