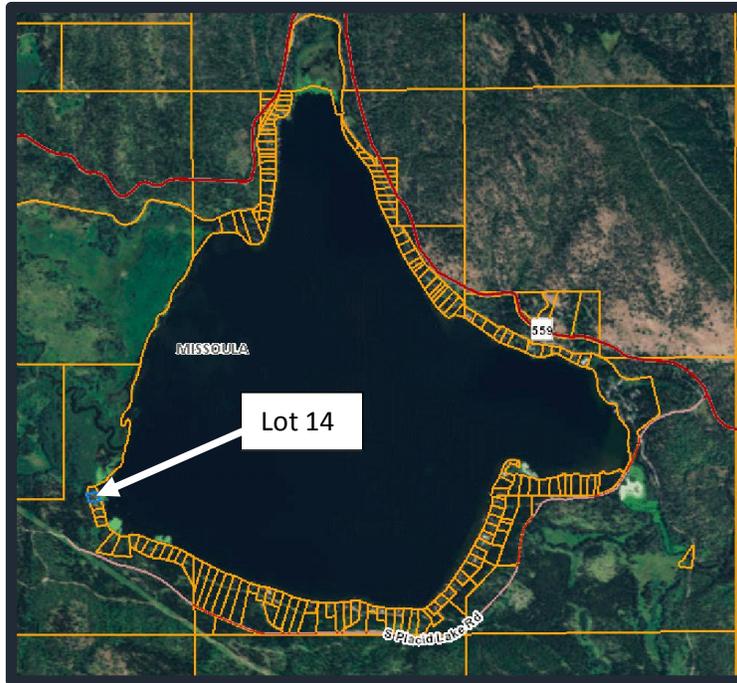


*APPRAISAL REPORT OF:*

**LOT 14 OF COS #5049  
SEELEY LAKE, MONTANA**



*PREPARED FOR:*

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

*MARKET VALUES AS OF:*

**May 6, 2016**

*PREPARED BY:*

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



704-C East 13<sup>th</sup> Street, #509  
Whitefish, Montana 59937

---

## LETTER OF TRANSMITTAL

June 17, 2016

Ms. Emily Cooper, Lands Section Supervisor  
State of Montana, Montana Board of Land Commissioners,  
& Montana Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, Montana 59620-1601

Re: Lot 14, COS #5049, Seeley Lake, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced property on May 6, 2016. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. The property viewing, reviews, and analyses were made in order to prepare the attached summary appraisal report.

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

The value of the fee simple interest in the subject lot, the value of the improvements, and value of the site and improvements considered together are estimated in this report. These estimates were made after thorough study of available market data and other data felt to be pertinent to this appraisal. The attached summary appraisal report exhibits the factual data found and reasoning used in forming our opinions of value.

The values are based on the assumptions that all necessary governmental approvals have been obtained and will be maintained, and that the property owner will exhibit sound management and sales practices. The values are based upon the **Hypothetical Conditions** that the property is a legal parcel and that the parcel has legal and adequate access.

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

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

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

Respectfully submitted,



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



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

16-015ec

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lot 14, COS #5049, Placid Lake, Seeley Lake, Montana
<b>Site Size</b>	0.827 Acres
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	4263352
<b>Census Tract</b>	30-063-0018.00
<b>Flood Zone</b>	Zone X , Map Panel 30063C1025D – Dated 8/16/1988
<b>Zoning</b>	Zoning District 8/Sub-district 8A

### HIGHEST AND BEST USE(S)

<b>As If Vacant</b>	Recreational/Residential
<b>As Improved</b>	Recreational/Residential

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

<b>Report Date</b>	June 17, 2016
<b>Inspection Date(s)</b>	May 6, 2016
<b>Effective Date of Value(s)</b>	May 6, 2016
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Value</b>	<b>\$410,000</b>
<b>Individual Improvement Value</b>	<b>\$50,000</b>
<b>Individual Total Market Value</b>	<b>\$460,000</b>

<b>Extraordinary Assumption(s)</b>	None
<b>Hypothetical Condition(s)</b>	See Scope of the Appraisal

### MARKETING & EXPOSURE TIME

The appraised value for the subject property as improved is based upon a 6 to 12 month marketing time and 6 to 12 month exposure time. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

### APPRAISER INFORMATION

<b>Appraiser(s)</b>	Elliott M. Clark, MAI & Christopher D. Clark
---------------------	--

## **CERTIFICATION OF APPRAISAL**

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

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

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

*Elliott M. Clark*

---

Dated Signed: June 17, 2016  
Elliott M. Clark, MAI  
MT REA-RAG-LIC-683

*Christopher D. Clark*

---

Date Signed: June 17, 2016  
Christopher D. Clark  
MT REA-RAL-LIC-841

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

## SCOPE OF THE APPRAISAL

The subject property is Lot 14 of Certificate of Survey #5049, Seeley Lake, Missoula County, Montana.

The appraisers were asked to estimate the values of the fee simple interest in the site and improvements for the subject property for decisions regarding potential sale of each property.

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

### Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject property on May 6, 2016. We measured the improvements on the property and walked the subject site.

### Scope of Research

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

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

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

### Extraordinary Assumptions

None

### Hypothetical Conditions

The values concluded in this report for the subject property are based upon the **Hypothetical Conditions** that the property was a legal parcel as of the report effective date and that there was legal and adequate access to the property.

### **Highest & Best Use**

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

### **Appraisal Process**

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

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

### **Environmental**

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

### **General Data Sources**

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

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

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

## **IDENTIFICATION OF THE SUBJECT PROPERTY**

The subject property is identified as Lot 14 of COS #5049, Missoula County, Montana.

## **INTENDED USE & INTENDED USERS OF THE APPRAISAL**

It is understood that the intended use of this appraisal is for decisions regarding possible sale of the subject properties. This report was prepared for the, the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The Lessee, Susan Robinson, is an additional intended user of this report.

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

## **PURPOSE OF THE APPRAISAL**

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

## **DATE OF PROPERTY VIEWING**

May 6, 2016

## **EFFECTIVE DATE OF MARKET VALUES**

May 6, 2016

## **PROPERTY RIGHTS APPRAISED**

The values indicated in this report are for the **fee simple** interests in the subject property. The fee simple interest is full, complete, and unencumbered ownership subject only to the governmental rights of taxation, police power, eminent domain and escheat. This is the greatest right and title, which an individual can hold in real property.

## **DEFINITION OF MARKET VALUE**

At the request of the client, the definition of market value utilized in this report is the Current Fair Market Value as defined in MCA 70-30-313 which is as follows;

Current Fair Market Value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

## **STATEMENT OF OWNERSHIP & USE HISTORY**

### **STATEMENT OF OWNERSHIP**

The subject site is owned by the State of Montana. The improvements on the site are owned by the lessee. We did not locate a transfer of the subject improvements via records of Missoula County in the 3 years prior to the report effective date.

### **USE/MARKETING HISTORIES**

The Montana Department of Natural Resources and Conservation manages a total of approximately 770 leasable residential cabin sites which are owned by the State of Montana. The subject lot is in this program. According to the available information, the subject lot has been used for recreational/residential purposes for many years prior to the report effective date. We do not know the exact dates of construction of the improvements on the subject lot; however, they have been in place for more than 3 years prior to the report effective date.

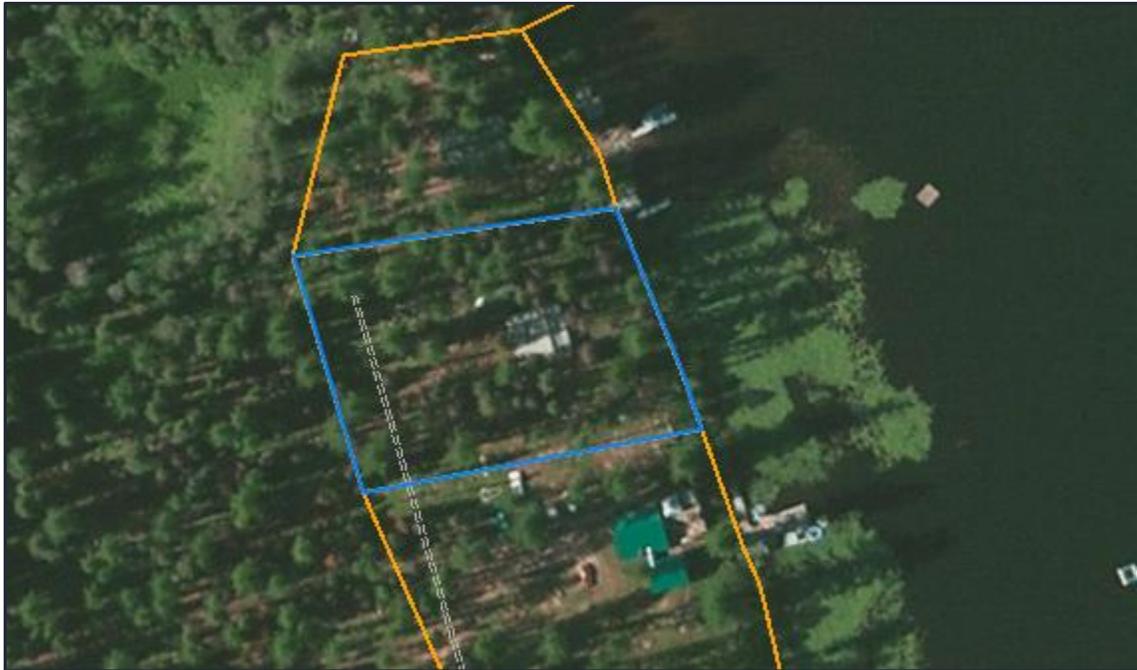
According to our research, the subject improvements have not been marketed via the area MLS during the 3 years prior to the report effective date.

## PROPERTY DESCRIPTION

### GENERAL DESCRIPTION

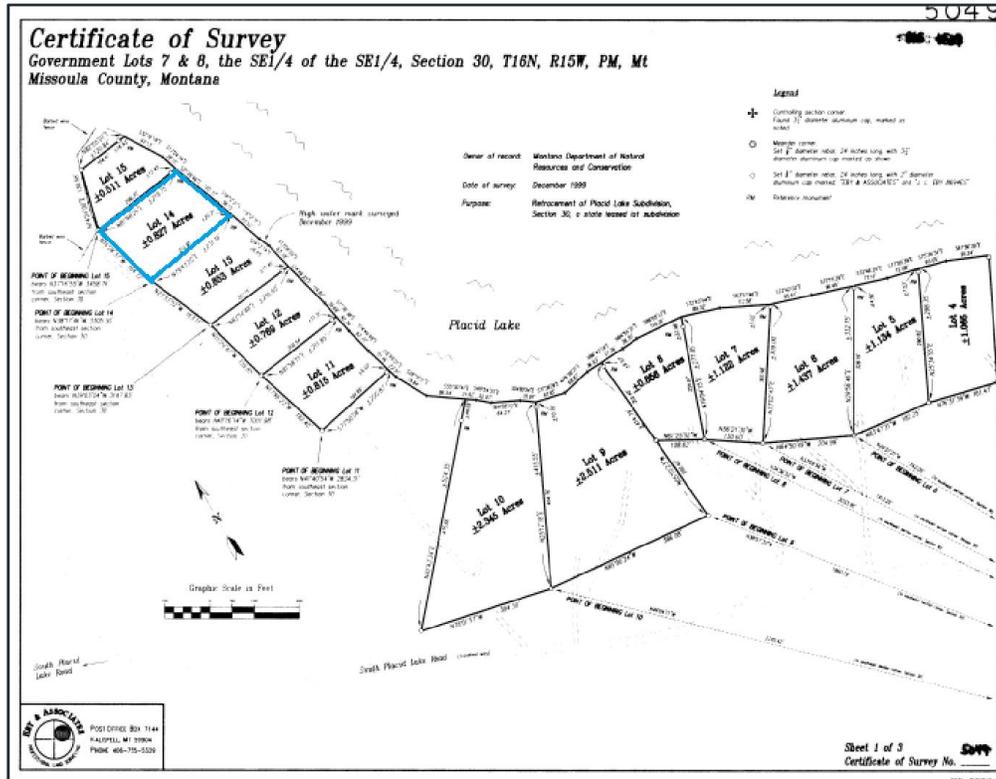
The subject property is in the community of Seeley Lake. The subject property is identified as Lot 14 of COS #5049, Section 30, Township 16 North, Range 15 West, Missoula County, Montana. The subject property includes 158.52 feet of frontage along Placid Lake.

An aerial view of the subject property (identified in blue) from Montana Department of Revenue Cadastral Mapping is below;

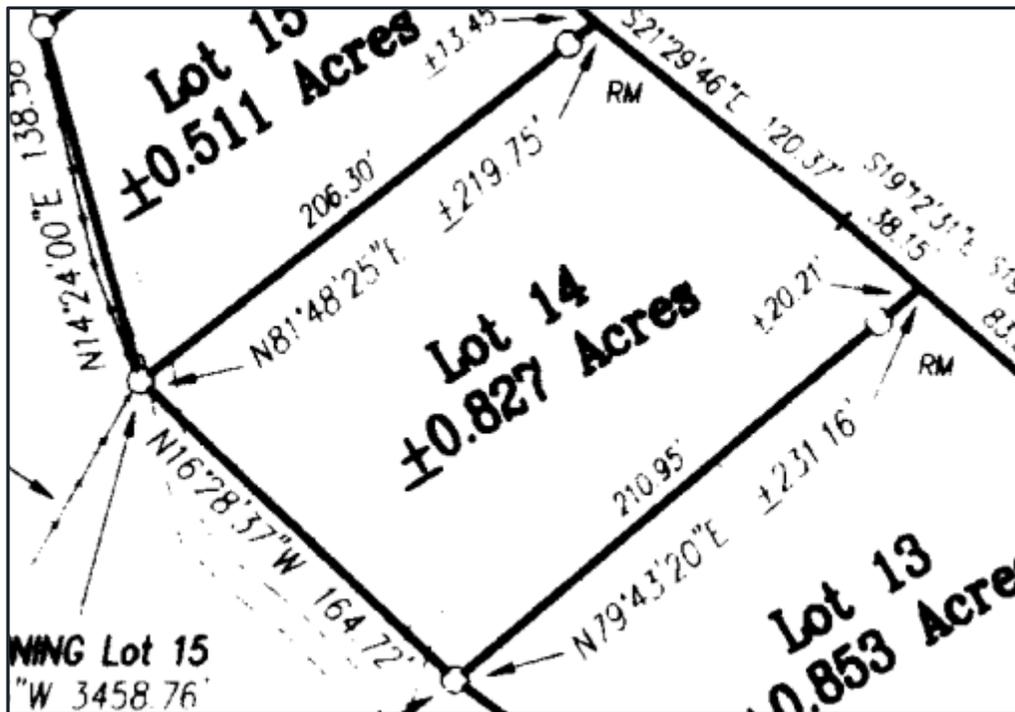


Additional exhibits depicting the subject property are included throughout this section of this report.

Page 1 of COS# 5049 with the subject property outlined in blue is below;



An enlarged view of the subject portion of COS #5049 is below;



## **ACCESS AND VIEWS**

The subject property is accessed via South Placid Lake Road. South Placid Lake Road is gravel covered road owned by the State of Montana.

The subject property has views of Placid Lake and surrounding Mountains.

## **IMPROVEMENTS**

The subject site is improved with an 800 square foot wood framed residence constructed on a post and pier type foundation. The residence includes wood lap and log exterior siding and has a metal roof covering. The interior floor plan consists of a living/kitchen area, one bedroom, and one bathroom with a shower, sink, and toilet. The overall quality and condition of the residence are both considered to be fair. We do not know the construction date of the residence but have estimated it was constructed in the 1960's. There is a newer 392 square foot, 1 car garage; an older 144 square foot boat house with a 166 square foot walkway, and an outhouse building. Water is via a pump which accessing lake water and there is a septic system on the property.

## **EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS**

No other easements were noted on the subject COS. We did not observe encroachments on the subject property.

The subject property is regulated by Missoula County, various agencies of the State of Montana, and agencies of the United States regarding construction within a specific distance of the high water mark of Placid Lake regulated by the Missoula County Shoreline Regulations.

If additional easements, restrictions, or encroachments other than those noted in this report are present on the subject properties, the values concluded in this report may be affected.

## **ZONING**

The subject property is in the Citizen Initiated Zoning District #8 and in Sub-District #8A of Missoula County, Montana. The intent of this district is below;

*“to ensure that the built elements of the Placid Lake community complement the natural beauty and the public safety of the lake, lakeshore, and surrounding area”*

Permitted uses in this district are; single family dwellings, accessory structures, and home occupations. Prohibited uses are; commercial uses, industrial uses, boat marinas, and boat ramps.

The minimum lake frontage per lot is 150 feet as measured along the mean low-water line of the lake. The minimum site size is 1 acre. The minimum building setback from the typical high-water mark of the lake is 50 horizontal feet from the high-water line.

The subject site does not conform to the minimum site size; however, it does conform to the required lake frontage. We do not know whether or not the subject residence conforms to the required setback. We assume for report purposes that a non-conformance of the subject site is considered allowable by Missoula County.

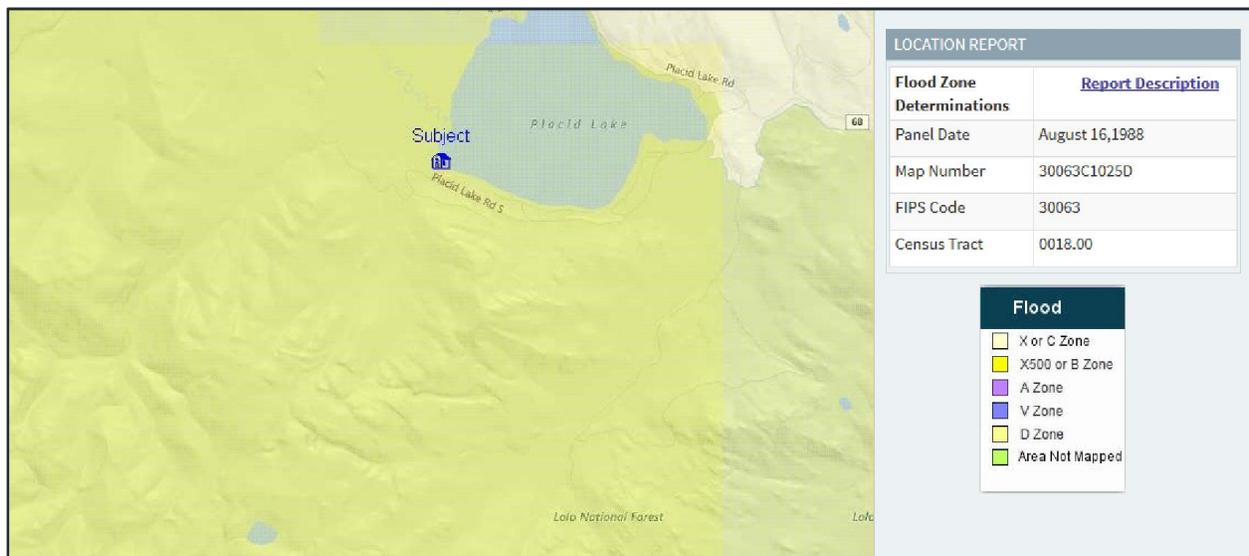
## ASSESSMENT/REAL PROPERTY TAXES

The subject lot was tax exempt as of the report effective date; however, the lot is valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on the subject site are taxable. The 2015 tax bill was \$646.29 and taxable market value total for the subject improvements (as per the Montana Department of Revenue) was \$63,810 for 2015.

## TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

The subject includes level areas but slopes relatively steeply down toward Placid Lake. The subject lot includes native vegetation and landscaping.

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #30063C1025D), the subject property is located in Zone C. Zone C is an area designated as low to moderate flood risk. An exhibit derived from the FEMA flood map panel is below;



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

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

## UTILITIES

There is electricity and telephone service along South Placid Lake Drive. There is power pole on an adjacent site and it appears that there are buried lines from this pole which provide electricity to the subject property. The subject property utilizes a lake water system and there is a septic system on the property. It is assumed that the septic system in place is in working order.

**PUBLIC SAFETY AND SERVICES**

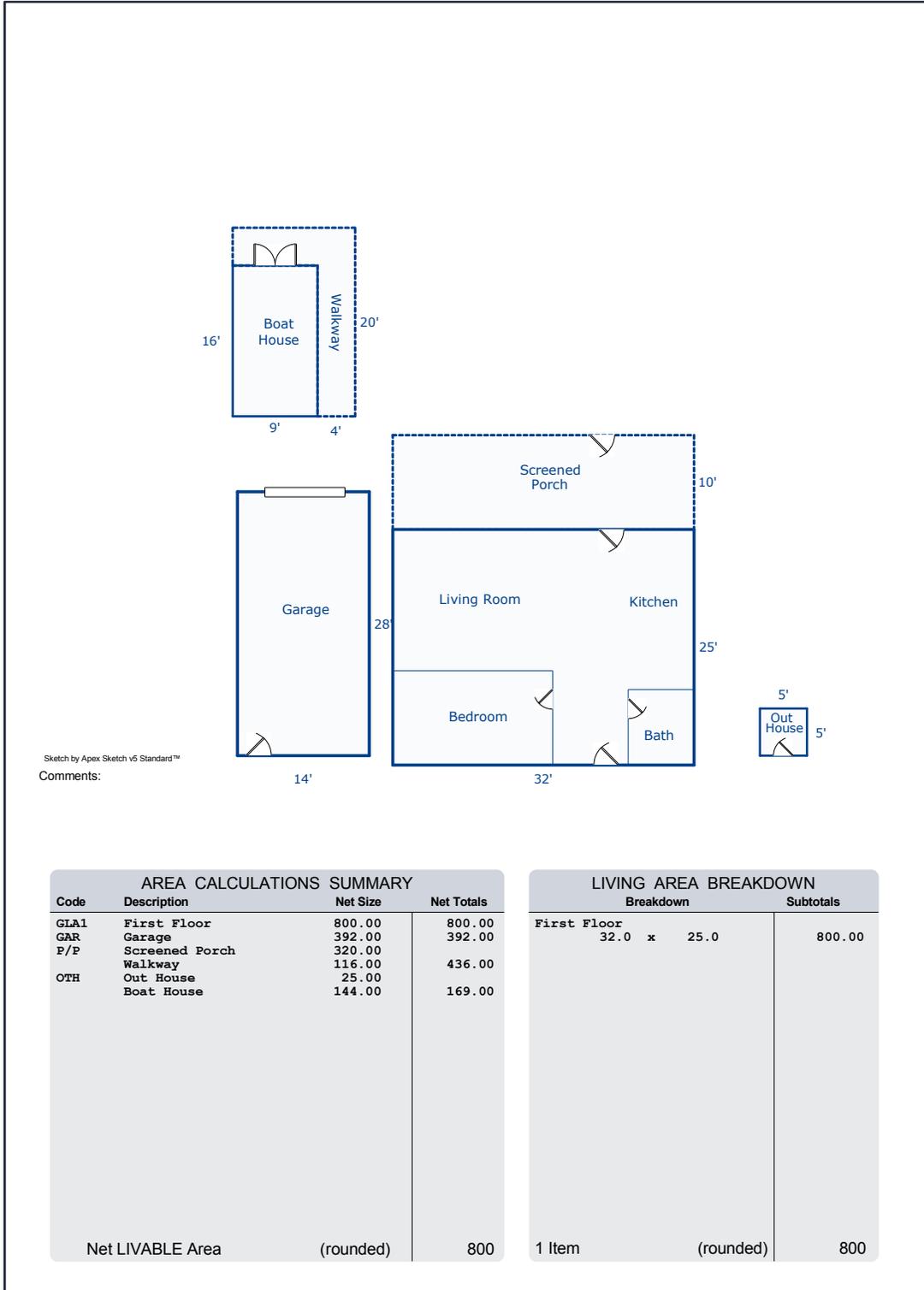
Police, fire protection, and other services are provided by Missoula County and area volunteer emergency services.

**SITE SUITABILITY**

The subject lot is legally and physically suited for residential improvements.

# SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

## LOT 14 – BUILDING SKETCH



## LOT 14 - PHOTOGRAPHS



Front of Cabin on Lot 14



Rear of House and Parking



North Side of Cabin



South Side and Front of Cabin



Screened Porch



Kitchen

ADDITIONAL PHOTOGRAPHS



Living Room



Kitchen



Bedroom



Bathroom



Garage



Garage Interior

**ADDITIONAL PHOTOGRAPHS**



Boat House



Boat House Interior



Lake and Mountain Views from Lot 14



Views from Lot 14



NE Boundary Marker Looking South along Lake Frontage



View West along North Property Boundary

**ADDITIONAL PHOTOGRAPHS**



SE Property Boundary Marker



View North along East Property Boundary and Lake Frontage



Property Interior Looking toward Cabin



Property Interior Looking South



Property Interior Looking SW toward South Placid Lake Rd.

## SUBJECT MARKET ANALYSIS

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

### Subject Productivity Analysis

#### General Property Description

The subject site totals 0.827 acres and 158.52 feet of frontage along Placid Lake. The subject property includes residential improvements. The subject property is located in the community of Seeley Lake.

#### Area Land Use Trends

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

### Potential Users of Subject Property

The potential users of the subject lot would be market participants seeking to own recreational/residential property with frontage along Placid Lake.

### Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales (vacant and improved) with frontage along Placid Lake. Very limited market data was located. There was sufficient market data regarding improved homes on sites with 3 acres or less in the community of Seeley Lake to prepare a credible analysis.

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

Seeley Lake Residential Improved Properties - Market Activity					
Homes on Lots up to 3 Acres in Size					
Year	# of Sales	Median Sales Price	Low Sales Price	High Sales Price	DOM
2013	21	\$240,000	\$125,000	\$725,000	191
2014	24	\$244,000	\$95,000	\$850,000	295
2015	28	\$237,450	\$93,500	\$700,000	277
2016 YTD	10	\$210,000	\$150,000	\$785,000	364
<b>ACTIVES</b>	<b>32</b>	<b>\$259,450</b>	<b>\$55,000</b>	<b>\$1,599,000</b>	<b>159</b>

This data indicates that the median home price was relatively stable from 2013 through 2015. There is not sufficient information regarding 2016 to make a final conclusion regarding annual median home price.

The highest prices are typically paid for lake or river front properties; however, there are typically very few sales of waterfront properties in Seeley Lake each year.

### **Competitive Supply**

There were 32 active listings of homes on sites with 3 acres or less in Seeley Lake as of the report effective date.

### **Interaction of Supply and Demand**

Based upon the average sales volume from 2013 through 2015, there is an approximately 1.3 year supply of homes for sale on lots with 3 acres or less in Seeley Lake.

### **Subject Marketability Conclusion**

Due to the frontage along the Placid Lake, the subject property has superior marketability compared to most homes on 3 acres or less currently available for sale.

The most applicable sales of vacant and improved properties in Seeley Lake during the period studied were selected as comparables for determination of the value of the subject site as if vacant, the value of the subject improvements, and the value of the subject property as improved.

### **Estimated Marketing and Exposure Times**

The 28 homes sales in Seeley Lake that closed in 2015 were marketed for an average of 277 days. The 10 home sales in Seeley Lake that closed in 2016 Year-to-Date were marketed for 364 days. A **marketing time** between 6 to 12 months is appropriate for the subject property as improved. If the subject property as improved had sold on the effective date of this report, at the appraised value indicated in this report, a 6 to 12 month **exposure time** would have been reasonable.

## HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

## **AS IF VACANT**

### *Legally Permissible*

The subject lot is the Citizen Initiated Zoning District #8 and in Sub-district #8A. Legally permissible uses are; single family dwellings, accessory buildings, and home occupations.

### *Physically Possible*

There is sufficient space on the subject site for a single family residence and related outbuildings.

### *Financially Feasible*

Many lots along Placid Lake include single family residences. Use of the subject lot for construction of a single family residence is financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED**

The subject property is improved with a single family residence and related outbuildings. There is market acceptance of many types of residences along area lakes and rivers. Area waterfront residences range from very small, older, un-renovated cottages used seasonally to newer homes utilized on a year round basis. Alteration of the subject residence for any use other than as a single family home would require large capital expenditures. Continued use as single family residences (recreational and/or residential) for the subject property is the highest and best use as improved.

## THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject property. To arrive at estimates of market values for the subject property, it is necessary to collect and analyze all available data in the market which might tend to indicate the values of the subject property. The subject property must be compared to similar properties that can be constructed, purchased, or from which a similar monetary return may be received.

### APPROACHES IN THE VALUATION OF REAL PROPERTY

The three recognized approaches in the valuation of real property are Sales Comparison, Cost Approach and Income Capitalization. According to The Appraisal of Real Estate – 14th Edition by the Appraisal Institute, the approaches are described as follows:

#### Cost Approach

In the Cost Approach, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit), minus the loss in value from depreciation, plus land value.

#### Sales Comparison Approach

In the Sales Comparison Approach, value is indicated by recent sales of comparable properties in the market.

#### Income Capitalization Approach

In the Income Capitalization Approach, value is indicated by a property's earning power based on the capitalization of income.

Each of the three approaches to value requires data collection from the market and each is governed equally by the principle of substitution. This principle holds "when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand and widest distribution."

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

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

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

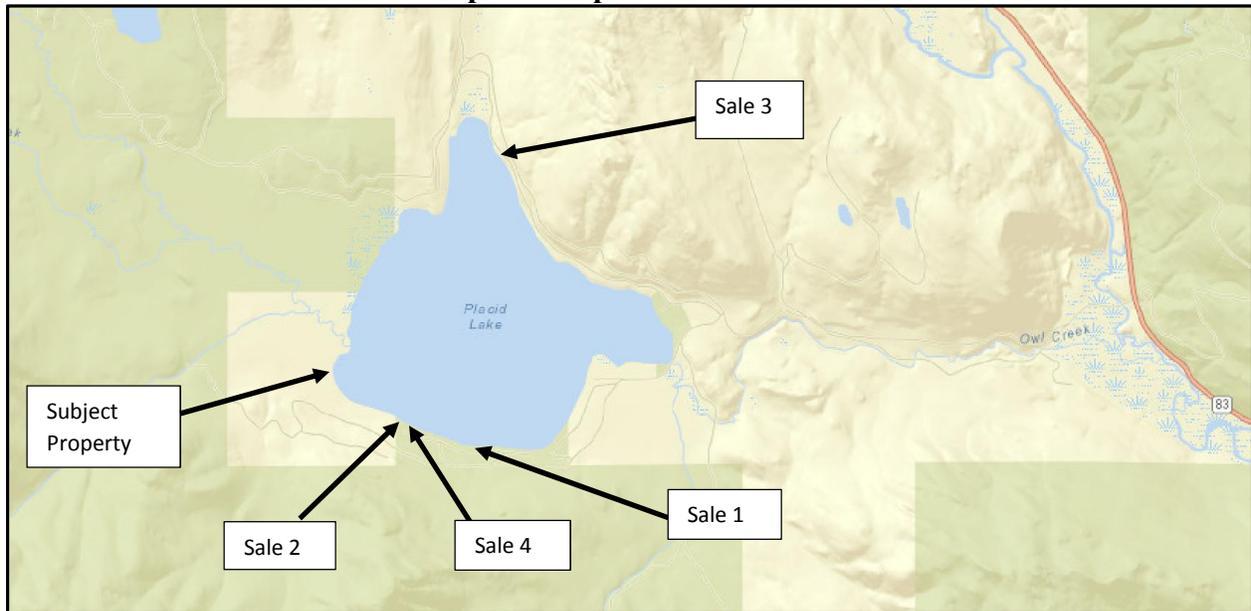
## COMPARABLE LOT SALES

We conducted a search for sales of sites along Placid Lake. As noted in the Subject Market Analysis, there are few water front sales each year in the Seeley Lake area. We located 4 sales of sites along Placid Lake since 2011. These were considered appropriate comparables for the subject site. The recognized unit of comparison is price per frontage along the lake. These comparables are described on the table below;

Sale #	Address	City	Lake	Front Feet	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvements	Price/FF
1	482 Shore Place	Seeley Lake	Placid Lake	166.00	2015	\$450,000	\$0	\$450,000	\$2,711
2	Lot 1A, Placid View Place	Seeley Lake	Placid Lake	200.00	2014	\$490,000	\$0	\$490,000	\$2,450
3	6980 Placid Creek Rd	Seeley Lake	Placid Lake	123.00	2013	\$253,000	\$0	\$253,000	\$2,057
4	826 Placid View Place	Seeley Lake	Placid Lake	166.00	2011	\$450,000	\$0	\$450,000	\$2,711

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

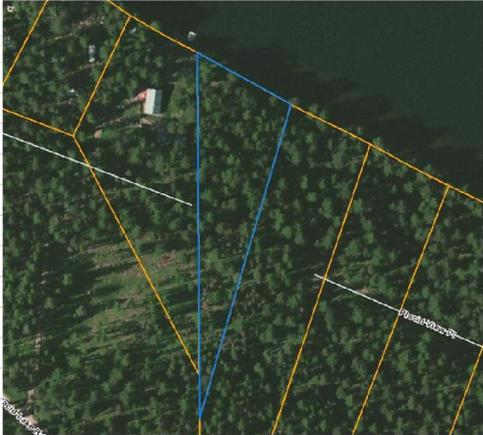
**Map of Comparable Lot Sales**



## LAND SALE 1

COMPARABLE SALE INFORMATION			
	<b>Location</b>		482 Shore Place
	<b>City/State</b>		Seeley Lake
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0003384109
	<b>Zoning</b>		Zoning District 8
	<b>Site Size: Acres</b>		4.100
	<b>Square Feet</b>		178,596
	<b>Date of Sale</b>		December 18, 2015
	<b>Sales Price</b>		\$450,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$450,000
	<b>MLS #</b>		20145893
ANALYSIS OF SALE			
<b>Price per Acre</b>		\$109,756	
		<b>Price per Square Foot</b>	\$2.52
		<b>Price Per Front Foot</b>	\$2,711
TRANSFER INFORMATION			
<b>Grantor</b>	D. Lester Tumbull & Sandra Tumbull	<b>Grantee</b>	Brian R. Taylor & Betty R. Taylor
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201523506
<b>Financing/Conditions</b>	Contract for Deed/Market	<b>Marketing Time</b>	472 Days on Market
		<b>Verified By</b>	Kevin Wetherell, Listing Agent
<b>Legal Description</b>	Lot 16A of Placid Lake South Shore Tracts First Amendment	<b>Intended Use/Comments</b>	Purchased for Recreational/Residential Use
<b>Section/Township/Range</b>	S3/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Rolling, gentle slope to waterfront.	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30063C1025D, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	166	<b>Value of Improvements</b>	\$0
<b>Front Feet Per Acre</b>	40		
<b>Utilities</b>	Electricity & Telephone to Lot. Septic Approved	<b>Miscellaneous</b>	Listing agent described property as one of the best lots on Placid Lake.
			<b>Report File # 16-015ec</b>

## LAND SALE 2

COMPARABLE SALE INFORMATION			
	<b>Location</b>		Lot 1A Placid View Place
	<b>City/State</b>		Seeley Lake
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0004615434
	<b>Zoning</b>		Zoning District 8
	<b>Site Size: Acres</b>		1.380
	<b>Square Feet</b>		60,113
	<b>Date of Sale</b>		July 31, 2014
	<b>Sales Price</b>		\$490,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$490,000
	<b>MLS #</b>		20144292
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$355,072	<b>Price per Square Foot</b>	\$8.15
		<b>Price Per Front Foot</b>	\$2,450
TRANSFER INFORMATION			
<b>Grantor</b>	Richard A. Ainsworth & Linda S. Ainsworth	<b>Grantee</b>	Jeffrey S. Eidel & Rachel A. Eidel
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201411290
		<b>Marketing Time</b>	34 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Kevin Wetherell, Listing Agent
<b>Legal Description</b>	Lot 1A of the Amended Plat of Placid Lake South Shore Tracts Phase 7	<b>Intended Use/Comments</b>	Purchased for Recreational/Residential Use
<b>Section/Township/Range</b>	S29/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Rolling	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30063C-1025D, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	200	<b>Value of Improvements</b>	\$0
<b>Front Feet Per Acre</b>	145		
<b>Utilities</b>	Electricity & Telephone to Lot. Septic Approved	<b>Miscellaneous</b>	Lot is triangular shaped and narrow. Listing Agent described the property as somewhat more of a difficult build than some other Placid Lake lots.
<b>Report File #</b> 16-015ec			

## LAND SALE 3

COMPARABLE SALE INFORMATION			
	<b>Location</b>		6980 Placid Creek Rd.
	<b>City/State</b>		Seeley Lake
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0005949507
	<b>Zoning</b>		Zoning District 8
	<b>Site Size: Acres</b>		1.350
	<b>Square Feet</b>		58,806
	<b>Date of Sale</b>		August 5, 2013
	<b>Sales Price</b>		\$253,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$253,000
<b>MLS #</b>		309543	
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$187,407	<b>Price per Square Foot</b>	\$4.30
		<b>Price Per Front Foot</b>	\$2,057
TRANSFER INFORMATION			
<b>Grantor</b>	Kirk A. LeClaire & Estate of Bruce LeClaire	<b>Grantee</b>	Robert C. Lukes & Shannon M. Dukes
<b>Type of Instrument</b>	Warranty Deed & Deed of Personal Representative	<b>Document #</b>	201315644 & 201315643
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	649 Days on Market
		<b>Verified By</b>	Kevin Wetherell, Listing Agent
<b>Legal Description</b>	Lot 3 of Beavertail Villa Site Lots 1,2,3,4,5,& 6 and the N. 11' of Lot V	<b>Intended Use/Comments</b>	Purchased for Recreational/Residential Use
<b>Section/Township/Range</b>	S20/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Steep Slope to Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30063C0720E, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	Well
<b>Feet of Water Frontage</b>	123	<b>Value of Improvements</b>	\$5,000
<b>Front Feet Per Acre</b>	91	<b>Miscellaneous</b>	According to the Listing Agent, the lot is very steep and would likely require higher than average building site engineering costs in order to build a house. The property is also bisected by a road.
<b>Utilities</b>	Power and Telephone to Lot. Well in Place		
<b>Report File # 16-015ec</b>			

## LAND SALE 4

COMPARABLE SALE INFORMATION			
	<b>Location</b>		826 Placid View Place
	<b>City/State</b>		Seeley Lake
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0005949507
	<b>Zoning</b>		Zoning District 8
	<b>Site Size: Acres</b>		1.070
	<b>Square Feet</b>		46,609
	<b>Date of Sale</b>		July 29, 2011
	<b>Sales Price</b>		\$450,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$450,000
	<b>MLS #</b>		307101
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$420,561	<b>Price per Square Foot</b>	\$9.65
		<b>Price Per Front Foot</b>	\$2,711
TRANSFER INFORMATION			
<b>Grantor</b>	R.A. Ainsworth & Linda S. Ainsworth	<b>Grantee</b>	Patrick W. Elliott & Cheryl K. Elliott
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201112565
		<b>Marketing Time</b>	38 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Kevin Wetherell, Listing Agent
<b>Legal Description</b>	Lot 9 of Placid Lake South Shore Tracts Ph. 7	<b>Intended Use/Comments</b>	Purchased for Recreational/Residential Use
<b>Section/Township/Range</b>	S20/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Road	<b>View</b>	Lake, Mountains
<b>Topography</b>	Steep Slope to Lake	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30063C1025D, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	166	<b>Value of Improvements</b>	\$0
<b>Front Feet Per Acre</b>	155		
<b>Utilities</b>	Power and Telephone to Lot. Septic Approved	<b>Miscellaneous</b>	According to the Listing Agent, this was a very nice lot on Placid Lake with deep water access.
		<b>Report File # 16-015ec</b>	

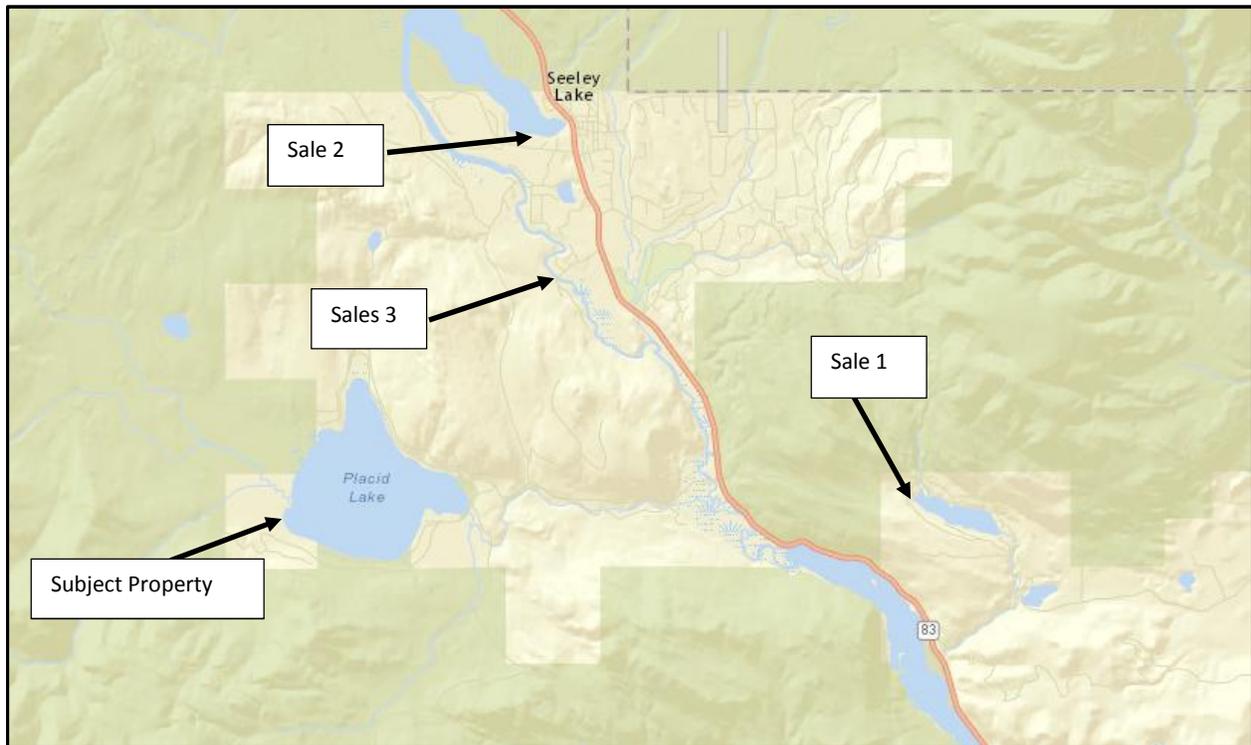
## COMPARABLE HOME SALES

We conducted a search for sales of homes on lakefront or riverfront sites similar the subject residence for use as comparables to determine the value of the subject improvements. No comparable improved sales were located along Placid Lake. For that reason, it was necessary to expand the search to nearby lakes and rivers. The most applicable are described on the table below;

Waterfront Home Sales							
Sale #	Address	City	Water Name	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	990 Access Rd	Seeley Lake	Big Sky Lake	2014	\$345,000	\$290,000	\$55,000
2	1184 Boy Scout Rd	Seeley Lake	Seeley Lake	2014	\$390,000	\$300,000	\$90,000
3	138 Little Wheel Ct	Seeley Lake	Clearwater River	2013	\$179,000	\$130,000	\$49,000

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

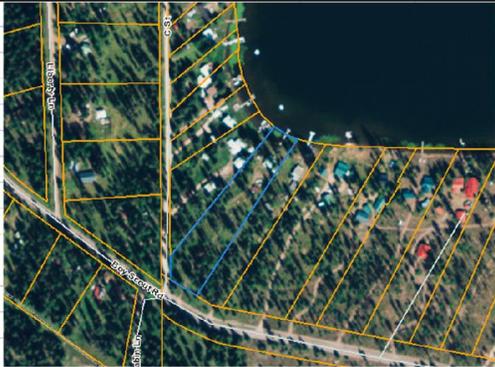
### Map of Comparable Home Sales



# HOME SALE 1

COMPARABLE SALE INFORMATION			
	<b>Location</b>		990 Access Road
	<b>City/State</b>		Seeley Lake, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0001612109
	<b>Zoning</b>		Unzoned
	<b>Site Size: Acres</b>		1.47
	<b>Square Feet</b>		64,033
	<b>Gross Building Area (SF)</b>		694
	<b>Date of Sale</b>		July 22, 2014
	<b>Sales Price</b>		\$345,000
	<b>MLS #</b>		323416
	TRANSFER INFORMATION		
<b>Grantor</b>	Marvin D. McMichael	<b>Grantee</b>	Jeff C. Maphis & Beth H. Maphis
<b>Recording Data</b>	201410652	<b>Marketing Time</b>	266 Days of Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Scott Kennedy, Listing Agent
<b>Legal Description</b>	Lot T-1 of McMichaels Addition to Big Sky Lake Estates	<b>Intended Use</b>	Recreational/Residential Use
<b>Section/Township/Range</b>	29/16/14		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Gross Building Area (SF)</b>	694	<b>Improvement Size - SF</b>	694
<b>Basement Area</b>	None	<b>Sales Price</b>	\$345,000
<b># of Bedrooms</b>	1	<b>Less Site Value*</b>	\$290,000
<b># of Bathrooms</b>	1	<b>Value of Improvements</b>	\$55,000
<b>Construction</b>	Wood Framed	<b>Sales Price Per Square Foot</b>	\$497
<b>Quality</b>	Average	<b>Price of Improvements Per SF</b>	\$79
<b>Condition</b>	Average		
<b>Year Built/Age</b>	1978/36 Years		
<b>Number of Stories</b>	1		
<b>Functional Plan/Layout</b>	Yes		
<b>HVAC/Heating/Cooling</b>	Wood Stove		
<b>Outbuildings</b>	None		
<b>Garage</b>	None		
<b>Access</b>	Private Gravel Road		
<b>Appliances</b>	Range, Refrigerator		
<b>Utilities</b>	Electricity, Telephone, Internet, Shared Well & Septic		
<b>Site Topography</b>	Level		
<b>Water Frontage</b>	145' on Big Sky Lake		
<b>Miscellaneous</b>			
		<b>Report File</b> 16-015ec	

## HOME SALE 2

COMPARABLE SALE INFORMATION			
	<b>Location</b>		1184 Boy Scout Rd.
	<b>City/State</b>		Seeley Lake, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0002508405
	<b>Zoning</b>		Unzoned
	<b>Site Size: Acres</b>		1.8
	<b>Square Feet</b>		78,408
	<b>Gross Building Area (SF)</b>		900
	<b>Date of Sale</b>		July 9, 2014
	<b>Sales Price</b>		\$390,000
	<b>MLS #</b>		327523
	TRANSFER INFORMATION		
<b>Grantor</b>	Eileen T. Ehemberger	<b>Grantee</b>	Richard G. Weldner & Carol Weldner
<b>Recording Data</b>	Warranty Deed #201409491	<b>Marketing Time</b>	36 Days of Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Kelly Laabs, Listing Agent
<b>Legal Description</b>	Lot 64 of Seeley Lake Shore Sites	<b>Intended Use</b>	Recreational/Residential Use
<b>Section/Township/Range</b>	03/16/15		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Gross Building Area (SF)</b>	1,140	<b>Improvement Size - SF</b>	1,140
<b>Basement Area</b>	None	<b>Sales Price</b>	\$390,000
<b># of Bedrooms</b>	1	<b>Less Site Value*</b>	\$300,000
<b># of Bathrooms</b>	1	<b>Value of Improvements</b>	\$90,000
<b>Construction</b>	Wood Framed	<b>Sales Price Per Square Foot</b>	\$342
<b>Quality</b>	Average	<b>Price of Improvements Per SF</b>	\$79
<b>Condition</b>	Average		
<b>Year Built/Age</b>	1950/64 Years		
<b>Number of Stories</b>	1		
<b>Functional Plan/Layout</b>	Yes		
<b>HVAC/Heating/Cooling</b>	Electric Baseboard/Wood		
<b>Outbuildings</b>	Bunk House		
<b>Garage</b>	None		
<b>Access</b>	Paved County Rd.		
<b>Appliances</b>	Range, Refrigerator		
<b>Utilities</b>	Electricity, Telephone, Internet, Lake Water & Septic		
<b>Site Topography</b>	Level		
<b>Water Frontage</b>	100' on Seeley Lake		
<b>Miscellaneous</b>	*House is 900 SF, Bunk House is 240 SF for a total of 1,140 SF		
		<b>Report File</b> 16-015cc	

## HOME SALE 3

COMPARABLE SALE INFORMATION			
	<b>Location</b>		138 Little Wheel Court
	<b>City/State</b>		Seeley Lake, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0005472574
	<b>Zoning</b>		Unzoned
	<b>Site Size: Acres</b>		1.380
	<b>Square Feet</b>		60,113
	<b>Date of Sale</b>		August 19, 2013
	<b>Sales Price</b>		\$179,000
	<b>Adjustment to Sales Price</b>		\$0
	<b>Adjusted Sales Price</b>		\$179,000
	<b>MLS #</b>		321441
TRANSFER INFORMATION			
<b>Grantor</b>	Kevin L. Price & Andrea L. Price	<b>Grantee</b>	Gary W. Parks
<b>Recording Data</b>	Warranty Deed #201316687	<b>Marketing Time</b>	38 Days on Market
<b>Financing/Conditions</b>	VA Financing/Market	<b>Verified By</b>	Scott Kennedy, Listing Agent
<b>Legal Description</b>	Lot 171 of Double Arrow Ranch Ph 1A	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S15/T16N/R15W		
DESCRIPTION OF IMPROVEMENTS	ANALYSIS OF SALE		
<b>Body of Water</b>	Clearwater River	<b>Sales Price</b>	\$179,000
<b>Front Footage</b>	239.11	<b>Estimated Site Value</b>	\$130,000
<b>Access</b>	Private Gravel Road	<b>Sales Price of Improvements</b>	\$49,000
<b>House Square Feet</b>	560	<b>Improvement Price/SF</b>	\$88
<b>Bedroom/Bathrooms</b>	2BR/1BA		
<b>Year Built or Renovated</b>	1994		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Average		
<b>Condition</b>	Average		
<b>Water/Sewer</b>	Community Water/Septic		
<b>Utilities</b>	Electricity/Telephone		
<b>Topography</b>	Level, slope to waterfront		
<b>Outbuildings</b>	None/RV Hookup		
<b>Miscellaneous</b>	Double Arrow Ranch is governed by CC&R's that limit properties to Residential Use. Property has potential to accommodate a larger house. Listing agent felt that the property would likely sell for more today and the price was a result of good timing and market conditions at the time.		
		<b>Report File #</b> 16-015ec	

## **PROPERTY VALUATION**

## SITE VALUE ESTIMATE

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 14, COS #5049, PLACID LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		482 Shore Place	Lot 1A, Placid View PI	6980 Placid Crrek Rd	826 Placid View PI
CITY		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$450,000	\$490,000	\$253,000	\$450,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		12/18/15	07/31/14	08/05/13	07/29/11
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$450,000	\$490,000	\$253,000	\$450,000
SITE SIZE/ACRES	0.827	4.100	1.380	1.350	1.070
FRONT FEET ON LAKE	158.52	166.00	200.00	123.00	166.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,711	\$2,450	\$2,057	\$2,711
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Placid Lake	Placid Lake	Placid Lake	Placid Lake	Placid Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Very Irregular	Irregular	Irregular
		0%	5%	0%	0%
TOPOGRAPHY	Some Slope	Rolling	Rolling	Steep	Slope to Lake
		0%	0%	5%	0%
FRONTAGE/ACCESS	Private Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	Zoning Distric 8	ZD 8	ZD 8	ZD 8	ZD 8
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	None	Yes	No	Yes	Yes
		5%	0%	5%	5%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	0.827	4.100	1.380	1.350	1.070
		0%	0%	0%	0%
FRONT FEET	158.52	166.00	200.00	123.00	166.00
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		5%	5%	10%	5%
TOTAL ADJUSTMENT ADJUSTMENT		\$136	\$123	\$206	\$136
ADJUSTED PRICE PER SF		\$2,846	\$2,573	\$2,263	\$2,846

## **Discussion of Adjustments**

*Adjustments for Improvements:* None of the comparables included improvements that required adjustment.

*Property Rights:* The ownership interest in this report for the subject lot and for all of the land sales is the fee simple interest. Consequently no adjustments were necessary in this category.

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

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

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

*Market Conditions:* The comparable sales closed in 2011, 2013, 2014, and 2015. There is no market data suggesting that market conditions for sites along Placid Lake changed appreciably since 2011.

*Location/Lake Name:* The subject and all 4 comparables have frontage along Placid Lake. No adjustment was necessary in this category.

*Shape:* The subject lot and Land Sales 1, 3, and 4 have shapes that are suitable for development. No adjustments was necessary for these sales in this category. Land Sale 2 has a triangular shape. According to the listing agent, the shape affected the marketability of this property. There is not sufficient market data available on which to determine a specific adjustment; however, some upward adjustment is considered necessary for Land Sale 2 in this category. An upward adjustment of 5% was made to this sale which is considered reasonable and appropriate.

*Topography:* The subject lot and Land Sales 1, 2, and 4 have relatively similar topographies. No adjustments was necessary for these sales in this category. Land Sale 3 has steep topography. According to the listing agent, the topography affected the marketability of this property. There is not sufficient market data available on which to determine a specific adjustment; however, some upward adjustment is considered necessary for Land Sale 3 in this category. An upward adjustment of 5% was made to this sale which is considered reasonable and appropriate.

*Frontage/Access:* The subject lot and all of the comparables have similar street frontage and vehicular access. No adjustment was necessary in this category.

*Zoning:* The subject and comparables are in the citizen initiated Zoning District 8 of Missoula County. No adjustment was necessary in this category.

*Easements Affecting Value:* The subject site and Land Sale 2 do not include easements that affect value. Land Sales 1, 3, and 4 are bisected by roads which affects the usable area of these sites. There is not sufficient market data available on which to determine a specific adjustment; however, some upward adjustment is considered necessary for these sales. Upward adjustments of 5% were made to these sales in this category. This adjustment percentage is considered reasonable and appropriate.

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

*Size/Acres:* The comparables are all larger than the subject site but offer similar residential utility. No adjustment was considered necessary in this category.

*Front Feet:* The comparables bracket the subject site in front footage along Placid Lake. No adjustment was considered necessary in this category.

**Reconciliation of Sales Comparison Approach for Subject Site**

The comparables provide adjusted indications of value for the subject site ranging of \$2,846, \$2,573, \$2,263, and \$2,846 per front foot. Approximately equal weight is accorded the indications from all of the comparable sales. A value of \$2,600 per front foot is well supported by this analysis. Consequently;

158.52 FF @ \$2,600/FF	\$412,152
<b>Rounded To</b>	<b>\$410,000</b>

## IMPROVEMENT VALUE ESTIMATE

Home Sales 1, 2, and 3 were considered the best comparables for the improvements on this subject lot. A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 14, COS #5049, PLACID LAKE				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION		990 Access Rd	1184 Boy Scout Rd	138 Little Wheel Ct
LOCATION		Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$345,000	\$390,000	\$179,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		07/22/14	07/09/14	08/19/13
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$345,000	\$390,000	\$179,000
LESS SITE VALUE		(\$290,000)	(\$300,000)	(\$130,000)
ADJUSTED IMPROVEMENT PRICE		\$55,000	\$90,000	\$49,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Placid Lake</b>	<b>Big Sky Lake</b>	<b>Seeley Lake</b>	<b>Clearwater River</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Fair</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		-\$5,500	-\$9,000	-\$4,900
<b>CONDITION</b>	<b>Fair</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		-\$5,500	-\$9,000	-\$4,900
<b>AGE/YEARS</b>	<b>55</b>	<b>36</b>	<b>64</b>	<b>22</b>
		-\$5,225	\$4,050	-\$8,085
<b>BATHROOMS</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
		\$0	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>800</b>	<b>694</b>	<b>1,140</b>	<b>560</b>
		\$4,240	-\$13,600	\$9,600
<b>OUTBUILDINGS</b>	<b>Gar/Boat Hs/Dock</b>	<b>Inferior</b>	<b>Superior</b>	<b>Inferior</b>
		\$11,000	-\$7,000	\$10,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$985</b>	<b>-\$34,550</b>	<b>\$1,715</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-2%</b>	<b>-38%</b>	<b>4%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$54,015</b>	<b>\$55,450</b>	<b>\$50,715</b>

## **Discussion of Adjustments**

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

*Market Conditions:* The comparable sales closed in 2013 and 2014. The available data indicates that market conditions for lakefront homes have not changed appreciably since 2013. For this reason, no adjustment is necessary in this category.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale.

*Quality:* The subject was rated as fair in overall quality. The comparables are rated as average in overall quality. Downward adjustments of 10% were made to the comparables in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

*Condition:* The subject was rated as fair in this category and the comparable residences were all rated as average. We made downward adjustments of 10% to all of the comparables in this category. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

*Age:* Adjustments were considered necessary for differences in age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences.

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

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$40 per square foot is considered reasonable and appropriate.

*Outbuildings:* Adjustments were made for any differences between our opinions of the contributory values of the outbuildings for the comparables compared to the subject property.

### **Reconciliation of Sales Comparison Approach for Subject Improvements**

The comparables provided adjusted indications of market value for the subject improvements of \$54,015, \$55,450, and \$50,715. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. A value of \$50,000 is reasonable and well supported for the subject improvements.

**Total Value Conclusion**

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

Subject Site Value	\$410,000
Subject Improvements Value	<u>\$ 50,000</u>
<b>Total Value Indication</b>	<b>\$460,000</b>

## RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
1	\$410,000	\$50,000	\$460,000	5/6/2016

# QUALIFICATIONS OF THE APPRAISERS

## ELLIOTT (ELLIE) M. CLARK, MAI

### **PROFESSIONAL DESIGNATIONS**

MAI Designated Member of the Appraisal Institute (2004)

### **FORMAL EDUCATION**

College of Charleston, Charleston, SC  
Bachelor of Science – Geology (1985)

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

1990 - Basic Valuation Procedures  
1990 - Real Estate Principles  
1992 - Capitalization Theory and Technique  
1994 - Advanced Income Capitalization  
2001 - Highest and Best Use and Market Analysis  
2001 - Advanced Sales Comparison and Cost Approaches  
2002 - Standards of Professional Practice, Part A  
2002 - Standards of Professional Practice, Part B  
2002 - Report Writing and Valuation Analysis  
2002 - Advanced Applications  
2003 - Comprehensive Exam  
2003 - Separating Real & Personal Property from Intangible Business Assets  
2004 - Demonstration Appraisal  
2006 - 7 Hour National USPAP Update Course  
2006 - Business Practices and Ethics  
2008 - 7 Hour National USPAP Update Course  
2010 - 7 Hour National USPAP Update Course  
2012 – 7 Hour National USPAP Update Course  
2012 – Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets  
2012 – Valuation of Conservation Easements  
2014 – 7 Hour National USPAP Update Course  
2015 – Real Estate Finance Statistics and Valuation Modeling  
2016 – 7 Hour National USPAP Update Course  
2016 – Eminent Domain & Condemnation

#### **Institute of Financial Education**

1985 - Real Estate Law I  
1986 - Real Estate Law II

#### **IAAO**

1991 - Standards of Practice and Professional Ethics

#### **Citadel Evening College**

1993 - Residential Appraisal Reports Using URAR Form

**William H. Sharp & Associates**

1995 - The Home Inspection

**Trident Technical College**

1997 - Uniform Standards of Appraisal

**Historic Preservation Consulting**

1998 - Appraising Historic Property

**The Beckman Company**

2004 - The Technical Inspection of Real Estate

**WORK EXPERIENCE**

2003 - Present Clark Real Estate Appraisal – Owner/Commercial Real Estate Appraiser  
1995 - 2003 Sass, Herrin & Associates, Inc. – Commercial Real Estate Appraiser  
1990 - 1995 Charleston County Assessor’s Office – Sr. Staff Real Estate Appraiser  
1986 - 1989 First Sun Capital Corporation - Mortgage Loan Officer  
1985 - 1986 First National Bank of Atlanta - Mortgage Loan Processor  
1984 - 1985 South Carolina Federal Savings Bank - Mortgage Loan Processor

**STATE LICENSES/CERTIFICATIONS**

Montana State Certified General Real Estate Appraiser - REA-RAG-LIC-683

**APPRAISAL SEMINARS ATTENDED**

2000 – JT&T Seminars: Financial Calculator HP-12C  
2000 – Appraisal Institute: Highest and Best Use Applications  
2004 – Appraisal Institute: Evaluating Commercial Construction  
2005 – Appraisal Institute: Scope of Work: Expanding Your Range of Services  
2006 – Appraisal Institute: Subdivision Valuation  
2006 – Appraisal Institute: Appraising from Blueprints and Specifications  
2006 – Appraisal Institute: Uniform Appraisal Standards for Federal Land Acquisitions  
2007 – Appraisal Institute: Analyzing Commercial Lease Clauses  
2007 – Appraisal Institute: Condominiums, Co-ops, and PUDs  
2008 – Appraisal Institute: Spotlight on USPAP  
2008 – Appraisal Institute: Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans  
2008 – Appraisal Institute: Office Building Valuation: A Contemporary Perspective  
2009 – Appraisal Institute: Appraisal Curriculum Overview (2-Day General)  
2010 – Appraisal Institute: Hotel Appraising – New Techniques for Today’s Uncertain Times  
2010 – Appraisal Institute: The Discounted Cash Flow Model: Concepts, Issues & Applications  
2011 – Appraisal Institute: Understanding & Using Investor Surveys Effectively  
2011 – Appraisal Institute: Advanced Spreadsheet Modeling for Valuation Applications  
2012 – Appraisal Institute: Appraising the Appraisal: Appraisal Review-General  
2013 – Appraisal Institute: Business Practices and Ethics

**PARTIAL LIST OF CLIENTS**

Rocky Mountain Bank  
State of Montana Department of Natural Resources  
United States Government Services Administration

## **CHRISTOPHER D. CLARK**

### **FORMAL EDUCATION**

Millikin University, Decatur, Illinois  
Bachelor of Arts in Political Science

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

Course 110 – Appraisal Principles, 2005  
Course 120 – Appraisal Procedures, 2005  
Course 410 – 15- Hour National USPAP Course, 2005  
Course 203R – Residential Report Writing & Case Studies, 2006  
Course REA070513 – Analyzing Commercial Lease Clauses, 2007  
Course 06RE0638 – Condominiums, Co-ops, PUD's, 2007  
Course REA071154 –Hypothetical Conditions, Extraordinary Assumptions, 2008  
Course 07RE0734 – 7-Hour National USPAP Update, 2008  
Course 06RE0641 – Quality Assurance in Residential Appraisals, 2008  
Course 06RE1286 – Office Building Valuation: A Contemporary Perspective, 2008  
Course 430ADM 0 Appraisal Curriculum Overview – 2009  
Course I400 - 7-Hour National USPAP Update – 2010  
Course OL-202R - Online Residential Sales Comparison and Income Approach – 2011  
Course OL-200R - Online Residential Market Analysis and Highest & Best Use – 2011  
Course OL-201R - Online Residential Site Valuation & Cost Approach – 2011  
Course I400 – 7-Hour National USPAP Update Course – 2012  
Course REA110436 – Appraising the Appraisal: Appraisal Review General – 2012  
Course 08REO643 – Business Practices and Ethics -2013  
Course I400 – 7-Hour National USPAP Update – 2014  
Course REA4380 – Online Introduction to Green Buildings: Principles and Concepts  
Course REA120108 – Online Cool Tools: New Technology for Real Estate Appraisers  
Course REA6260 – Real Estate Finance Statistics & Valuation Modeling 2015  
Course REA-REC-REC-7415 – 2016-2017 7-Hour USPAP Update – 2016  
Course REA-CEC-REC-7494 – Eminent Domain and Condemnation - 2016

### **WORK EXPERIENCE**

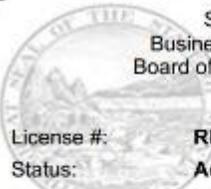
2005 - Present	Clark Real Estate Appraisal, Inc. – Real Estate Appraiser
2003 - 2005	IKON Office Solutions – Technology Marketing
2002 - 2003	Relational Technology Services – Technology Marketing
1998 - 2003	IKON Office Solutions – Technology Marketing
1988 – 1998	CMS Automation (Formerly Entré Computer Center) – Technology Marketing

### **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Appraiser # REA-RAL-LIC-841

## APPRAISERS LICENSES

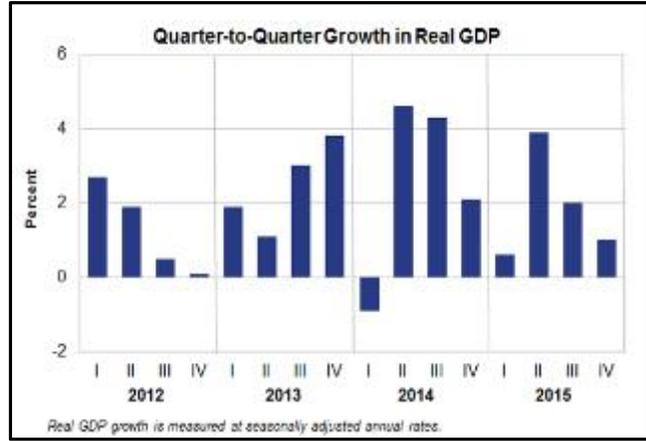
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>CERTIFIED GENERAL APPRAISER</b> With endorsements of: REAL ESTATE APPRAISER MENTOR
License #:	<b>REA-RAG-LIC-683</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2017</b>	
<b>ELLIOTT M CLARK</b> <b>CLARK REAL ESTATE APPRAISAL</b> <b>704C E 13TH STREET #509</b> <b>WHITEFISH, MT 59937</b>		 RENEW OR VERIFY YOUR LICENSE AT: <a href="https://ebiz.mt.gov/pol/">https://ebiz.mt.gov/pol/</a>

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>LICENSED APPRAISER</b>
License #:	<b>REA-RAL-LIC-841</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2017</b>	
<b>CHRISTOPHER D CLARK</b> <b>CLARK REAL ESTATE APPRAISAL</b> <b>704C E 13TH STREET #509</b> <b>WHITEFISH, MT 59937</b>		 RENEW OR VERIFY YOUR LICENSE AT: <a href="https://ebiz.mt.gov/pol/">https://ebiz.mt.gov/pol/</a>

## **ADDENDUM**

## NATIONAL ECONOMIC DATA

Real GDP increased by 1.0% in the fourth quarter of 2015 after increasing 2.1% in the third quarter of 2015 according to the Bureau of Economic Analysis of the US Department of Commerce (BEA). According to the BEA, the fourth quarter increase in real GDP reflected positive contributions from personal consumption expenditures, residential fixed investment, and federal government spending that were partly offset by negative contributions from exports, nonresidential fixed investment, state and local government spending, and private inventory investment.



According to the US Bureau of Labor and Statistics, the seasonally adjusted national unemployment rate for February 2016 was 4.9%. This is the same as the January 2016 rate but down from the October, November, December 2015 unemployment rate of 5.0%. This is the lowest national unemployment rate since July of 2008. Generally, continued slow growth is forecasted for the US economy during 2016.

## STATE ECONOMIC DATA

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

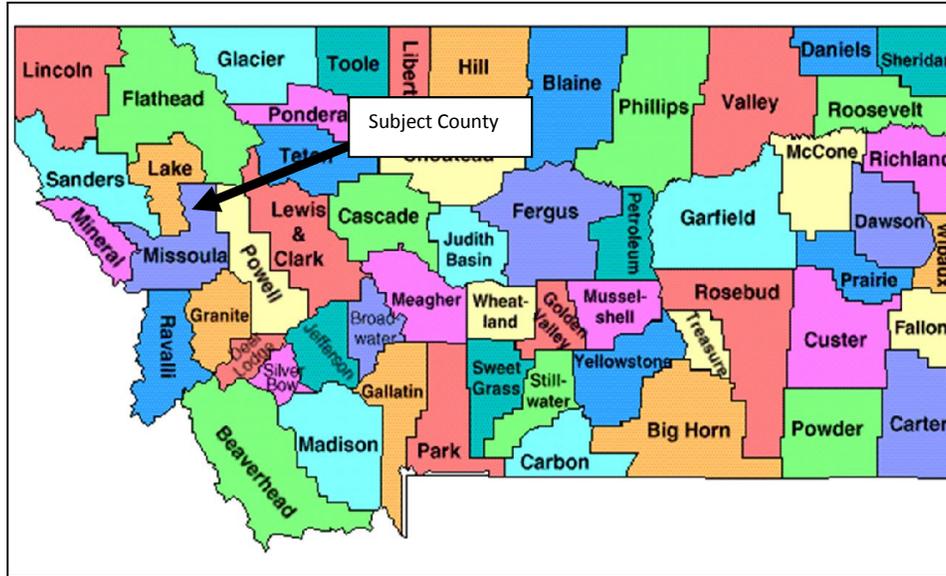
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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

According to the Federal Reserve Minneapolis economic models, employment growth is forecasted to slow in 2016 for the region; however, consumer spending and tourism expenditures are forecasted to increase. Specific to Montana, the Federal Reserve Minneapolis forecasts the following for 2016; nonfarm employment in Montana is projected to increase by 0.7%, unemployment for the state is projected to decrease to 3.8%, and personal income is projected to increase by 4.5%.

## MISSOULA COUNTY DATA

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



### Geographical Information

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

### City and Communities

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

### Population

Missoula County is the 2nd most populous county in Montana. The 2015 county population estimate from ESRI based upon US Census Bureau data was 113,665. The population is projected to increase to 118,223 by 2020 or 0.8% per year.

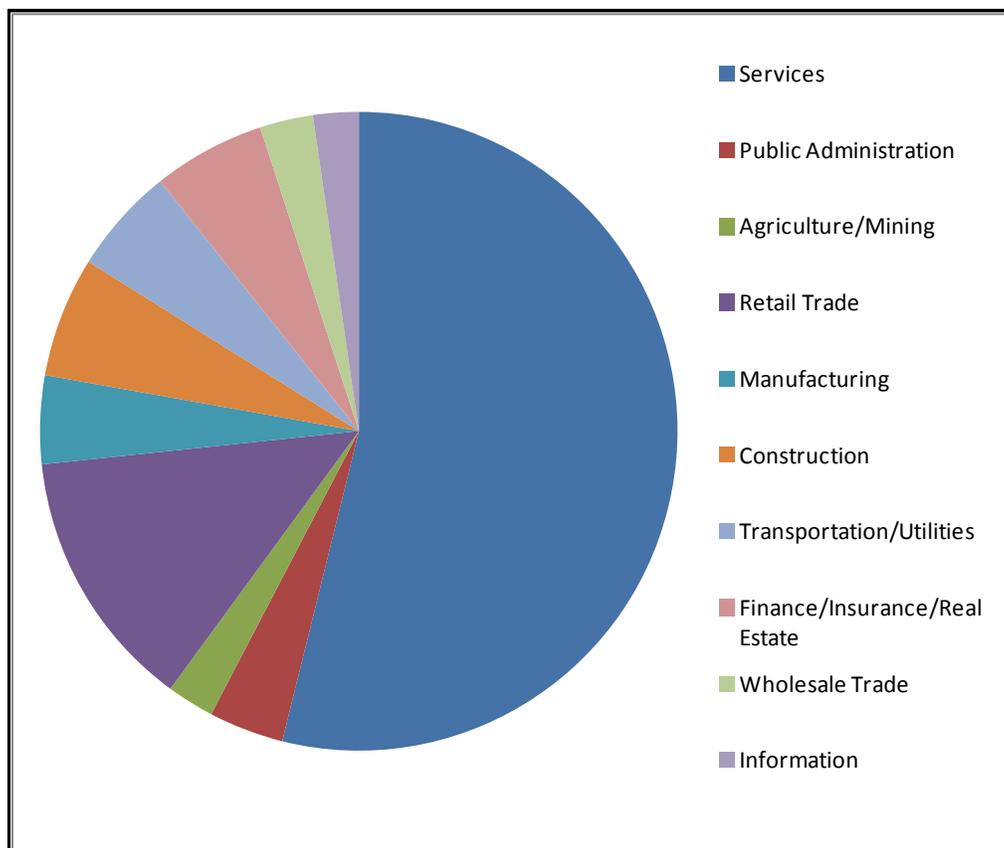
## Income

According to data from the US Census the median household income for Missoula County was \$47,534 in 2015. This is 0.40% less than the median household income for the same period for the state of Montana. Approximately 16.8% of the population of Missoula County was below the poverty level between 2008 and 2012. This is higher than the percentage below the poverty level for the state of Montana for the same period of 13.7%.

## Employment

According to ESRI there were 56,415 people over 16 years of age in the workforce in Missoula County in 2010. The county unemployment rate per the Montana Department of Labor and Industry as of December 2014 was 4.00%.

The workforce percentages by industry are included on the chart below;



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

## Real Estate

According to ESRI estimates based upon US Census data there were 52,799 housing units in Missoula County in 2015. The home ownership rate was estimated at 51.6% in 2015. The median home value was estimated to be \$224,299 in 2015. It is expected to increase by approximately 4.5% per year to \$275,920 in 2020.

**Education & Healthcare**

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

**Linkages & Transportation**

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

**County Data Conclusion**

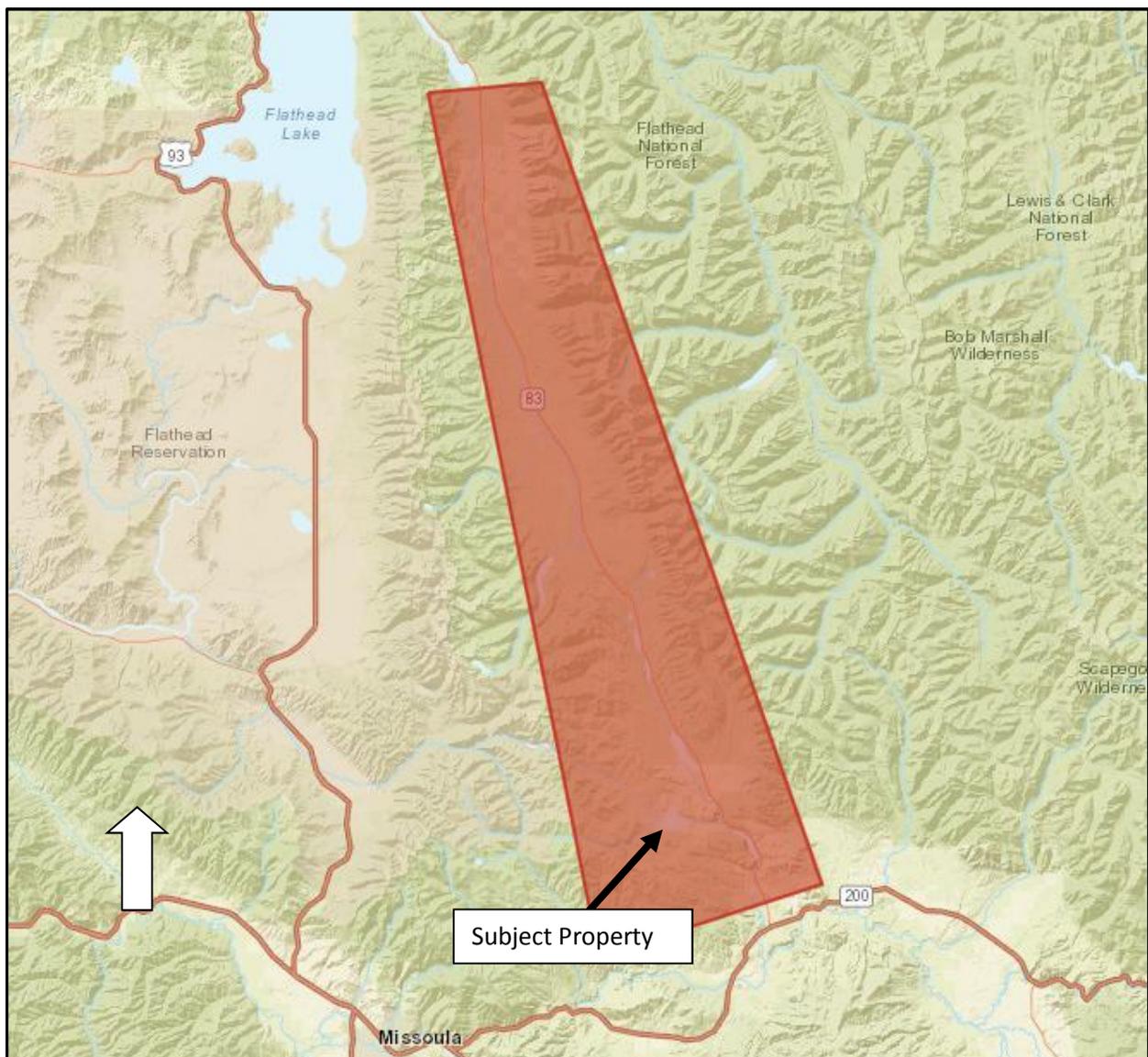
Missoula County is one of the most populous counties in Montana. The population is slated to increase approximately 0.8% per year through 2020. Missoula County is the home of the University of Montana. The location of the university provides some stability in employment. The county unemployment rate is similar to that of the state but lower than of the nation. The economy and the real estate market have remained relatively stable for the past several years. Missoula County did experience the real estate “bubble”; however, the market appears to have stabilized. The economy of Missoula County is considered relatively stable with growth likely in the foreseeable future

## SEELEY-SWAN VALLEY DATA

### General Information

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

For report purposes the neighborhood boundaries consist of properties between Bigfork to the north and Montana Highway 200 to the south. Montana Highway 83 runs north to south through the entire area. The Mission Mountain Range forms the west side neighborhood boundary and the Swan Mountain Range forms the east side neighborhood boundary. The subject neighborhood is approximately 1 to 1.5 hour drive from Kalispell and approximately 1 to 1.5 hour drive from Missoula. A map depicting the area and the location of the subject properties is below;



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

### **Geography**

The subject area is generally bounded by the Swan Mountains on the east and the Mission Mountains on the west. Area mountain peaks extend as high as 9,000 feet. Portions of two national forests are in this area. They are the Lolo and Flathead National Forests. There are number of lakes, rivers and creeks in the area. Seeley Lake is the nearest relatively large lake to the subject properties.

### **Population**

According to 2015 US Census data the population of the subject neighborhood (as defined by the map presented) was 2,911. According to ESRI forecasts the population is expected to increase to 3,038 by 2020. This equates to an increase of approximately 1% per year.

### **Economy/Income**

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2015 median household income for the neighborhood was indicated to be \$50,843. The median household income is projected to increase by approximately 3% per year through 2020.

### **Housing & Real Estate**

According to the ESRI there were 3,033 housing units in the identified subject neighborhood in 2015. Approximately 36% of the housing units were identified as owner occupied, approximately 10% were identified as renter occupied, and approximately 54% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for the neighborhood in 2015 was \$207,169. The home value is projected to increase to \$257,411 or approximately 34% by 2020. The most expensive homes are typically on navigable water or on large acreage tracts.

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

**Recreation**

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

**Conclusion**

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

**SCOPE OF WORK**  
(Page 1 of 3)

**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 Properties:**

<b>GRANT CREEK</b>		
<b>Sale #</b>	<b>Acres</b>	<b>Legal Description</b>
823	1.305 ±	Lot 5, Grant Creek Cabin Sites COS 6021, Section 16, T14N-R19W
823	1.305 ±	Lot 5, Grant Creek Cabin Sites COS 6021, Section 16, T14N-R19W
823	2.401 ±	Lot 5, Grant Creek Cabin Sites COS 6021, Section 16, T14N-R19W
823	1.385 ±	Lot 5, Grant Creek Cabin Sites COS 6021, Section 16, T14N-R19W
823	1.305 ±	Lot 1A, Grant Creek Cabin Sites COS 6021, Section 16, T14N-R19W
<b>MCGREGOR LAKE</b>		
823	1.37 ±	Lot 15 McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
823	1.37 ±	Lot 1 McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
809	1.37 ±	Lot 15 McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
800	1.37 ±	Lot 26 McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
<b>PLACID LAKE</b>		
800	0.827 ±	Lot 14 Placid Lake Cabin Sites, COS 5049, Section 30, T16N-R15W
<b>PLACID LAKE</b>		
800	1.803 ±	Lot 23 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
800	0.827 ±	Lot 2 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
823	2.401 ±	Lot 2 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
816	1.001 ±	Lot 1 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
800	1.803 ±	Lot 11 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
818	1.133 ±	Lot 4 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W

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819	1.311±	Lot 21 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
810	1.311±	Lot 6 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
821	1.325±	Lot 6 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W
821	1.325±	Lot 10 Seeley Lake Outlet West Cabin Sites, COS 5140, Section 4, T16N-R15W

**Separate values must be supplied for each sale parcel including; total value, land value and improvement value.**

DNRC Contact Information:

Emily Cooper, Lands Section Supervisor  
P.O. Box 201601  
1625 11<sup>th</sup> Avenue  
Helena, MT 59620-1601  
Phone: (406) 444-4165  
[ecooper@mt.gov](mailto:ecooper@mt.gov)

<b>Sale 823</b> Vincent & Relinda Lindgren 10599 Grant Creek Road Missoula, MT 59808	<b>824</b> James & Loretta Diede 10777 Grant Creek Road Missoula, MT 59808	<b>825</b> Richard Bridges 10660 Grant Creek Road Missoula, MT 59808
<b>826</b> Ross & Cynthia Rademacher 10755 Grant Creek Road Missoula, MT 59808	<b>827</b> MMP Investors, et al. c/o Craig Langel 3819 Stephens, Suite 100 Missoula, MT 59801	<b>806</b> Williams Living Trust PMB 2778 3916 Potsdam Ave. Sioux Falls, SD 57104
<b>808</b> Joseph & Renee Russell 50 Bruyer Way Loop Kalispell, MT 59901	<b>809</b> Peter & Colette Gross PO Box 7276 Kalispell, MT 59904	<b>810</b> Howard & Tabatha Mann 670 McGregor Lane Marion, MT 59925
<b>812</b> Susan Robinson PO Box 1551 Ketchum, ID 83340	<b>813</b> Michael Evans PO Box 1324 Seeley Lake, MT 59868	<b>814</b> George & Gail Kerscher 1203 Pineview Dr. Missoula, MT 59802
<b>815</b> Beesnest Properties LLC 1540 Sunflower Drive Missoula, MT 59802	<b>816</b> Corey & Kristi Markovich 2827 Lexington Ave. Butte, MT 59701	<b>817</b> Lori Posey 3040 Tipperary Lane Idaho Falls, ID 83404
<b>818</b> Joseph & Gina Bollinger 3816 Rue Left Bank Alexandria, LA 71303	<b>819</b> James & Kathleen Workman PO Box 773 Great Falls, MT 59403	<b>820</b> David & Julie Lapham 1572 Fox Field Missoula, MT 59802
<b>821</b> Bertoglio Family LLC 34 Sidewinder Loop Montana City, MT 59634	<b>822</b> Byron & Lysie Denzer PO Box 554 Conrad, MT 59425	

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

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

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

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