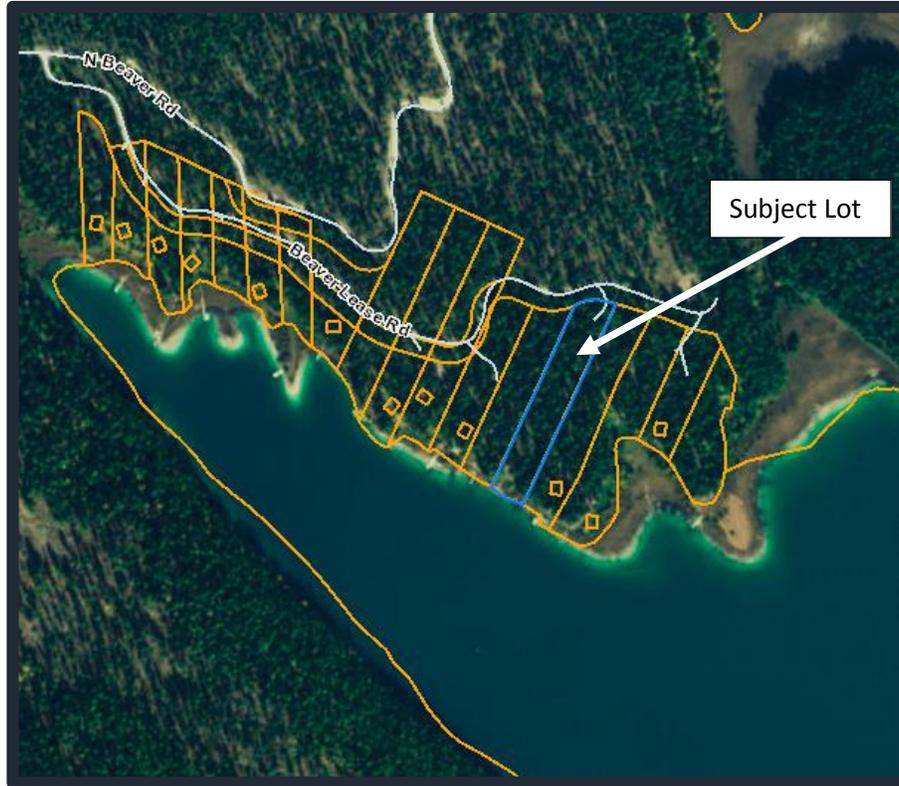


APPRAISAL REPORT OF:

**LOT 5 OF COS # 18353
WHITEFISH, 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 VALUE AS OF:

August 6, 2016

PREPARED BY:

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



704-C East 13th Street, #509
Whitefish, Montana 59937

LETTER OF TRANSMITTAL

September 2, 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 5 of COS 18353, of Section 20, Township 31N, Range 22 West, Flathead County, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced property on August 3, 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 is estimated in this report. This estimate was 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 opinion of value.

The value is based on the assumptions that all necessary governmental approvals have been obtained and will be maintained, and that the property owners will exhibit sound management and sales practices. The value is based upon the **Hypothetical Conditions** that the subject property is a legal parcel and that it 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 estimate 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

16-033ec

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lot 5 of Cos #18353, Section 20, Township 31 North, Range 22 West, Flathead County, Montana
Site Size	2.238 Acres
Description of Improvements	N/A
Assessor Number(s)	N/A
Census Tract	30-029-0003.00
Flood Zone	Zone X, Map Panel 30029C1060G – Dated 9/28/2007
Zoning	Not Zoned

HIGHEST AND BEST USE(S)

As Is	Recreational and/or Residential Use
As Improved	N/A

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

Report Date	September 2, 2016
Inspection Date(s)	August 6, 2016
Effective Date of Value(s)	August 6, 2016
Property Rights Appraised	Fee Simple

Estimate of Market Values

Individual Lot Value	\$230,000
Individual Improvement Value	N/A
Individual Total Market Value	\$230,000

Extraordinary Assumption(s)	None
Hypothetical Condition(s)	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

Appraiser(s)	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: September 2, 2016
Elliott M. Clark, MAI
MT REA-RAG-LIC-683

Christopher D. Clark

Date Signed: September 2, 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 value will be discussed.
13. This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation or specific valuation.
14. The appraisers are not building inspectors and this report does not constitute building inspections for the subject 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 5 of Certificate of Survey #18353, Beaver Lake, Whitefish, Flathead County, Montana.

The appraisers were asked to estimate the value of the fee simple interest in the site for the subject property for decisions regarding potential sale of the 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 August 6, 2016.

Scope of Research

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

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

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

Extraordinary Assumption(s)

An **Extraordinary Assumption** is defined in 2016-2017 version of the Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be "*an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusions.*"

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

Hypothetical Conditions

A **Hypothetical Condition** is defined in 2016-2017 version of the Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for purpose of analysis.*”

The value concluded in this report for the subject property is based upon the **Hypothetical Condition** 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.

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:

- Flathead 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 5 in Certificate of Survey #18353 in Section 20, Township 31 North, Range 22 West, Flathead 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 property by the client. This report was prepared for the, the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The client is the only intended user.

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

August 6, 2016

EFFECTIVE DATE OF MARKET VALUE

August 6, 2016

PROPERTY RIGHTS APPRAISED

The value concluded in this report is 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. We did not locate a transfer of the subject property via records of Flathead County in the 3 years prior to the report effective date.

USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lot is in this program. There were no improvements on the subject property as of the report effective date.

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

PROPERTY DESCRIPTION

GENERAL DESCRIPTION

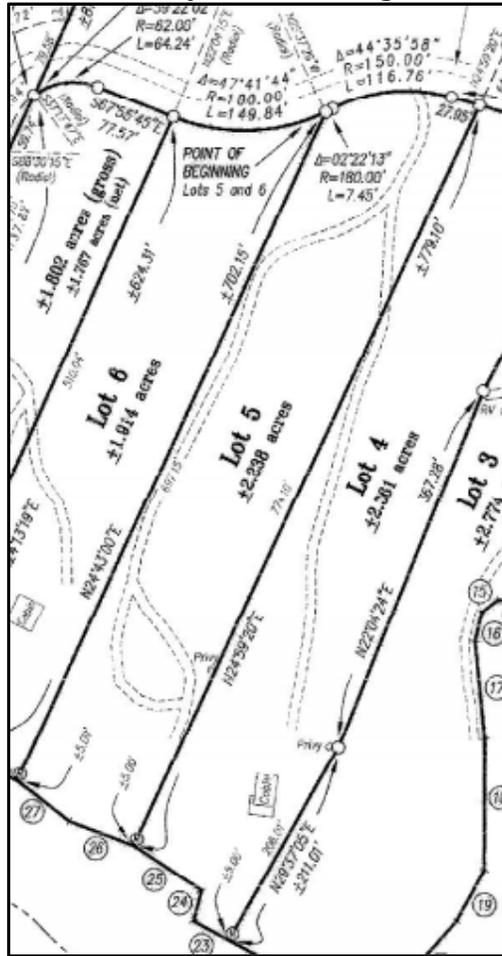
The subject property is identified as Lot 5 of Certificate of Survey #18353 in Section 20, Township 31 North, Range 22 West, in Flathead County, Montana.

An aerial view of the subject property outlined in blue from the Montana Department of Revenue Cadastral mapping system is below;

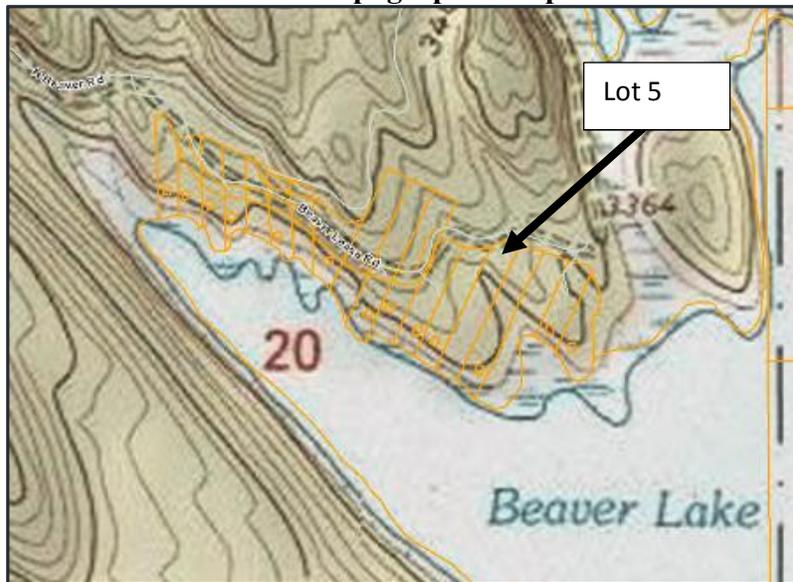


Additional images depicting the subject property are included on the following page.

Enlarged View of Subject Lot 5 - Page 2 of COS 18353



Area Topographic Map



ACCESS AND VIEWS

The subject property is accessed via a private driveway from Beaver Lease Road. Beaver Lease Road is a private, gravel road. The driveway accessing the subject lot splits at the north side of the lot and provides access to adjacent Lot 4. The subject site has 128.50 feet of frontage along Beaver Lake. The property has lake and mountain views.

IMPROVEMENTS

There was a metal storage building, considered to be personal property, on the subject site as of the report effective date. There were also portions of older wood decks and a wood storage lean-to type building on the site as of the report effective date. The decking and wood storage structures were not considered to contribute value to this property and were not valued in this report. Most market participants would remove these structures.

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

As noted, the subject driveway forks to the east to provide access to Lot 4 along the northern portion of the subject site. Based upon the location of this fork in the driveway, this access to Lot 4 does not impact the marketability of the subject lot.

Use of the subject property is regulated by Lake and Lakeshore Protection Regulations adopted by the Flathead County Board of Commissioners. Permits are required for any construction within 20 feet of the high water line.

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

ZONING

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

ASSESSMENT/REAL PROPERTY TAXES

The subject lot is tax exempt; however, the improvements on each site are taxable. We did not locate a 2015 tax bill for any improvements on the subject lot.

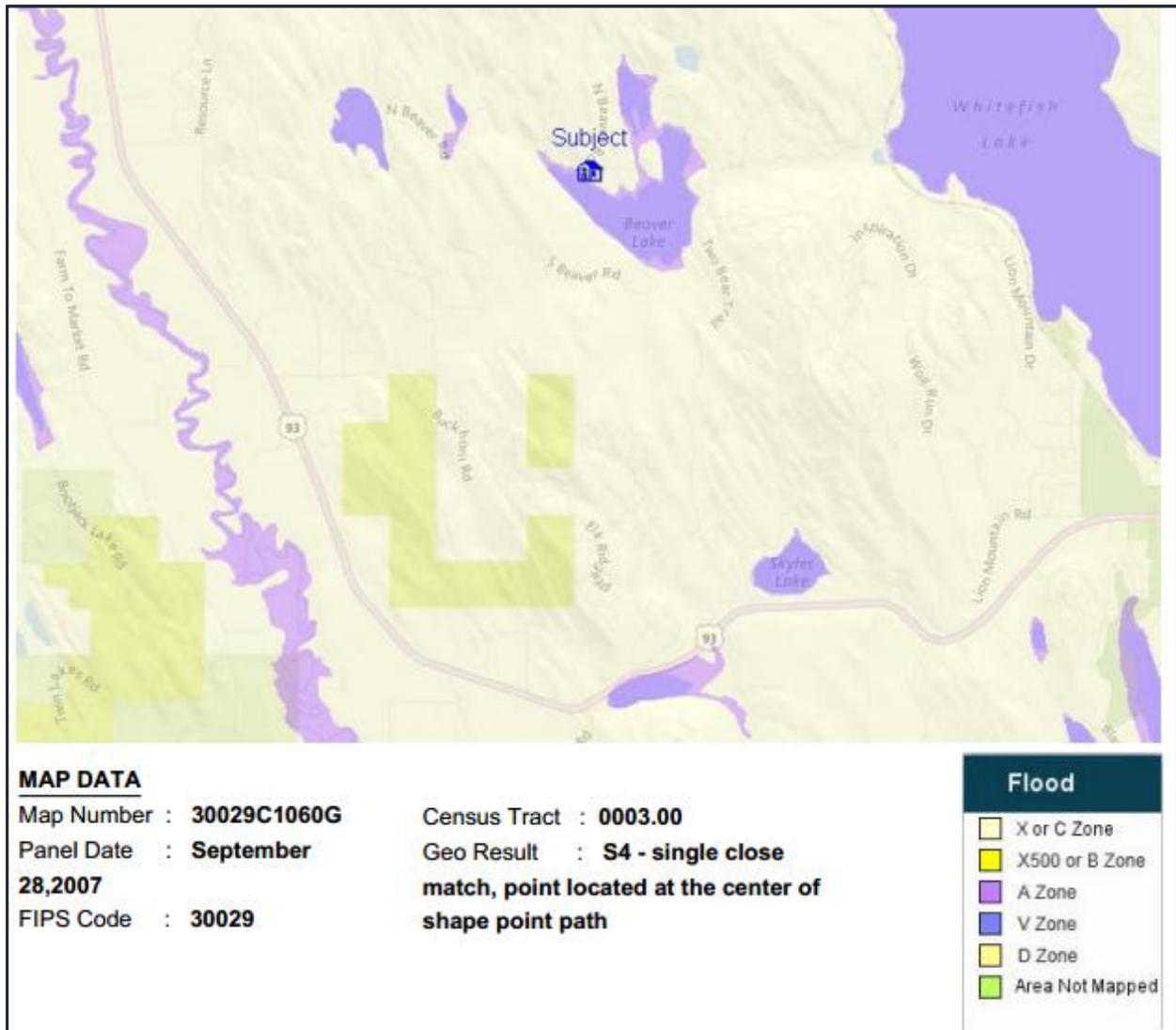
TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #30029C1060G), the subject property appears to be located in Zone A or V which are areas designated as having significant flood risk. An exhibit derived from the FEMA flood map panel is included on the following page. We recommend obtaining an elevation certificate in order to verify the location of the flood plain relative to the subject property.

The subject lot include native vegetation and minimal landscaping. The lot generally slopes down from Beaver Lease Road to Beaver Lake. There are level areas which could support building improvements on the subject lot. An area topographical map was included with the certificates of survey for the subject lot.

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 soil can accommodate the type of construction, which is typically seen in the subject area. We have also not been provided with environmental audits 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 lot. Should any of these conditions be present, the value concluded in this report may be affected.

Area Flood Map Information



UTILITIES

The subject lot does not have access to electricity and phone lines. Other lots near the subject with frontage along Beaver Lake include outhouses or vault type toilets. Other lake front lots also utilize water from Beaver Lake have no water source.

PUBLIC SAFETY AND SERVICES

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

SITE SUITABILITY

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

SUBJECT PHOTOGRAPHS



Pier and View of Beaver Lake from Lot 5



View along Lake Frontage Looking East



View along Lake Frontage Looking West



View of Lake and Pier



View Southeast from Lot Interior



View Southwest from Lot Interior

ADDITIONAL PHOTOGRAPHS



View from Elevated Portion of Lot 5



Lake View and Deck on Lot



Lake Views from Lot Interior



Lake Views from Lot Interior



Deck on Lot



Deck and Former RV Parking Area Looking West

ADDITIONAL PHOTOGRAPHS



Picnic Table and Stove on Lot



View toward House on Lot 4



View toward House on Lot 6



Southwest Property Boundary Marker



Southeast Property Boundary Marker



View upward from Lake Frontage toward Lot Interior

ADDITIONAL PHOTOGRAPHS



Unimproved Driveway on Lot 5 Looking toward Lake



Wooded Interior of Lot 5 Looking South



Wooded Interior of Lot 5 Looking South



Entrance to Lot 5 at North Portion of Property



Entrance to Lot 5



Shared Entrance for Lots 4 & 5 from Beaver Lease Rd.

ADDITIONAL PHOTOGRAPHS



Beaver Lease Road Looking East



Beaver Lease Road Looking West

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 is 2.238 acre sites with 128.50 feet of frontage along Beaver Lake in the Whitefish area of Flathead County.

Area Land Use Trends

The majority of Beaver Lake is surrounded by land owned by the State of Montana. According to the Montana Department of Revenue, there are 20 cabin sites with 15 homes along Beaver Lake. The eastern side of the lake is surrounded by large parcels which are privately owned. Surrounding properties are utilized for recreational/residential purposes.

There are numerous lakes in Flathead County. Some area lakes include little privately owned land with few or no lot transfers each year. Area lakes with available private property would attract similar market participants as the lots along the subject lake. Most of the significant area lakes (sorted by size) are included on the table below;

Flathead Valley Area Lakes		
Lake Name	Size/Acres	Elevation/Feet
Blanchard Lake	143	3,178
Beaver Lake	144	3,257
Rogers Lake	239	3,998
Foys Lake	241	3,300
Lake Blaine	382	2,998
Echo Lake	695	2,998
McGregor Lake	1,522	3,998
Ashley Lake	2,850	3,998
Bitterroot Lake	2,970	3,998
Whitefish Lake	3,315	2,988
Flathead Lake	122,885	2,890

Properties in the subject competitive set are considered to be home sites on similar sized area lakes. Flathead Lake is substantially larger than other area lakes. Home sites along Flathead Lake would appeal to different market participants than home sites on Beaver Lake. Whitefish Lake is a restively small area lake; however, market participants seeking property on Whitefish Lake would not be similar to those seeking property along Beaver Lake. This is due to the pricing of sites with frontage along Whitefish Lake. Privately owned home sites with frontage on the remaining lakes would be considered part of the competitive set for the subject site.

Potential Users of Subject Property

The potential users of the subject lot would be market participants seeking to own recreational/residential lakefront property on somewhat similar lakes in the Flathead Valley. The market participants seeking properties along Flathead Lake and Whitefish Lake are considered dissimilar to those seeking properties on Beaver 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 of vacant lakefront properties along area lakes. We removed any sales with frontage along Flathead Lake and Whitefish Lake.

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 searches are below and on the following page;

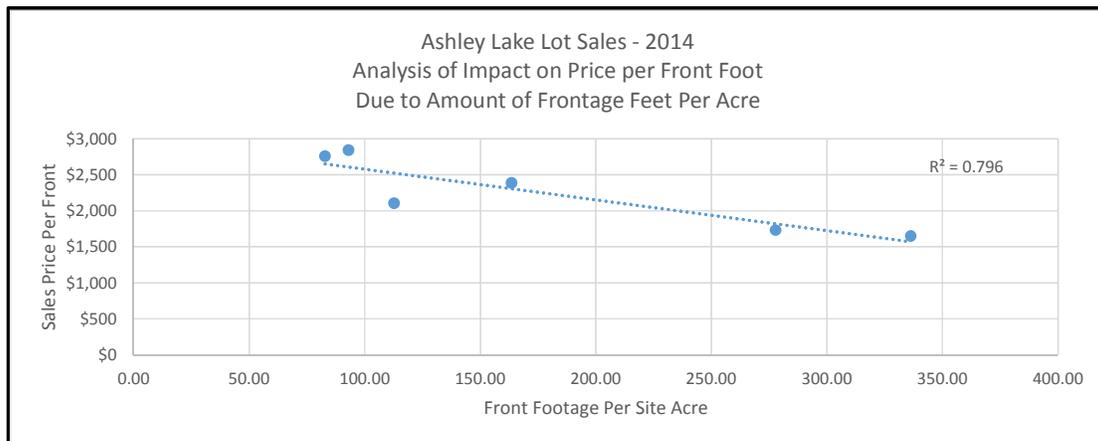
Lakefront Lot Sales

Below are sales of sites with frontage along similar lakes in Flathead County that closed since 2014;

Lakefront Lot Sales Analysis										
Address	City	Lake	Front Feet	Site Acres	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvement Value	Price/FF	DOM
5344 Ashley Lake Rd	Kila	Ashley Lake	249.00	2.21	2014	\$525,000	\$0	\$525,000	\$2,108	173
127 Emerald Cove	Kalispell	Ashley Lake	146.00	1.57	2014	\$430,000	\$15,000	\$415,000	\$2,842	153
3462 Ashley Lake Rd	Kalispell	Ashley Lake	139.00	0.85	2014	\$347,000	\$15,000	\$332,000	\$2,388	567
3916 Ashley Lake Rd	Kalispell	Ashley Lake	195.00	0.58	2014	\$327,000	\$5,000	\$322,000	\$1,651	172
4757 Ashley Lake Rd	Kila	Ashley Lake	116.00	1.40	2014	\$320,000	\$0	\$320,000	\$2,759	183
5690 N Ashley Lake Rd	Kila	Ashley Lake	150.00	0.54	2014	\$270,000	\$10,000	\$260,000	\$1,733	105
4693 Ashley Lake Rd	Kila	Ashley Lake	156.16	3.69	2014	\$215,000	\$0	\$215,000	\$1,377	451
4050 N Ashley Lake Rd	Kalispell	Ashley Lake	225.20	6.10	2016	\$375,000	\$0	\$375,000	\$1,665	356
104 Bitterroot Cove Ct	Marion	Bitterroot Lake	228.00	1.05	2014	\$325,000	\$5,000	\$320,000	\$1,404	105
1308 Bitterroot Ln	Marion	Bitterroot Lake	365.60	4.45	2015	\$625,000	\$15,000	\$610,000	\$1,668	134
134 Kelly Ct	Marion	Bitterroot Lake	150.83	1.13	2015	\$330,000	\$10,000	\$320,000	\$2,122	147
128 Bitterroot Cove	Marion	Bitterroot Lake	115.40	2.09	2015	\$271,500	\$10,000	\$261,500	\$2,266	349
1256 Bitterroot Ln	Marion	Bitterroot Lake	178.00	1.07	2015	\$400,000	\$0	\$400,000	\$2,247	37
122 Kelly Ct	Marion	Bitterroot Lake	150.00	1.24	2016	\$330,000	\$0	\$330,000	\$2,200	349
680 Echo Lake Rd	Bigfork	Echo Lake	100.00	1.52	2014	\$395,000	\$40,000	\$355,000	\$3,550	177
1010 Echo Lake Rd	Bigfork	Echo Lake	200.80	0.81	2015	\$355,000	\$35,000	\$320,000	\$1,594	70
1591 Lake Blaine Rd	Kalispell	Lake Blaine	114.00	0.14	2015	\$262,000	\$10,000	\$252,000	\$2,211	58
12390 Paradise Loop	Marion	McGregor Lake	304.43	2.42	2014	\$307,000	\$5,000	\$302,000	\$992	298

There were 10 lakefront lot sales in 2014, 6 in 2015, and 2 in 2016 Year-to-Date. None of the sales located were along Beaver Lake.

The unit of comparison for sales of lakefront lots is typically the price per lakefront feet. Based upon our analysis, the price per front feet varies to some degree according to total site acreage. There was a sufficient number of lot sales with frontage along Ashley Lake in 2014 to prepare a credible analysis of price per front as it relates to the acreage of each sale. One of the 2014 sales along Ashley Lake was omitted because the verifying source indicated that this sale was an outlier due potential site usability issues. The remaining sales prices per front feet are graphed in comparison to the front footage per acre of each site.



We placed a number of trend-lines on this graph. A linear trend-line provided the higher R-Squared indication. The R-Squared provides support that the price per front foot decreases in a linear manner as front footage per acre increases. In other words, the smaller the site area compared to the front footage, the lower the price per front foot. This is likely because there is less site area associated with the smaller sized sites available for development or construction of improvements.

This analysis supports the conclusion regarding the relationship described above. We have used these analyses to assist with the reconciliation of values for the subject sites as if vacant.

Competitive Supply

There were 25 active listings of lots with less than 10 acres and frontage along smaller lakes in Flathead County as of the report effective date. The median list price was \$359,900. The marketing time for the active listings was approximately 243 days.

Interaction of Supply and Demand

Based upon the sales volume in 2015, there is an over 4 year supply of vacant lots on smaller area lakes for sale. Downward price pressure is likely for the active listings to sell within typical historical marketing times.

Subject Marketability Conclusion

The subject site has frontage along Beaver Lake. There were no recent sales of lots or homes with frontage along Beaver Lake; however the subject property is considered to have similar marketability compared to other properties with frontage along small area lakes.

Estimated Marketing and Exposure Times

The 8 sales of vacant sites on similar area lakes that sold since 2015 were marketed for an average of 188 days. **Marketing times** between 6 to 12 months are appropriate for the subject site. If the subject site had sold on the effective date of this report, at the appraised value concluded in this report, 6 to 12 month **exposure times** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

AS IS

Legally Permissible

The subject lots are in an area with no zoning. A larger number of uses are legally are permissible.

Physically Possible

There is sufficient space on most of the subject site for a single family residence and related structures. No utilities are available to the subject properties; however, off grid type improvements are possible for the subject site.

Financially Feasible

Most area lake front lots are either vacant or include residential improvements. Use of the subject lot for construction of single family residences is financially feasible.

Maximally Productive

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

AS IMPROVED

There are no improvements on the subject site. An analysis of the highest and best use as improved is not applicable.

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. This is typically the most reliable approach for determining values of vacant sites. The Income and Cost Approaches are not applicable to the valuation of the subject site and were not developed in this report.

Comparable lot sales are presented in the following section of this report. After presentation of the comparables, the subject site is valued.

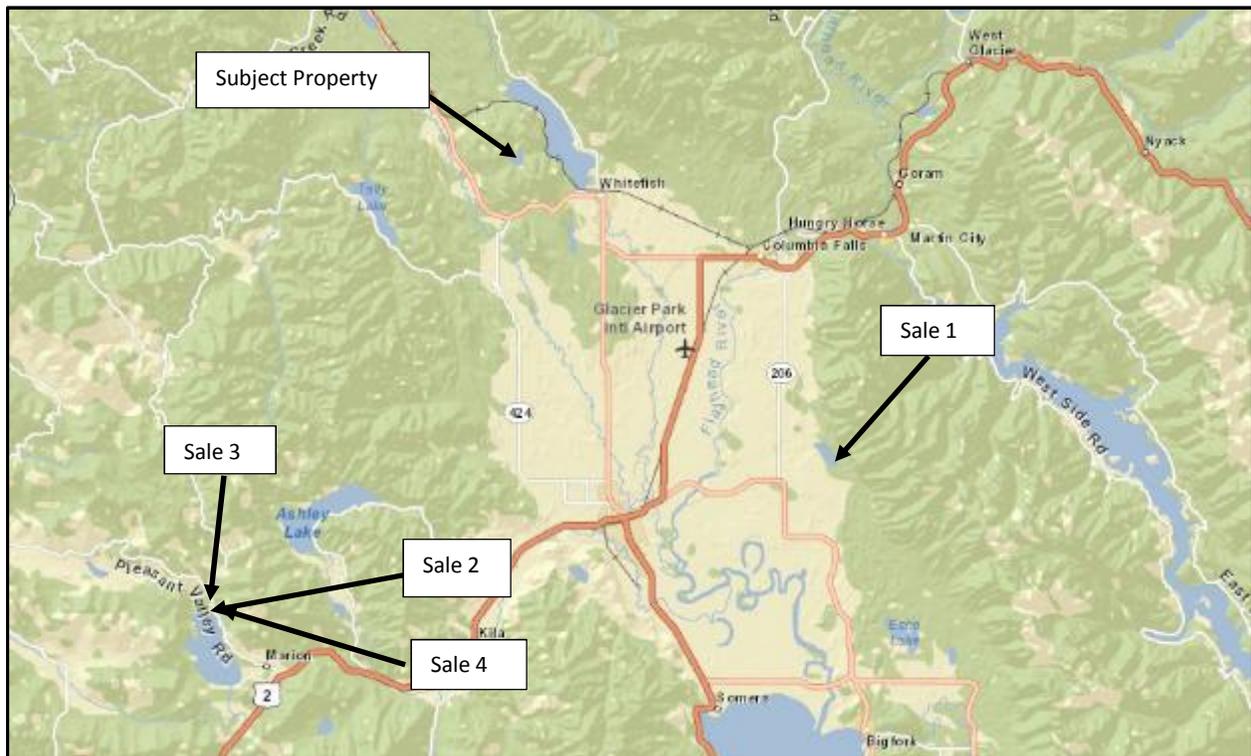
COMPARABLE SITE SALES

We conducted a search for sales of sites along smaller lakes in Flathead County. As noted in the Subject Market Analysis, there were 18 sales of vacant lakefront sites on somewhat similar lakes in Flathead County from 2014 to 2015 Year-to-Date. We selected the most recent and/or most similar of these sales as comparables for the subject lots. 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	1591 Lake Blaine Rd	Kalispell	Lake Blaine	114.00	2015	\$262,000	\$10,000	\$252,000	\$2,211
2	134 Kelly Ct	Marion	Bitterroot	150.83	2015	\$330,000	\$10,000	\$320,000	\$2,122
3	128 Bitterroot Cove Ct	Marion	Bitterroot	115.40	2015	\$271,500	\$10,000	\$261,500	\$2,266
4	122 Kelly Ct	Marion	Bitterroot	150.85	2016	\$330,000	\$0	\$330,000	\$2,188

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

Map of Comparable Lot Sales



LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location		1591 Lake Blaine Road
	City/State		Kalispell, Montana
	County		Flathead
	Assessor Number		0385100
	Zoning		Not Zoned
	Site Size: Acres		0.14
	Square Feet		6,098
	Date of Sale		June 10, 2015
	Sales Price		\$262,000
	Less Value of Improvements		\$10,000
	Sales Price Adjusted		\$252,000
MLS #		333319	
ANALYSIS OF SALE			
Price per Acre	\$1,800,000	Price per Square Foot	\$41.32
		Price Per Front Foot	\$2,211
TRANSFER INFORMATION			
Grantor	Zeno Marvin & Elizabeth Marvin	Grantee	Kerry Dosch & David Dosch
Type of Instrument	Warranty Deed	Document #	201500011471
		Marketing Time	58 Days on Market
Financing/Conditions	Cash/Market	Verified By/Phone #	Diana Rahdert, Selling Agent
Legal Description	Tract 1 of COS # 7308, Flathead County, Montana	Intended Use/Comments	Purchased for recreational use.
Section/Township/Range	S36/T29N/R20W		
PROPERTY DETAILS			
Access	Lake Blaine Rd	View	Lake Blaine/Mountains
Topography	Level	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30029C1875G, the property is located in an area of Low Flood Risk.	Improvements	Sale included an older mobile home that was not considered to contribute value. The existence of the home allowed the purchaser to maintain the current septic system. Site includes the older septic system and a well estimated to contribute approximately \$10,000 to the purchase price.
Feet of Water Frontage	114	Value of Improvements	\$10,000
Front Feet Per Acre	814		
Utilities	Electricity & Telephone, Well on Site, Older Septic System on Site that Predates Permitting.	Miscellaneous	Purchaser intended to utilize the mobile home with a plan for eventual replacement. This property sold for \$230,000 in July of 2014. The price increased by approximately 14% since the prior transfer.
Report File # 15-054ec			

LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location		134 Kelly Court
	City/State		Marion, Montana
	County		Flathead
	Assessor Number		0003958
	Zoning		Little Bitterroot Lake
	Site Size: Acres		1.129
	Square Feet		49,179
	Date of Sale		August 31, 2015
	Sales Price		\$330,000
	Less Cost of Improvements*		\$10,000
	Sales Price Adjusted		\$320,000
	MLS #		333121
ANALYSIS OF SALE			
Price per Acre	\$283,437	Price per Square Foot	\$6.51
		Price Per Front Foot	\$2,122
TRANSFER INFORMATION			
Grantor	Covey Family Trust	Grantee	XW Consulting, LLC
Type of Instrument	Warranty Deed	Document #	201500020221
		Marketing Time	147 Days on Market
Financing/Conditions	Cash/Market	Verified By/Phone #	Hollis Carbo, Listing and Selling Agent
Legal Description	Lot 3 of Kelly Subdivision, Flathead County, Montana	Intended Use/Comments	Purchased for eventual construction of a residence and
Section/Township/Range	S4/T27N/R24W		
PROPERTY DETAILS			
Access	Kelly Court	View	Bitterroot Lake/Mountains
Topography	Sloping with Level Building Site	Lot Dimensions	150.83 'X 347.33' X 137.82' X 308.59'
Flood Plain	According to Flood Map # 30029C2200G, the property is located in an area of Low Flood Risk.	Improvements	Site improvements consist of buried electrical and telephone lines and approval for a septic system. Site improvements estimated to contribute \$10,000 to the sales price
Feet of Water Frontage	150.83	Value of Improvements	\$10,000
Front Feet Per Acre	134		
Utilities	Buried Electrical & Telephone Lines, Approval for Septic System	Miscellaneous	
			Report File # 15-054ec

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location		128 Bitterroot Cove Court
	City/State		Marion, Montana
	County		Flathead
	Assessor Number		0007784
	Zoning		Little Bitterroot Lake
	Site Size: Acres		2.085
	Square Feet		90,823
	Date of Sale		May 7, 2015
	Sales Price		\$271,500
	Less Cost of Improvements*		\$10,000
	Sales Price Adjusted		\$261,500
	MLS #		327231
ANALYSIS OF SALE			
Price per Acre	\$125,420	Price per Square Foot	\$2.88
		Price Per Front Foot	\$2,266
TRANSFER INFORMATION			
Grantor	Rebecca M. McDonnell & Patrick J. McDonnell	Grantee	Brent Poe McCabe & Deborah W. McCage
Type of Instrument	Warranty Deed	Document #	20150008803
Financing/Conditions	Conventional/Market	Marketing Time	349 Days on Market
Legal Description	Lot 16 of Bitterroot Cove Subdivision, Flathead County,	Verified By/Phone #	Dusty Dziza, Listing & Selling Agent
Section/Township/Range	S5/T27N/R24W	Intended Use/Comments	Purchased for construction of a residence and recreational use.
PROPERTY DETAILS			
Access	Kelly Court	View	Bitterroot Lake/Mountains
Topography	Sloping with Level Building Site	Lot Dimensions	Various
Flood Plain	According to Flood Map # 30029C1750G, the property is located in an area of Low Flood Risk.	Improvements	Site improvements consist of buried electrical and telephone lines and approval for a septic system. Site improvements estimated to contribute \$10,000 to the sales price.
Feet of Water Frontage	115.4	Value of Improvements	\$10,000
Front Feet Per Acre	55	Miscellaneous	
Utilities	Buried Electrical & Telephone Lines, Approval for Septic System, Well Drilled but not Complete		
			Report File # 15-054ec

LAND SALE 4

COMPARABLE SALE INFORMATION				
	Location		122 Kelly Court	
	City/State		Marion, MT	
	County		Flathead	
	Assessor Number		0003957	
	Zoning		Little Bitterroot Lake Zoning District	
	Site Size: Acres		1.238	
	Square Feet		53,927	
	Date of Sale		June 10, 2016	
	Sales Price		\$330,000	
	Less Cost of Improvements*		\$0	
	Sales Price Adjusted		\$330,000	
	MLS #		21601931	
ANALYSIS OF SALE				
Price per Acre		\$266,559	Price per Square Foot	\$6.12
			Price Per Front Foot	\$2,188
TRANSFER INFORMATION				
Grantor	Michael C. Covey & Stacy D. Covey	Grantee	Benjamin Nillson & Mandy Nillson	
Type of Instrument	Warranty Deed	Document #	201600011301	
Financing/Conditions	Cash/Market	Marketing Time	349 Days on Market	
Legal Description	Lot 2 of Kelly Subdivision	Verified By	Holly Carbo, Listing Agent	
Section/Township/Range	S12/T16N/R15W	Intended Use/Comments	Purchased for Residential / Recreational Use	
PROPERTY DETAILS				
Access	Pleasant Valley Rd. *Paved	View	Lake, Mountains	
Topography	Sloping downward toward lake	Lot Dimensions	Various	
Flood Plain	According to Flood Map # 30029C2200G, the property is not located in an area of elevated flood risk.	Improvements	None	
Water	Bitterroot Lake	Value of Improvements	\$0	
Water Frontage	150.85	Miscellaneous	Property is located on the east shore of the lake and has septic approval.	
Utilities	Electricity & Telephone at road.			
Report File # 16-033ec				

SITE VALUE ESTIMATE

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 5, COS #18353, BEAVER LAKE					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		1591 Lake Blaine Rd	134 Kelly Ct	128 Bitterroot Cove Ct	122 Kelly Ct
CITY		Kalispell, MT	Marion, MT	Marion, MT	Marion, MT
SALES PRICE		\$262,000	\$330,000	\$271,500	\$330,000
ADJUSTMENT FOR IMPROVEMENTS		-\$10,000	-\$10,000	-\$10,000	\$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		06/10/15	08/31/15	05/07/15	06/10/16
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$252,000	\$320,000	\$261,500	\$330,000
SITE SIZE/ACRES	2.238	0.140	1.129	2.085	1.240
FRONT FEET ON LAKE	128.50	114.00	150.83	115.40	150.00
ADJUSTED SALES PRICE PER FRONT FOOT		\$2,211	\$2,122	\$2,266	\$2,200
ADJUSTMENT FOR:					
LOCATION/LAKE NAME	Beaver Lake	Lake Blaine	Bitterroot Lake	Bitterroot Lake	Bitterroot Lake
		0%	0%	0%	0%
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Sloping	Level	Some Slope	Some Slope	Some Slope
		-10%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	None	LBL	LBL	LBL	LBL
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	Yes	No	No	No	No
		-10%	-10%	-10%	-10%
ELECTRICITY/TELEPHONE	Not Available	Available	Available	Available	Available
		-10%	-10%	-10%	-10%
SITE SIZE/ACRES	2.24	0.14	1.13	2.09	1.24
		0%	0%	0%	0%
FRONT FEET	128.50	114.00	150.83	115.40	150.00
		0%	0%	0%	0%
TOTAL PERCENTAGE ADJUSTMENT		-30%	-20%	-20%	-20%
TOTAL ADJUSTMENT ADJUSTMENT		-\$663	-\$424	-\$453	-\$440
FRONT FEET PER ACRE	57	814	134	55	121
ADJUSTED PRICE PER SF		\$1,547	\$1,697	\$1,813	\$1,760

Discussion of Adjustments

Adjustments for Improvements: Any improvements included with each sale and the contributory values are noted on the sale write-ups. The contributory values of the improvements were removed from each sale in order to determine the subject site value as vacant.

Property Rights: The ownership interest in this report for the subject lot and for all of the 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 2015 or 2016. The available data indicates that market conditions for lakefront home sites have not changed appreciably during 2015. For this reason, no adjustment was necessary in this category.

Location/Lake Name: As discussed in the Subject Market Analysis portion of this report, the sales are along lakes that are considered to have similar marketability compared to the subject site.

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

Topography: The subject lot and all of the comparables have topographies that are suitable for development. Some downward adjustment was considered necessary to Sale 1 in this category. The adjustment percentage utilized is considered reasonable and indicative of the actions of market participants. No adjustments were necessary for the remaining sales in this category.

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

Zoning: The subject property is in an area with no zoning. The comparables are either not zoned or are in zoning districts that allow residential use. Residential/recreational use is considered the highest and best use for the subject and comparables. No adjustment was necessary in this category.

Easements Affecting Value: The subject site includes a portion of a driveway from the adjacent Lot 4. Downward adjustments of 10% were considered necessary for all of the comparables in this category. The adjustment percentage is considered reasonable, necessary, and indicative of the actions of market participants relative to the subject easement.

Electricity/Telephone: The subject site does not have access to electricity or telephone service but all of the comparables do have access to electricity and telephone service. Downward adjustments of 10% were made to the comparables in this category. This adjustment percentage is considered reasonable and indicative of the actions of market participants.

Size/Acres: The comparables all include less acreage than the subject site. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount of acreage relative to the front footage. This is further addressed in the Reconciliation.

Front Feet: The comparables bracket the subject site in the amount of front footage. As noted in the Subject Market Analysis, based upon our analysis, the price per front foot of lakefront sites varies according to the amount acreage relative to the front footage. This is further addressed in the Reconciliation.

Reconciliation of Sales Comparison Approach for Subject Site

The comparables provide indications of value for the subject site ranging from \$1,547 to \$1,813 per front foot. Most weight is placed on Land Sale 3 due to the similarity in the relationship between front footage and site acreage. A value of \$1,800 per front foot is well supported by this analysis. Consequently;

128.50 FF @ \$1,800/FF	\$231,300
Rounded To	\$230,000

RECAPITULATION OF VALUE INDICATIONS

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

Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
764	\$230,000	\$0	\$230,000	8/6/2016

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

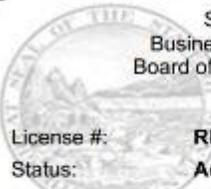
2005 - Present	Clark Real Estate Appraisal, Inc. – Real Estate Appraiser
2003 - 2005	IKON Office Solutions – Technology Marketing
2002 - 2003	Relational Technology Services – Technology Marketing
1998 - 2003	IKON Office Solutions – Technology Marketing
1988 – 1998	CMS Automation (Formerly Entré Computer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

STATE LICENSES/CERTIFICATIONS

Montana Licensed Appraiser # REA-RAL-LIC-841

APPRAISERS LICENSES

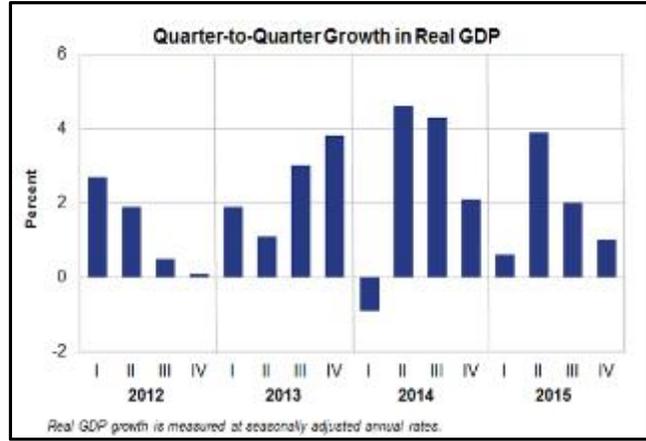
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: CERTIFIED GENERAL APPRAISER With endorsements of: REAL ESTATE APPRAISER MENTOR
License #:	REA-RAG-LIC-683	
Status:	Active	
Expiration Date:	03/31/2017	
ELLIOTT M CLARK CLARK REAL ESTATE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

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

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

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

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

According to 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%.

FLATHEAD COUNTY DATA

The subject property is located in greater Whitefish in an unincorporated portion Flathead County, Montana. The general area is known as the Flathead Valley. The Flathead Valley is surrounded by various ranges of the Rocky Mountains. The three incorporated cities in Flathead County are Kalispell, the county seat, Whitefish, and Columbia Falls. There are also several unincorporated communities in the county which include; Kila, Marion, Evergreen, Bigfork, Lakeside, Somers, Hungry Horse, and Martin City.

Geographical Information

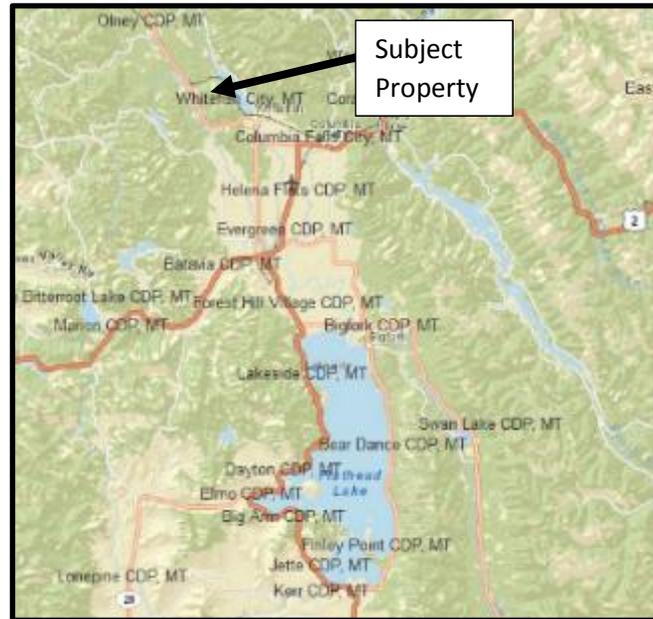
Flathead County is located in northwest Montana and is 5,098 square miles in size. Flathead Lake is a significant geographical feature of the Flathead Valley. Glacier National Park is located in the Flathead Valley area and is a major area tourist attraction. Additional attractions include; Bob Marshall Wilderness, Hungry Horse Dam, Whitefish Mountain Resort, Blacktail Mountain Resort, Whitefish Lake, numerous golf courses, and many area lakes and rivers that provide year round recreation for residents and visitors.

Population

According to 2015 ESRI estimates based upon US Census data, the population of Flathead County was 95,501. The population is forecasted to increase to 100,526 or by approximately 5.26% by 2020.

Employment

The retail trade industry represents approximately 15% of employment in Flathead County. Approximately 13% of the workforce is employed in the accommodation and food services industries and the healthcare and social assistance industries represents 12% of employment in Flathead County. Some of the largest private employers in Flathead County include; Kalispell Regional Healthcare, Winter Sports, Inc., North Valley Hospital, Century Link, National Flood Insurance, Walmart, Super 1 Foods, Plum Creek Timber Company, Teletch, Allied Materials, and BNSF Railway.



Income

The median annual household income for Flathead County was estimated to be \$45,750 in 2015 based upon ESRI forecasts using US Census data. According to ESRI forecasts, the median annual household income is to increase by approximately 3.27% per year through 2020.

Unemployment

The non-seasonally adjusted unemployment rate for Flathead County was 4.4% in September of 2015. This is below the September 2014 unemployment rate of 6.8%. Unemployment fluctuations for the county since 1990 are included on the graph below.



The US recessions are noted in gray. Flathead County was labeled as the “epicenter” of the recession for the state of Montana by statewide economists for the most recent recession.

Construction & Development

Historical data for building permits issued for single family residences of all types in the three municipalities of Flathead County is on the table below;

Single Family Building Permits Issued Per Year												
City	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change: 2014-2015
Kalispell	233	170	146	78	46	50	42	54	106	81	72	-11%
Whitefish	80	60	22	26	14	19	36	51	75	72	48	-33%
Columbia Falls	52	38	68	8	6	4	9	8	8	21	17	-19%
Total	365	268	236	112	66	73	87	113	189	174	137	-21%

The eleven year high for residential single family permits in the three municipalities is 365 permits issued in 2005. Thousands of new residential subdivision lots were created in Flathead County (incorporated and unincorporated areas) over the past decade. Supply exceeded demand for the years immediately following the national recession. According to research by Clark Real Estate Appraisal, supply and demand moved closer to a balanced level in the municipalities in Flathead County over the past three years.

Healthcare

There are two primary hospitals located in the Flathead Valley. Kalispell Regional Medical Center is a 174 bed hospital located on the medical campus in Kalispell. North Valley Hospital is a 31 bed hospital located in Whitefish.

Tourism

Glacier National Park is a significant draw in Flathead County with 1.5 to 2.2 million visitors each year. There are many area recreational opportunities that draw resident and nonresident travelers. These include natural amenities such as the numerous lakes, rivers and mountain ranges and manmade amenities such as ski and mountain biking areas.

Linkages & Transportation

The three cities in Flathead County are within an easy commute of each other and are connected by US or state highways. US Highway 93 is considered the most significant corridor in the Flathead Valley. The intersection of US Highway 93 and Reserve, just north of Kalispell, has become the commercial hub for the valley. There are three significant shopping centers in this area as well as two automobile dealerships, a high school, and a number of governmental offices.

Whitefish and Columbia Falls are connected by Montana Highway 40. There was some commercial development along Montana Highway 40 prior to the most recent national recession; however, there has been little new construction along this highway in recent years.

Columbia Falls and Kalispell are connected by US Highway 2. This corridor includes Glacier Park International Airport. Other commercial improvements along US Highway 2 between Columbia Falls and Kalispell are predominantly light industrial in nature.

The Canadian border is within a one to two hour drive from most portions of Flathead County. There is a port of entry just north of Flathead County in Eureka, Montana and another border crossing at the line dividing Glacier National Park of the United States and Waterton National Park of Canada.

Glacier Park International Airport is serviced by Delta/Skywest Airlines, Allegiant Air, Horizon Air/Alaska Airlines and United Airlines. There is a train depot in Whitefish that is a stop for Amtrak. The Burlington Northern Santa Fe Railroad freight trains run through Whitefish, Columbia Falls and Kalispell.

City and Communities

The larger cities and communities in Flathead County are summarized on the table below;

FLATHEAD COUNTY - CITIES AND COMMUNITIES				
	Population		% Change 2000 - 2010	Market Overview
	2000 Censu	2010 Censu		
Kalispell	14,223	19,927	40.1%	County Seat. Regional Business Center including Medical Center, Retail Hub & Community College. Centrally located with convenient access to many recreational opportunities.
Columbia Falls	3,645	4,688	28.6%	Gateway to Glacier National Park. Located along Flathead River. Historically industrial in nature. Meadow Lake Resort is located in Columbia Falls.
Whitefish	5,032	6,357	26.3%	Resort community located near Whitefish Lake, Whitefish River and Whitefish Mountain Ski Resort. Population increases in summer due to numerous vacation and second home owners.
Evergreen	6,215	7,616	22.5%	Unincorporated area adjacent to the city limits of Kalispell. Area consists of residential, retail and light industrial type properties.
Somers and Lakeside Area	2,235	3,778	69.0%	Communities located along Flathead Lake primarily bedroom communities for Kalispell. Population increases in summer months due to numerous vacation and second home owners.
Bigfork Area	1,421	4,270	200.5%	Resort community located along Flathead Lake featuring numerous restaurants, specialty shops, art galleries and a theater. There is an 18 hole championship golf course in this area. Main economic base is tourism.

County Economic Data Conclusion

Attractions such as Glacier National Park, Flathead Lake, and Whitefish Mountain Ski Resort will continue to be a draw for second home buyers, nonresident travelers, and Montana residents to the Flathead Valley. The short and long term outlooks for the area are positive due to the abundance of natural resources and the potential for a diverse economic base.

CITY AND NEIGHBORHOOD ECONOMIC DATA

The subject property is approximately 10 miles (by vehicle) from the central business district of Whitefish. Schools, churches, shopping, and employment are available in Whitefish and the city periphery.

Whitefish Economic Data

Whitefish began as a railroad and logging community and has developed into a resort community due to proximity of Whitefish Mountain Ski Resort, Whitefish Lake, Glacier National Park and other area recreation attractions. Many local businesses are hospitality oriented.

Population and Income

According to ESRI estimates based upon US Census data, the population of the city of Whitefish in 2015 was 6,643. The population is forecasted to increase to 6,985 in 2020 or at rate of approximately 1.03% per year.

Also according to ESRI estimates based upon US Census data, the median household income in 2015 for Whitefish was \$48,373 with annual increases of approximately 3.4% per year through 2020. The 2015 median household income in Whitefish is approximately 5.7% greater than the median household income in Flathead County.



Employment

Area employers include: financial institutions; federal, county or city government; retail businesses; restaurants; bars; and small locally owned businesses. Some area residents commute to Kalispell or surrounding areas for employment.

Approximately 40% of the employed civilian population 16 years or older is in service, sales or office occupations. The service sectors employ the largest number of individuals which provides an indication of the importance of tourism to the Whitefish economy.

Linkages & Transportation

US Highway 93 is considered a primary corridor in Whitefish providing access to Kalispell to the south. West of the central business district US Highway 93 runs north to south and is known as Spokane Avenue. At the corner of 2nd Street West and Spokane Avenue, US Highway 93 turns west. It continues to the northwest through Lincoln County and on to the Canadian border which is approximately 60 miles northwest of Whitefish. Montana Highway 40 runs east from Whitefish to US Highway 2 which provides access to Glacier National Park.

A train depot is located on the north side of Whitefish and services Amtrak. The Burlington Northern Santa Fe Railroad freight trains also run through Whitefish.

Commercial Real Estate

The central business district was developed over the last century. Most businesses along Central Avenue have “western” style facades. The look of the area has basically remained unchanged as buildings are periodically purchased and renovated. Small local shops, bars and restaurants are mixed with professional and governmental offices and financial institutions.

There are a relatively large number of local businesses that cater to seasonal residents and tourists. The central business district has generally been in the revitalization stage of development since 2004.



In 2009 work began on publicly funded street renovations for Central Avenue which included installation of curbing and landscaping. These street renovations are part of a long term beautification plan for the central business district.

A new City Hall building is under construction in downtown Whitefish. The new building will be approximately 20,000 square feet in size and will include spaces for municipal offices, a parking garage, and retail spaces. This building is to be complete by 2017.

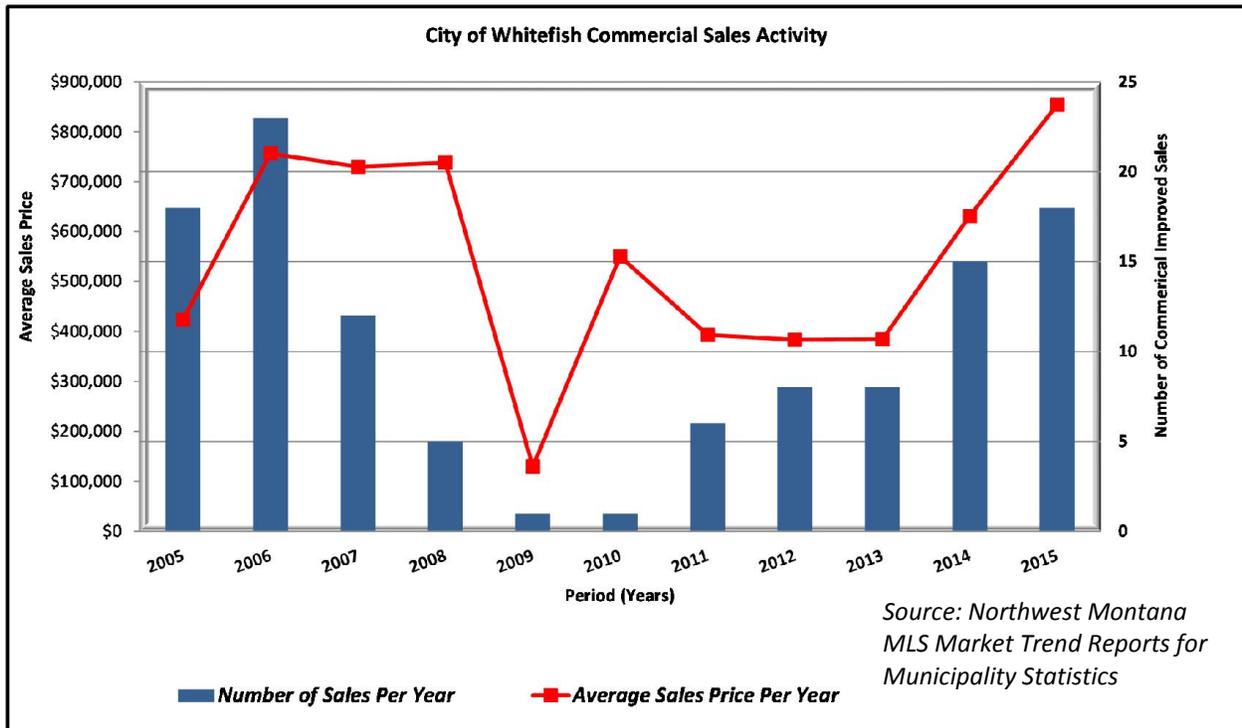
The “Railway District” is located west of the central business district. This area was also undergoing revitalization in recent years. It was growing in popularity due to the commercial zoning and close proximity to the central business district. The properties in this area have typically offered a more affordable option than Central Avenue for business owners requiring retail and office space.

Baker Avenue is a secondary commercial thoroughfare of Whitefish. There are various offices and retail buildings along Baker Avenue. Other commercial improvements along Baker Avenue include an aquatic and fitness center completed in 2004 and a recently completed emergency services center.

There are also businesses along the US Highway 93 corridor on the south side of Whitefish. These include professional offices, banks, grocery stores, car dealerships, gas stations, motels, restaurants and retail businesses. The new North Valley Hospital facility and a medical campus with a number of physician’s offices were recently completed along this corridor.

There were 33 commercial new construction building permits issued in 2015 in Whitefish. That total is down from 38 permits issued 2014 and 53 permits in 2013.

The chart below depicts sales volume and median price per property for improved commercial sales for the past eleven years in the municipal areas of Whitefish;



The peak in volume for improved commercial properties occurred in 2006; however, peak pricing for the period occurred in 2015. Annual Demand has been increasing since 2009. The health of the commercial market in Whitefish is considered to be guarded because significant prices increases without similar increases in demand can signal a bubble type market.

Residential Development & Absorption

According to the City of Whitefish Planning and Building Department 2015 Annual Report, the city expanded its boundaries by 16.7 acres in 2015. Over the past decade, the city has increases in size approximately 554 acres due to annexation.

A table depicting the number of subdivision lots awarded preliminary and final plat approval in the city is included below. Subdivisions with preliminary approval are given three years to meet any conditions required for final plat approval.

New Lots Created in Whitefish												
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Preliminary Plat	468	264	43	254	105	90	37	2	2	6	77	20
Final Plat	119	189	123	99	40	22	24	37	2	10	50	48

The annual total number of lots in subdivisions awarded final and preliminary plat approval generally decreased from 2007 through 2013. The number of new lots awarded final plat approval increased from 2013 to 2014 and then decreased slightly from 2014 to 2015.

Residential construction permits issued in Whitefish from 2003 through 2014 are detailed on the table below;

Residential Construction Permits - Whitefish											
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	80	60	22	26	14	23	36	51	75	72	48
Townhouse/Duplex	59	42	20	8	0	0	2	6	6	6	12
Multi-Family	153	34	32	0	0	3	0	3	0	15	7
Manufactured Home	0	0	0	0	0	0	0	0	0	0	0
Total	292	136	74	34	14	26	38	60	81	93	67

The number of total permits issued annually increased from 2009 through 2014. The total permits issued in 2015 is less than those issued in 2014.

The chart below depicts sales volume and median price per property for all improved residential sales for the past ten years in the municipal areas of Whitefish;

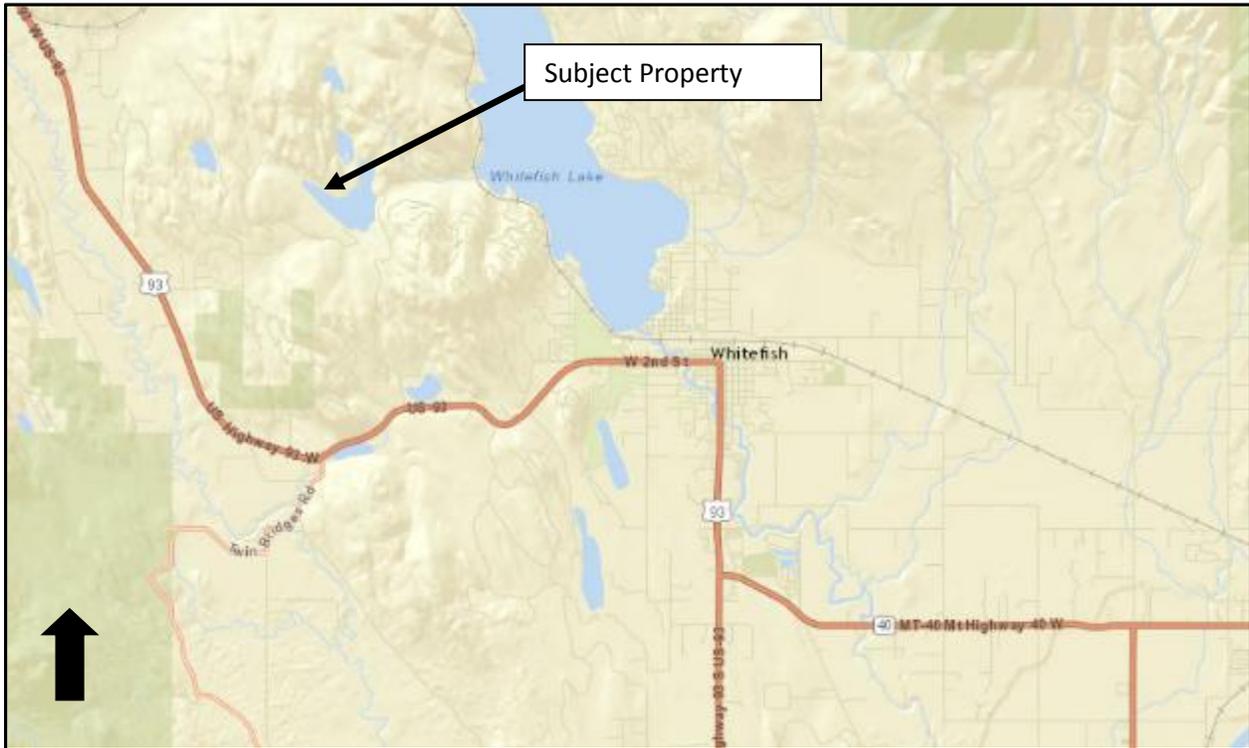


The peak in volume for improved residential properties occurred in 2006. Peak pricing occurred in 2008. Demand began a decline starting in 2007. Demand generally increased between 2009 and 2013. Demand and pricing increased slightly from 2014 to 2015.

Conclusion

In conclusion, continued growth and expansion for the greater Whitefish area is considered likely in the long term. The average annual sale price for commercial properties in Whitefish increased at a significantly higher percentage than the increase in demand from 2014 to 2015. Caution is necessary as this could signal a bubble market. Overall, the residential market in the city of Whitefish has fluctuated in recent years. It is important to note that there were 33% fewer building permits issued for single family residences in Whitefish when comparing 2014 to 2015. Market conditions for commercial and residential properties in Whitefish are in a state of flux and the outlook for overall real estate market conditions in the short term is considered to be guarded.

MAP OF WHITEFISH AND SURROUNDING AREAS



SCOPE OF WORK
(Page 1 of 5)

ATTACHMENT A

**Scope of Work for Appraisal of Potential Property Sale through the
Cabin & Home Site Sale Program**

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are 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, the Department of Natural Resources and Conservation (DNRC), Risen Family Trust, and Smeby Family, LLC for the Sperry Grade parcels; Bruce & Louise Stiegler, Ellen Spurlock, Rick DeAcetis & Anee Tafoya, Jason & Suzanne Moe, David & Margaret Yuhas, Bruce & Peggy Graving, and Robin Castle Mikkelsen for the Seeley Lake Outlet East parcels; Justun & Stacy Juelfs, Fred Garipey, Denise Epler, Christopher & Debbie Slater, and Maura Stobie for the Seeley Lake Development parcels; Jessica Brown for the Seeley Lake North parcel; Patti Sue Stachofsky for the Lincoln County parcel; Neal Franson & Barb Roberts for the Flathead County parcel; Susan Hutz, Ronald Gibb, and Robert Farren for the Echo Lake parcels; Michael & Pamela Mower for the McGregor Lake parcel; and John Weber for the Sanders County parcel. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties and is intended for use in the decision making process concerning the potential sale of said subject properties.

DEFINITIONS:

Current fair market value. (MCA 70-30-313) 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 reasonably 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.

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 included analysis and appraised values of the five (5) cabin sites identified in the Supplemental Appraisal Instructions.

Be valued with the actual or hypothetical condition that the cabin site or home site has legal access.

All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparables 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 Properties:

SPERRY GRADE		
Sale #	Acres	Legal Description
845	2.851±	Lot 2, Sperry Grade Cabin Sites COS 5714, Section 36, T15N-R14W
846	1.807 ±	Lot 1, Sperry Grade Cabin Sites COS 5714, Section 36, T15N-R14W
SEELEY LAKE OUTLET (EAST)		
838	1.803 ±	Lot 3, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
839	1.173 ±	Lot 4, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
840	1.241 ±	Lot 13, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
842	1.463 ±	Lot 22, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
844	1.571 ±	Lot 24, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
890	0.646 ±	Lot 5A, Seeley Lake Outlet East Cabin Sites, COS 4875, Section 4, T16N-R15W
SEELEY LAKE DEVELOPMENT		
834	1.25 ±	Lot 39, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
835	1.363 ±	Lot 43, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
836	1.407 ±	Lot 29, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
837	1.682 ±	Lot 12, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
894	1.131 ±	Lot 44, Seeley Lake Development Cabin Sites, COS 6161, Section 4, T16N-R15W
SEELEY LAKE NORTH		
843	1.304 ±	Lot 2, Seeley Lake Development North Cabin Sites, COS 6787, Section 16, T17N-R15W
LINCOLN COUNTY		
832	0.32 ±	Unsurveyed lot in the NW¼NW¼NW¼NE¼, Section 36, T34N-R25W

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FLATHEAD COUNTY		
833	4.15 ±	Unsurveyed lot in the SW¼NW¼, Section 28, T32N-R23W
BEAVER LAKE		
764	2.238 ±	Lot 5, Beaver Lake, COS 18353, Section 5, T27N-R19W
ECHO LAKE		
828	0.879 ±	Lot 24, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
829	1.54 ±	Lot 34, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
892	1.999 ±	Lot 33, Echo Lake Cabin Sites, COS 18885, Section 5, T27N-R19W
MCGREGOR LAKE		
830	2.68 ±	Lot 28, McGregor Lake Cabin Sites, COS 19909, Section 16, T26N-R25W
SANDERS COUNTY		
831	0.7 ±	Unsurveyed lot in the NW¼NW¼, Section 36, T23N-R27W

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 11th Avenue
 Helena, MT 59620-1601
 Phone: (406) 444-4165
ecooper@mt.gov

828 Susan Hutz 1898 LaBrant Rd #24 Bigfork, MT 59911	829 Ronald Gibb 10447 21 Ave NW Edmonton, AB T6J-5E9 CANADA	830 Michael & Pamela Mower PO Box 8234 Kalispell, MT 59904
831 John Weber 55740 Fish Hatchery Road St. Ignatius, MT 59901	832 Patti Sue Stachofsky PO Box 49 Stryker, MT 59933-0049	833 Neal Franson & Barb Roberts PO Box 107 Olney, MT 59927
834 Justun & Stacy Juelfs 195 Meadow Vista Loop Kalispell, MT 59901	835 Fred Gariepy PO Box 783 St. Ignatius, MT 59865	836 Denise Epler PO Box 1750 Helena, MT 59624
837 Christopher & Debbie Slater 5205 Goodan Lane Missoula, MT 59802	838 Bruce & Louise Stiegler 15621 W. White Horse Dr. Sun City West, AZ 85375	839 Ellen Spurlock PO Box 17422 Missoula, MT 59808

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840 Rick DeAcetis & Ameer Tafoya 2324 Hess Dr. Crest Hill, IL 60435	841 Jason & Suzanne Moe PO Box 57 Park City, MT 59063	842 David & Margaret Yuhas PO Box 1179 Florence, MT 59833
843 Jessica Brown 10328 302 nd Way NE Carnation, WA 98014	844 Bruce & Peggy Graving 1140 West Platinum St. Butte, MT 59701	845 Risen Family Trust C/O Larry Risen 805 Brighton Ave Southlake, TX 76092
846 Smeby Family, LLC 15533 Broadway Avenue Snohomish, WA 98296	890 Robin Castle Mikkelsen 700 3 rd Ave. N. Great Falls, MT 59401	892 Robert Farren C/O Dale Russell Box 15 Diamond City, AB T0K-0T0 CANADA
894 Maura Stobie 6930 Linda Vista Blvd. Missoula, MT 59803	764 DNRC 1625 11 th Avenue Helena, MT 59620-1620	

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.

