

McGinnis Real Estate Appraisal Group, LLC

Appraisal Report Lot 15, COS 22282 Section 20, T31N-R22W Flathead County 72 Beaver Lease Road Whitefish, MT 59937

Jennifer L. McGinnis, MAI

Sale #2057 Lot 15
1.23 ac. 194.06' LF
Beaver Lake
320 SF older sleeping
cabin with outhouse

Date of Valuation

June 13, 2023

FOR

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

DNRC No.235125

Our File No. 2323

McGinnis Real Estate Appraisal Group, LLC

July 24, 2023

Montana Department of Natural Resources and Conservation
Brent Neace, Real Estate Specialist
P.O. Box 201601
Helena, MT 59620-1601
(406)444-4289
Brent.neace@mt.gov

RE: Sale #2057, Lot 15, COS 22282, Sec. 20, T31N-R22W
72 Beaver Lease Road,
Whitefish, MT 59937

DNRC No. 235125
Our File No. 2323

Dear Brent Neace,

At your request I have prepared an appraisal on the above-described property, which was viewed on June 13, 2023, on both the interior and exterior. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property legally described on page 13 and is intended for use in the decision-making process concerning the potential sale of said subject properties. I hereby submit the following appraisal report containing 69 pages and Addenda.

The appraisal complies with The Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board. The following report details among other important factors, appraiser certification, scope of work, definition of **current fair market value**, the highest and best use of the property, all applicable approaches to value, assumptions and limiting conditions and hypothetical condition. Market values of the (hypothetical) fee simple interests of the subject lot as if vacant, the subject improvements, and the site and improvements considered together are concluded in this report. These

value conclusions are made after thorough study of available market data and other data pertinent to this appraisal. Acceptance of this appraisal constitutes an agreement whereby the user acknowledges and accepts all conditions provided herein.

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

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

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

As a result of my investigations, studies, and analyses, I have formed the opinions that the ***current fair market value(s) (12 C.F.R 34.42(h))*** of the subject property, with consideration to the ***Hypothetical Conditions and Extraordinary Assumptions and Limiting Conditions*** stated in this report and a cash sale, as of June 13, 2023, is:

Fair Market Value indications by the Sales Comparison approach June 13, 2023	
Description	#2057 Lot 15 COS 22282
Lot size/amenity	1.23 ac, 194.06' Beaver lake frontage
Improvement size/Year	320 SF sleeping cabin/unknown
Land-segregated value	\$390,000
Improvements-segregated value	\$10,000
Total fee simple market value (Hypothetical Condition)	\$400,000

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

Thank you for the opportunity to be of service.

Respectfully submitted,



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

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Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report and all comparable sales.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have provided no services as an appraiser or in any other capacity of the subject property within the three years prior to this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Members.

A handwritten signature in dark ink, reading "J McGinnis". The signature is fluid and cursive, with the first name "J" being a large, stylized capital letter.

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

General Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

Summary of Conclusions

Current Owners-Land	State of Montana
Leasehold Improvements	#2057 Ross & Sandra Anderson
Client/Intended User	State of Montana, State of Montana Board of Land Commissioners Montana Department of Natural Resources & Conservation/Client Agencies & Individual Lessee Noted in the Report
Purpose/Intended Use	Estimate Market Values/Potential Sale Purposes
Property Identification	#2057 Lot 15, Beaver Lake, COS 22282 T31N-R22W, Sec. 20, Flathead County
Property Rights Appraised	Hypothetical Fee simple
Present Use Highest and Best Use	Recreational and/or residential use Recreational and/or residential use
Extraordinary Assumptions Hypothetical Conditions	Access through State DNRC lands Fee Simple ownership
Marketing and Exposure Time	Appraised values as if vacant and improved are based on a 6-12-month marketing and exposure times.

<i>Fair Market Value indications by the Sales Comparison approach June 13, 2023</i>	
Description	#2057 Lot 15 COS 22282
Lot size/amenity	1.23 ac, 194.06' Beaver lake frontage
Improvement size/Year	320 SF sleeping cabin/unknown
Land-segregated value	\$390,000
Improvements-segregated value	\$10,000
Total fee simple market value (Hypothetical Condition)	\$400,000

Introduction

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

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

Lot#	Sale #	Lessee
15	2057	Ross G. & Sandra Anderson

The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision-making process concerning the potential sale of said subject property. No other party may use or rely on the information in this report without written consent of the preparer.

Significant Dates of Appraisal

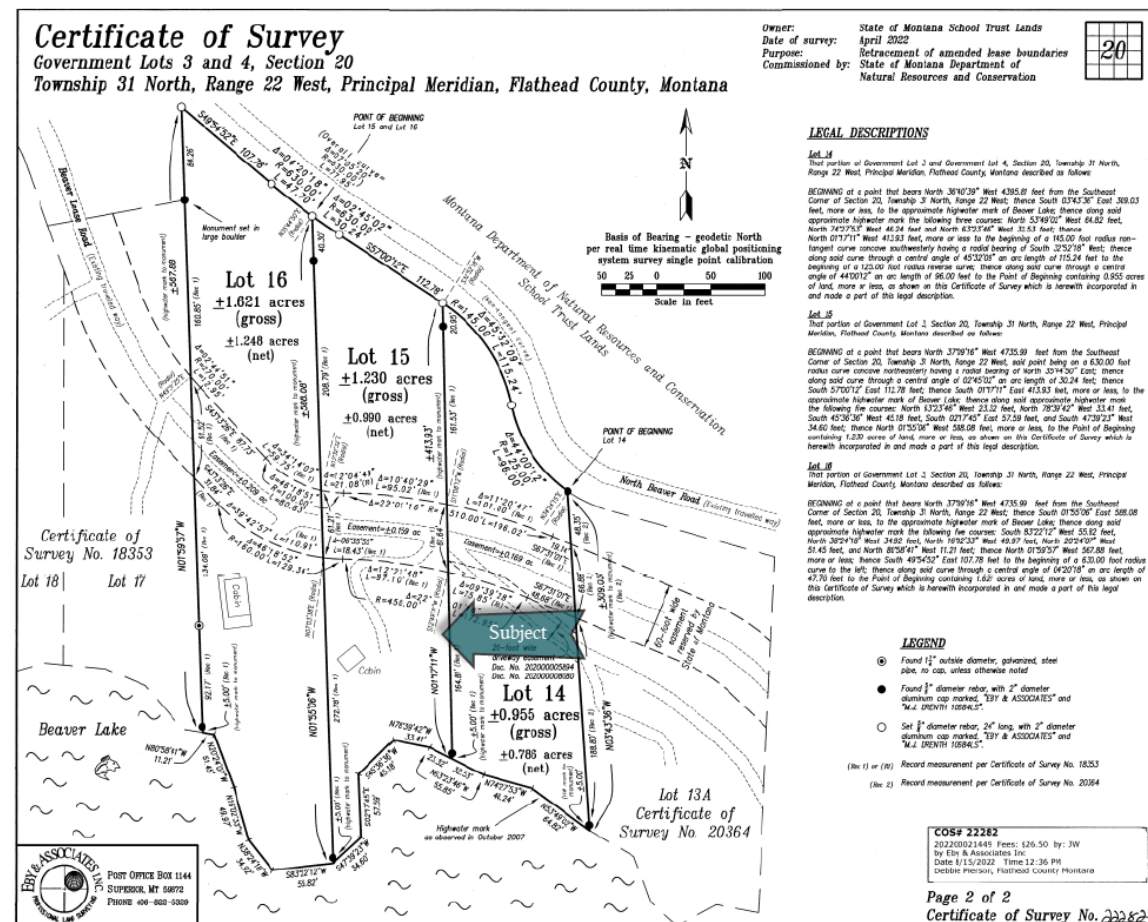
The effective date of the appraisal is June 13, 2023. The original appraisal report was completed and delivered on June 26, 2023 and a revised report on July 24, 2023.

Identification of the subject real estate and the property rights appraised

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

The property is legally described as follows:

Lot#	Sale #	COS #	Township/Range/Section	County	Size/Acres	waterfront	WF'
15	2057	22282	T31N-R22W, Sec. 20	Flathead	1.23	Beaver Lake	194.06



Legal Description:

Let 15

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

BEGINNING at a point that bears North 37°09'16" West 4735.99 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 630.00 foot radius curve concave northeasterly having a radial bearing of North 35°44'50" East; thence along said curve through a central angle of 02°45'02" an arc length of 30.24 feet; thence South 57°00'12" East 112.78 feet; thence South 01°17'11" East 413.93 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: North 63°23'46" West 23.32 feet, North 78°39'42" West 33.41 feet, South 45°36'36" West 45.18 feet, South 02°17'45" East 57.59 feet, and South 47°39'23" West 34.60 feet; thence North 01°55'06" West 588.08 feet, more or less, to the Point of Beginning containing 1.230 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Subject location maps



Scope of Work and Definition of Current Fair Market Value

DocuSign Envelope ID: EC7FA41A-A461-4B80-8A81-6FFDA083D10D

ATTACHMENT A

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

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2023 Beaver Lake Flathead County Appraisal

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee Ross and Sandra Anderson. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and must 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 property. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

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

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not

applicable.

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 1 (one) cabin site identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

Attachment B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Property (Located in Flathead County):

Sale #	Acres ±	Legal Description
2057	1.23±	Lot 15, Beaver Lake, COS 22282, Section 20, T 31N-R 22W

<u>DNRC Contact Information:</u> Deidra Kloberdanz, Lands Section Supervisor PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4165 Deidra.Kloberdanz@mt.gov	<u>Lessees:</u> Sale 2057: Ross & Sandra Anderson (406) 261-2528
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The following will be located in the body of the contract:

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

The definition of market value is that as defined in 12 C.F.R. § 34.42 (h).

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

Location Map of Parcel

Rev 201608

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This appraisal report employs the Sales Comparison Approach to value the subject site as if vacant. All three approaches to value are considered for valuation of the subject property as improved. The Cost Approach is developed for the subject older sleeping cabin which was built on a post and pier foundation with no water, sewer or power, and outhouse, as there were no comparable improved sales with similar minimal improvements. The Income Capitalization Approach is not developed, as there is insufficient data due to most properties in the area being owner occupied. The Sales Comparison Approach to value is developed to estimate the value of the subject property as if vacant which is necessary for credible results given the intended use, property characteristics and type of value sought. The data collection and analysis followed the normal procedures as required by the Uniform Standards of Professional Appraisal Practice, as well as the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

Data was obtained from the following sources:

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

Upon receiving the assignment, a file was prepared which included: certificate of survey, land status report, water rights (none), zoning information (none), courthouse research including owner of record for land and leasehold improvements, real estate taxes, legal description, as well as floodplain map.

An interior and exterior site visit was completed June 13, 2023, with the Lessee, and DNRC representatives. Comparables were viewed and the MLS photo is

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

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

No personal property, such as the floating dock, are included in this report.

History/Last Sale of the Subject Property

The subject site has been under the State of Montana ownership for over three years. Improvements on the subject lot are owned by the Lessees for over three years according to the Lessee, however two quit claim deeds were found in the public records. Montana is a non-disclosure State, therefore purchase prices are not of public record.

Lot#	Sale #	Lessee	Last Transfer Document	Grantor	Grantee	Date	Document
15	2057	Ross G. & Sandra Anderson	Quit Claim Deed	Kenny Pannell	Ross G. Anderson	6/16/2022	202200015296
			Quit Claim Deed	Kenny Pannell	Ross G. Anderson	11/15/2022	202200028848

The subject property is not currently listed for sale and there are no known offers to purchase the subject property at this time, however, the purpose of this appraisal is for decision making purposes concerning a potential sale of the said subject property.

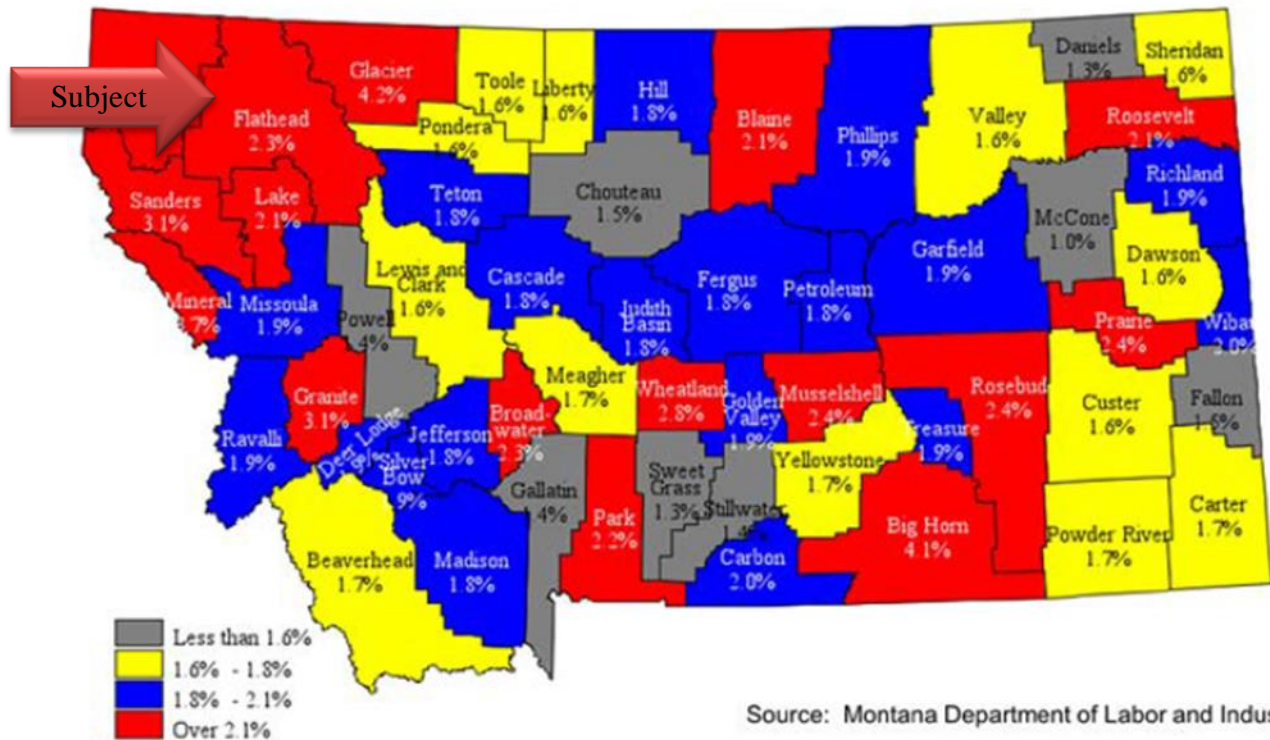
Use/Marketing Histories of the Subject Property

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

Lot#	Sale #	Lessee	House Built	Cabin Size/SF	MLS Listing history
15	2057	Ross G. & Sandra Anderson	unknown	320	none

General Area Data

Unemployment Rates, November 2021



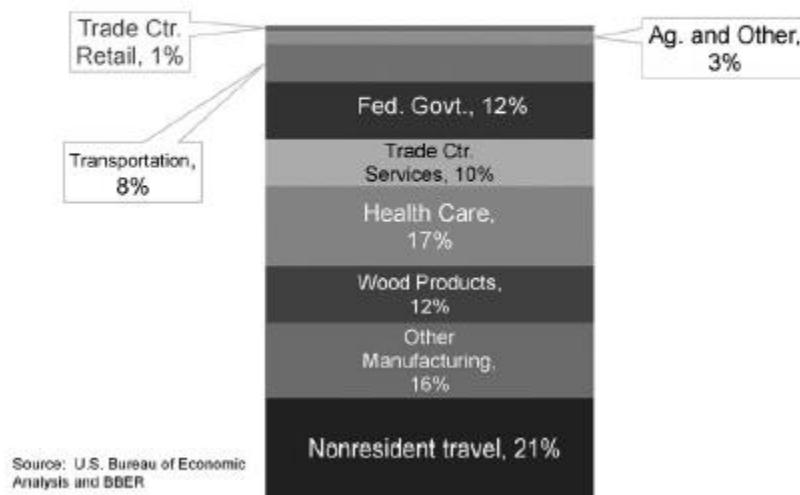
Location

Flathead County, located in NW Montana encompasses 5,098 square miles with approximately 94% of the area in National or State Forest Land, Wilderness, agricultural and timber land. Glacier National Park, the Bob Marshall Wilderness, Whitefish Mountain Resort, Blacktail Mountain Ski Area, eight golf courses, and Flathead Lake the largest freshwater lake in the western United States, make the Flathead Valley a popular tourist attraction. There are three incorporated cities in the County. Kalispell is the largest and the County seat with a population of 26,110+/-, Whitefish with a population of 8,492+/- and Columbia Falls totaling 5,545+/- people.

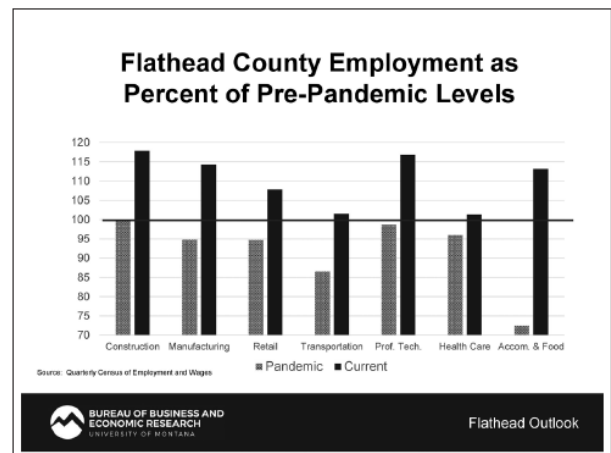
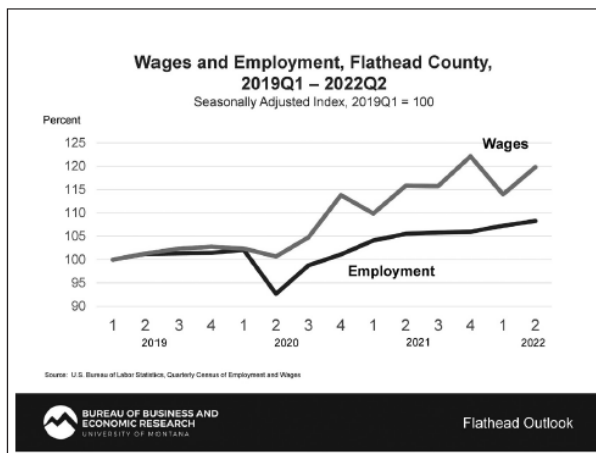
Economic Considerations

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

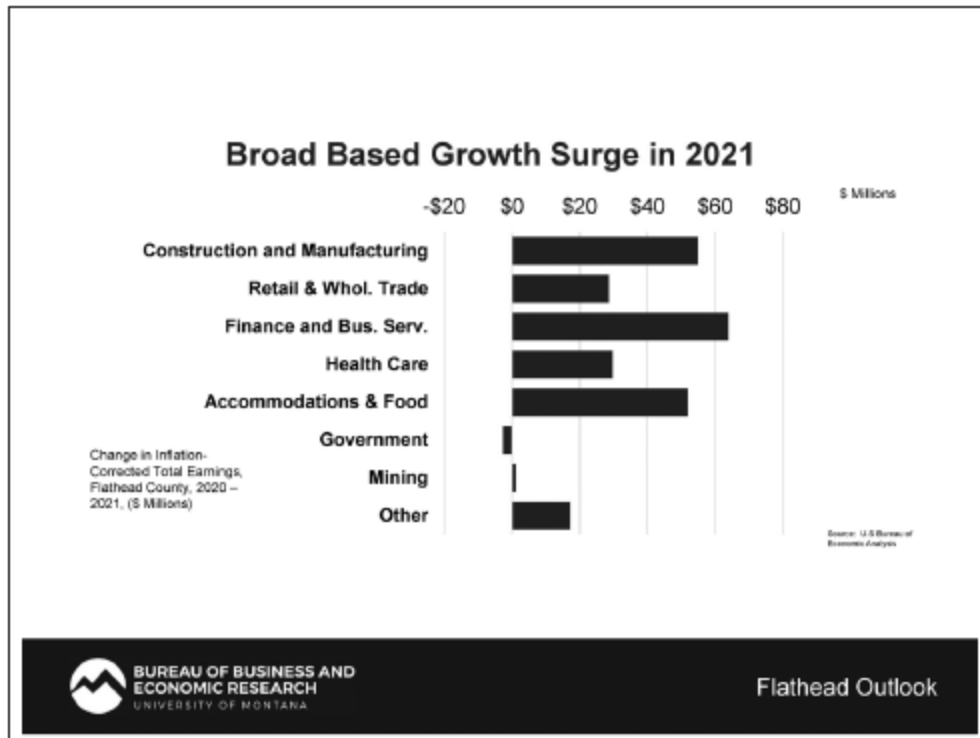
Drivers of Economic Activity
Percent Share of Income in Basic Industries, Flathead County



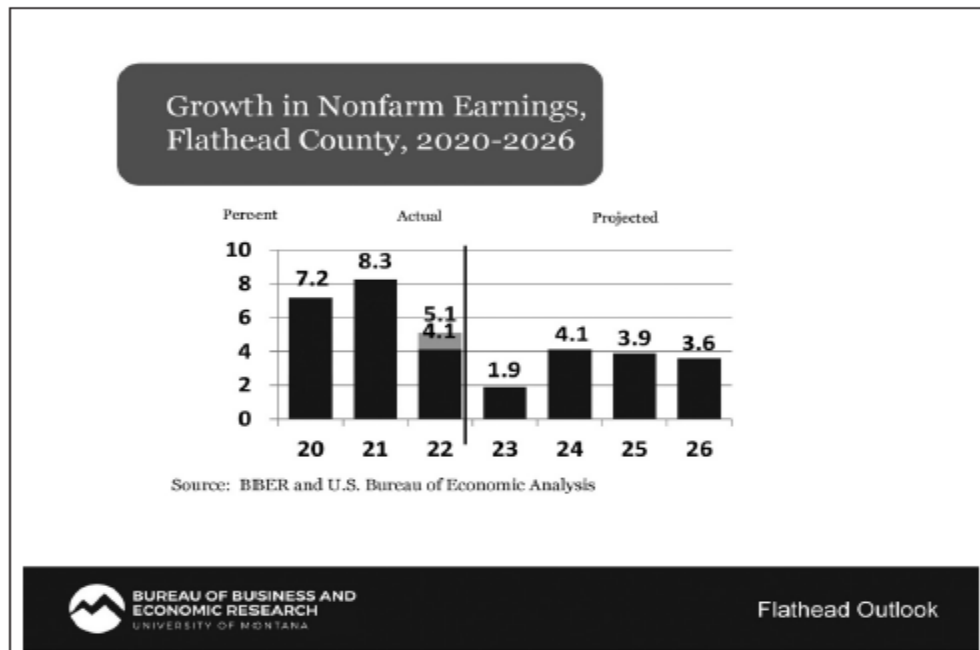
Illustrated in the tables below, employment and wages have all surged as a result of the COVID-19 pandemic:



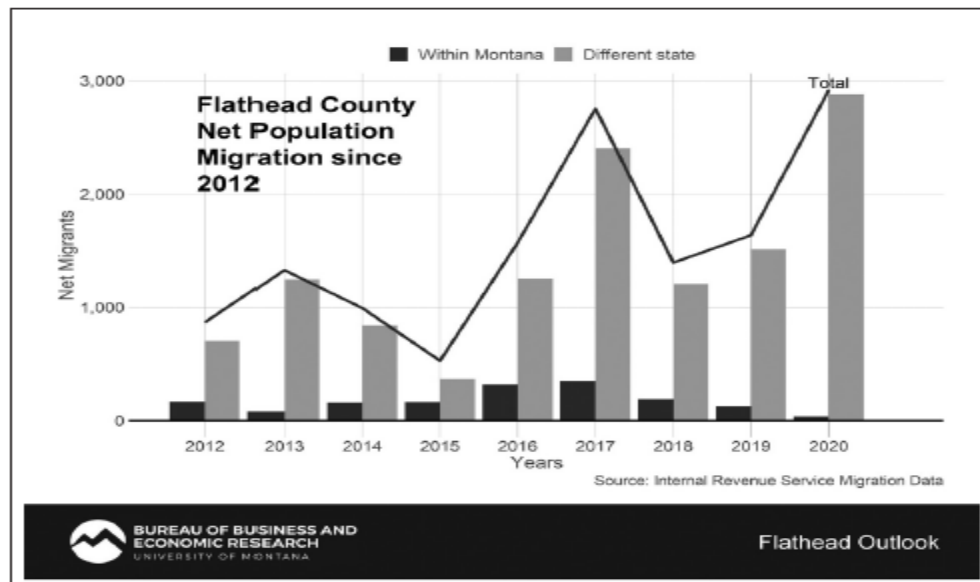
Increase in wages due to the pandemic were found in most industries, except for government as shown in the graph below:



Overall, Flathead County growth in Nonfarm earnings is anticipated to be weaker in 2023, increasing in 2024 and remaining relatively stable through 2026:



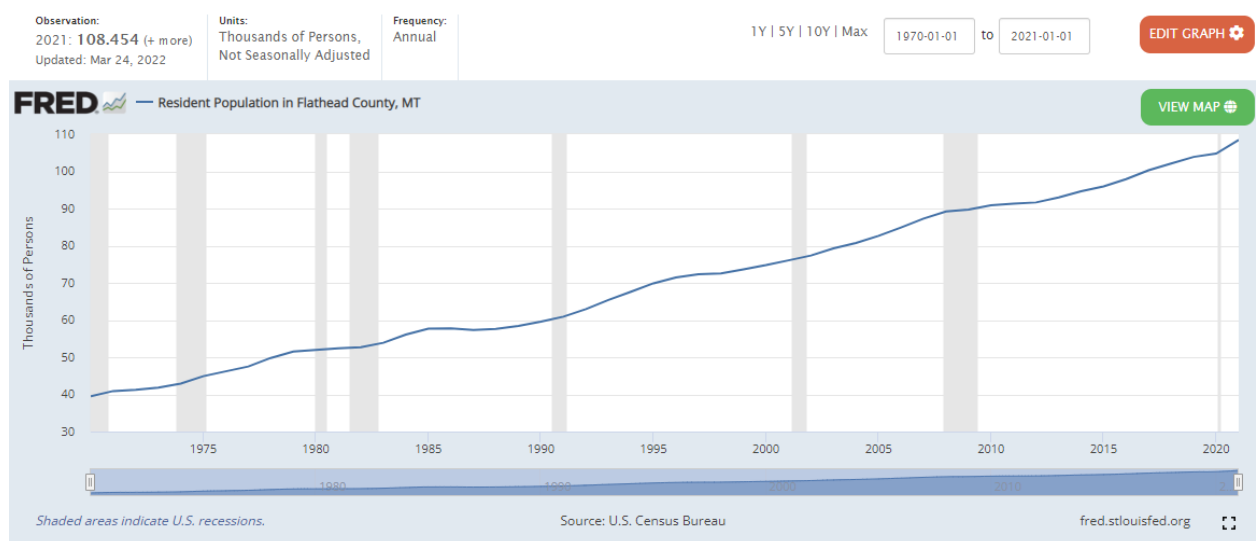
The following graph illustrates the net migration of people moving to the Flathead, with most people moving to the area from out of State, driving growth and demand:



Population

Flathead County is Montana's fourth largest county with approximately 108,454 residents in 2022 with population growth of 19.36% from 2010.

Following are Flathead County population trends in the past 50 years:



The median age in Flathead County is 43 years, with 41% of the population over the age of 50 years, as shown in the following graph by the US Census Bureau:

Age

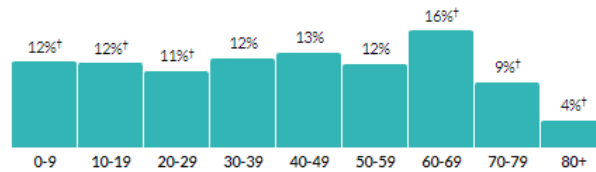
43

Median age

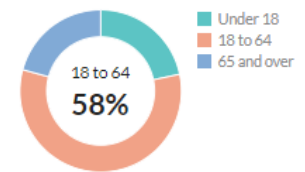
about 10 percent higher than the figure in Montana: 40.1

about 10 percent higher than the figure in United States: 38.8

Population by age range

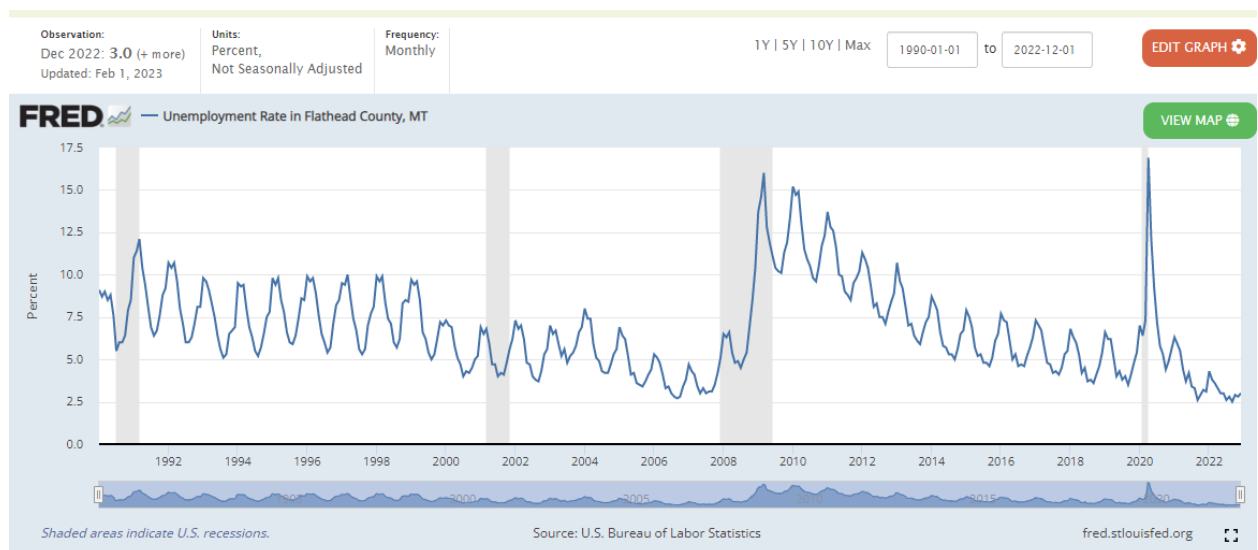


Population by age category



Employment

Unemployment rates improved in 2014-2022 with Flathead County data showing an unemployment rate of 3% in December 2022, compared to over 15% in 2009-2011 and the low of 2.7% unemployment in 2006. As a result of the COVID-19 pandemic, unemployment rates skyrocketed to 16.6% as shown below:



Summary

The economy continues to evolve, supporting job growth in the higher wage paying sectors of manufacturing, construction, health care, business, and financial services, as well as benefiting from the number people moving to the area from out of State. Canadians also come to the area to shop and recreate.

However, the exchange rate has recently been unfavorable for the Canadians, \$0.75 to the US dollar, prompting them to stay closer to home.

[Kalispell new development](#)

Kalispell experienced a 18% decline in building permits in 2022 compared to 2021, with the majority being residential development permits at 149 totaling 603 units, after a record high of 340 permits and 878 units in 2020, with multi-family units surging, according to the following City Building Department Activity Summary:

2017 through 2022 Building Department Activity Summary

	2017	2018	2019	2020	2021	2022
Total Building Permits Issued (all types)	290	280	281	406	300	245
Commercial, Office, Industrial, Utility	79	80	67	58	67	39
Residential	180	181	210	340	221	149
Government, Public/Quasi Public,	10	12	3	4	9	9
Health Care	21	7	1	4	3	3
New or Significant Commercial, Office, Industrial or Utility Permits (\$250,000 or greater)	21	20	21	15	16	14
Value of New or Significant Commercial, Office, Industrial, Utility & Remod or Additions	\$39,641,500	\$21,156,047	\$25,785,792	\$21,142,601	\$23,980,208	\$15,369,135
New Residential Units	195	215	244	460	878	603
Single Family, Townhouse and/or Duplex units, Accessory Dwelling units	151	133	160	300	229	137
Multi-family units	44	82	84	160	649	466
Value of All New Residential Units	\$25,558,959	\$36,283,902	\$41,728,860	\$79,393,670	\$130,763,112	\$88,783,054
New or Significant Additions to Public/Quasi-Public, Health Care Permits (\$250,000 or greater)	11	15	2	2	2	5
Value of New or Significant Public/Quasi-Public or Health Care	\$32,813,597	\$29,433,706	\$2,300,000	\$24,000,000	\$1,152,280	\$8,643,631
Total Value all Construction Types	\$104,600,358	\$91,429,643	\$65,849,456	\$126,139,717	\$160,799,756	\$115,131,618

[Kalispell lot development](#)

The following table summarizes subdivision activity in Kalispell, with the total number of lots decreasing 47% to 408 in 2022 compared to a high of 773 lots in

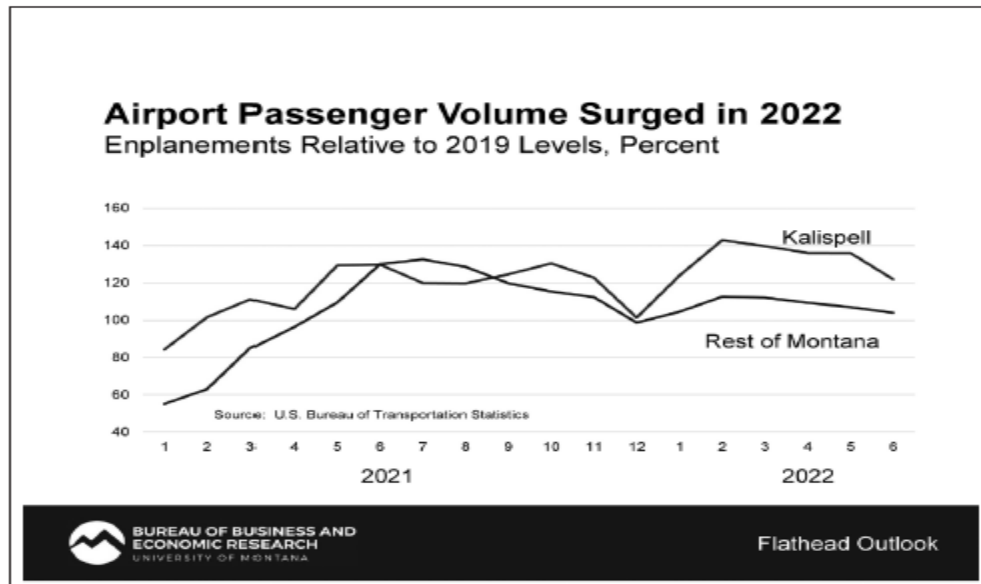
2021. Number of acres annexed into the city decreased in 2022 to 55.53 acres compared to 61.37 acres in 2021:

2017 through 2022 Planning Department Applications

	2017	2018	2019	2020	2021	2022
• Preliminary Subdivision Plat Applications	3	7	4	4	8	7
○ Total lots	193	268	194	348	773	408
• Preliminary Plats Expired	1	1	1	1	0	0
○ Total Lots	471	2	2	57	0	0
• Final Subdivision Plat Applications	2	8	6	10	7	7
○ Total lots	29	97	156	238	128	251
• Conditional Use Permit Applications	12	5	4	5	12	2
• Annexation Applications	7	7	4	4	5	7
○ Acres Annexed	85.71	217.51	7.4	6.17	61.37	55.53
• Zone Change Applications	3	5	2	1	4	5
• PUD (Planned Unit Developments approved)	4	4	0	2	4	4
○ Approximate acres of PUDs approved	200	335.2	0	30.89	256.34	157.78
• Growth Policy Amendments	2	2	2	1	2	1
• Zone Text Amendments	1	0	1	1	3	2
• Floodplain Development Permits	1	0	1	1	0	3
• Administrative Adjustments	2	1	7	8	3	3
• Sign Permits	67	72	92	66	98	91

Linkages

Transportation facilities in Flathead County are good with major airlines providing daily flights to and from Glacier Park International Airport, which is located on US Highway 2 E, just a short distance to the north of Kalispell. Glacier Park International Airport passenger volume surged in 2022 as shown in the graph below, with strong tourism demand and people moving to the area:



Rail facilities in Whitefish include Amtrak services for passengers and Burlington Northern services for freight and other uses. Bus services to and from Kalispell are available. Motor freight is supplied through several major carriers and serves the entire Flathead Valley. Kalispell is located at the intersection of U.S. Highways No. 93 and No. 2, and Montana Highway 35 which facilitate good access to and from the city.

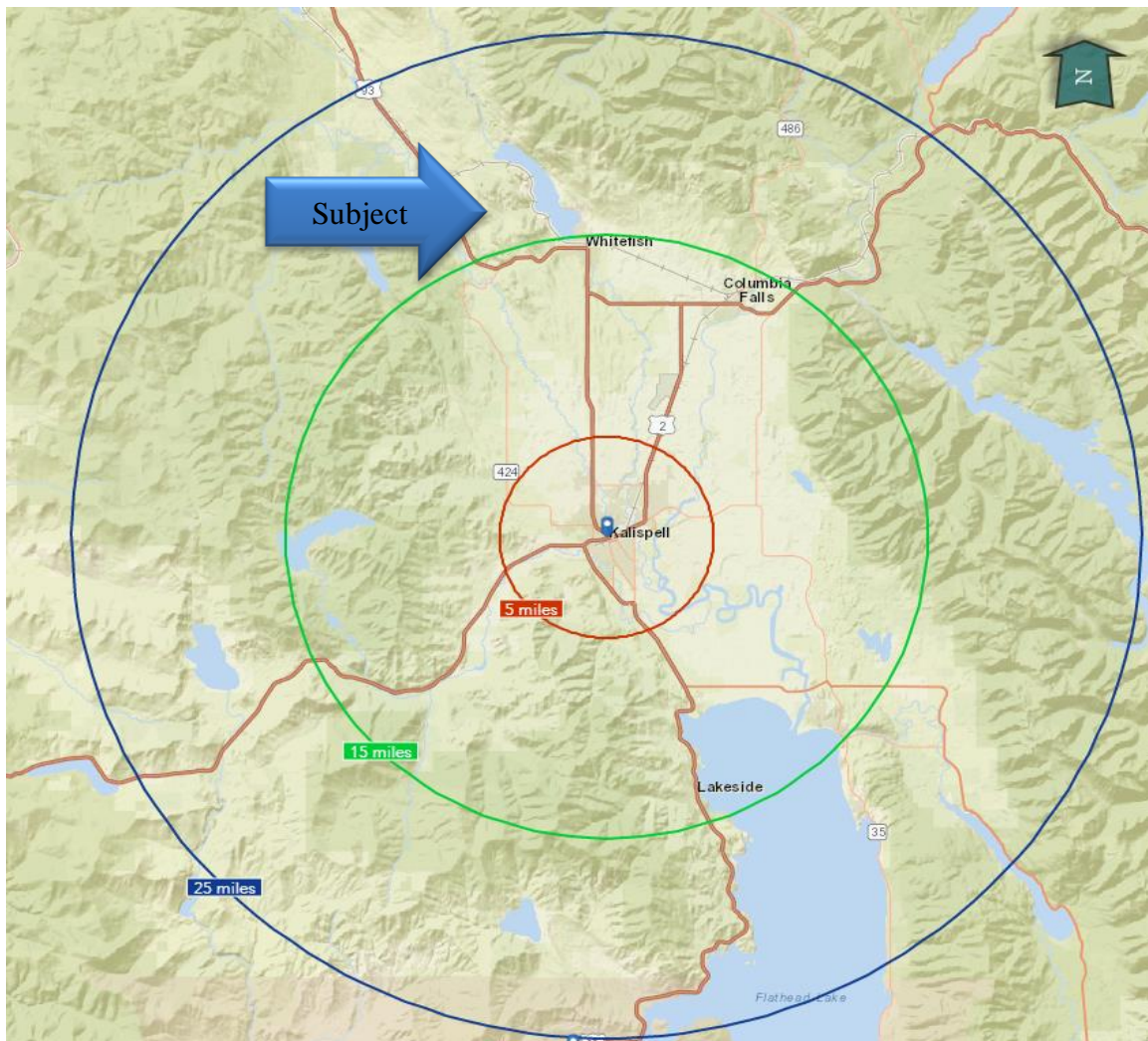
[Social Considerations](#)

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

Fishing and water recreation sports can be enjoyed at Flathead Lake and Whitefish Lake, and winter sports such as skiing are available at the Whitefish Mountain Ski Resort located in Whitefish. Whitefish Mountain Resort has experienced an increase in number of skier days and have expanded recreational opportunities during the summer months to include zip lining, hiking and mountain biking.

In summary, the Flathead County economy posted 5.1% to 8.3% growth each year from 2020-2022 and is expected to continue to grow at an average of around 3.7% per year from 2023-2026, with unemployment rates at record lows, and real estate values stabilizing to appreciating in segments of the market where supply and demand are out of balance. Flathead County has had strong population growth since the pandemic, with trade and finance/business growing, construction and manufacturing are increasing, while the improved economy brings more non-resident travel.

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



Neighborhood Data and forecasts

The subject is located 11+- mile NW of Whitefish and 25+- miles north of Kalispell. There are public schools for grades K-12, medical facilities, and shopping available in both Whitefish and Kalispell.

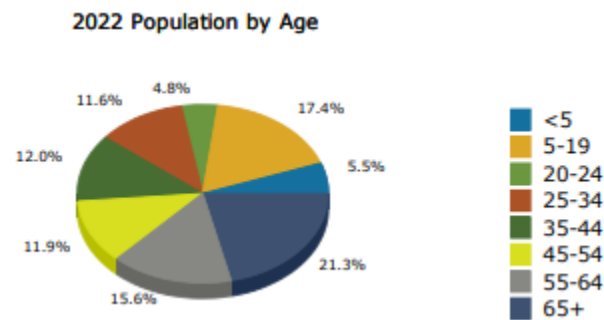
Population forecast

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

	5 miles	15 miles	25 miles
Population			
2010 Population	37,429	79,863	93,124
2020 Population	43,121	92,259	106,636
2022 Population	44,065	95,533	110,302
2027 Population	45,825	101,147	116,669
2010-2020 Annual Rate	1.43%	1.45%	1.36%
2020-2022 Annual Rate	0.97%	1.56%	1.51%
2022-2027 Annual Rate	0.79%	1.15%	1.13%
2022 Male Population	49.3%	49.8%	49.9%
2022 Female Population	50.7%	50.2%	50.1%
2022 Median Age	39.3	42.8	43.9

In the identified area, the current year population is 110,302. In 2020, the Census count in the area was 106,636. The rate of change since 2020 was 1.51% annually. The five-year projection for the population in the area is 116,669 representing a change of 1.13% annually from 2022 to 2027. Currently, the population is 49.9% male and 50.1% female.

Population by age in a 25-mile radius:

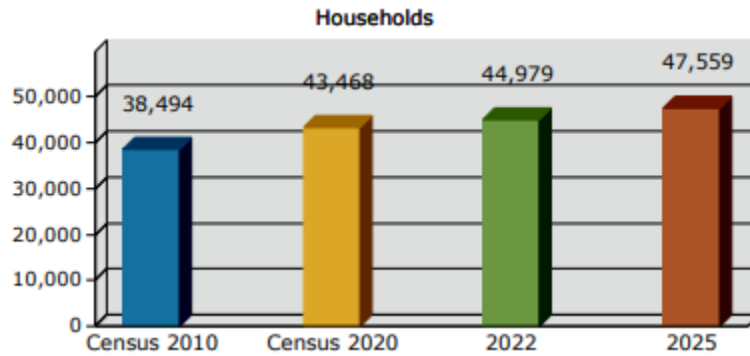


Household forecast

	5 miles	15 miles	25 miles
Households			
2022 Wealth Index	69	78	80
2010 Households	15,458	32,631	38,494
2020 Households	17,360	37,242	43,468
2022 Households	17,675	38,538	44,979
2027 Households	18,373	40,794	47,559
2010-2020 Annual Rate	1.17%	1.33%	1.22%
2020-2022 Annual Rate	0.80%	1.53%	1.53%
2022-2027 Annual Rate	0.78%	1.14%	1.12%
2022 Average Household Size	2.45	2.45	2.43

The household count in this area has changed from 43,468 in 2020 to 44,979 in the current year, a change of 1.53% annually. The five-year projection of households is 47,559, a change of 1.12% annually from the current year total. Average household size is currently 2.43, compared to 2.43 in the year 2020. The number of families in the current year is 28,930 in the specified area.

Households in a 25-mile radius:



Income forecast

Mortgage Income

2022 Percent of Income for Mortgage	24.9%	28.2%	29.0%
-------------------------------------	-------	-------	-------

Median Household Income

2022 Median Household Income	\$63,488	\$70,167	\$70,013
2027 Median Household Income	\$68,964	\$78,835	\$79,105
2022-2027 Annual Rate	1.67%	2.36%	2.47%

Average Household Income

2022 Average Household Income	\$83,663	\$89,319	\$89,654
2027 Average Household Income	\$91,415	\$99,896	\$100,606
2022-2027 Annual Rate	1.79%	2.26%	2.33%

Per Capita Income

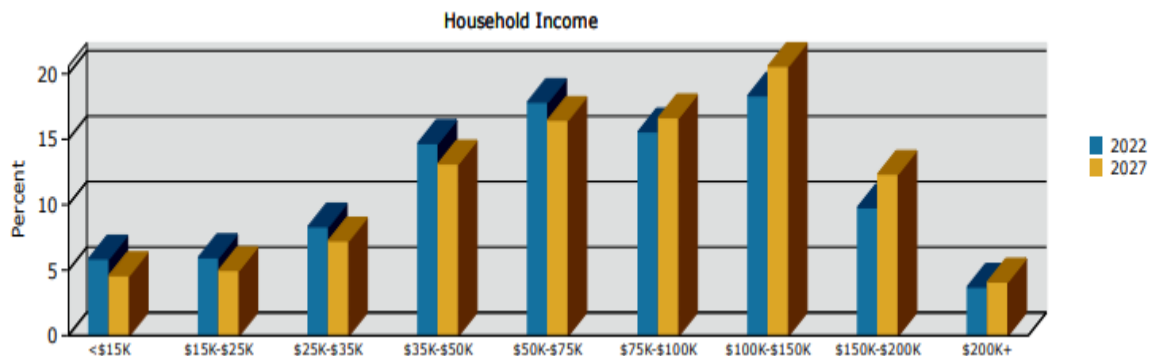
2022 Per Capita Income	\$33,708	\$36,074	\$36,574
2027 Per Capita Income	\$36,814	\$40,328	\$41,025
2022-2027 Annual Rate	1.78%	2.25%	2.32%

Households by Income

Current median household income is \$70,013 in the area, compared to \$72,414 for all U.S. households. Median household income is projected to be \$79,105 in five years, compared to \$84,445 for all U.S. households

Current average household income is \$89,654 in this area, compared to \$105,029 for all U.S. households. Average household income is projected to be \$100,606 in five years, compared to \$122,155 for all U.S. households

Current per capita income is \$36,574 in the area, compared to the U.S. per capita income of \$40,363. The per capita income is projected to be \$41,025 in five years, compared to \$47,064 for all U.S. households

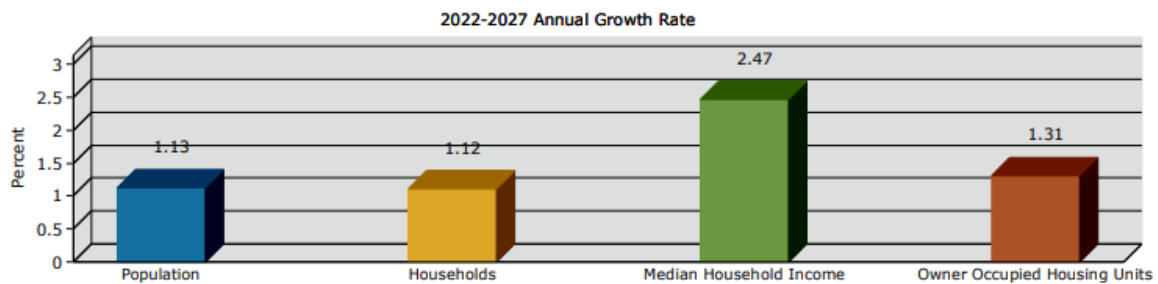


Housing forecast

	5 miles	15 miles	25 miles
Housing			
2022 Housing Affordability Index	96	86	84
2010 Total Housing Units	16,615	37,704	48,204
2010 Owner Occupied Housing Units	10,078	22,901	27,355
2010 Renter Occupied Housing Units	5,381	9,730	11,139
2010 Vacant Housing Units	1,157	5,073	9,710
2020 Total Housing Units	18,353	41,652	51,095
2020 Vacant Housing Units	993	4,410	7,627
2022 Total Housing Units	18,758	43,254	52,968
2022 Owner Occupied Housing Units	12,798	29,903	35,311
2022 Renter Occupied Housing Units	4,877	8,636	9,668
2022 Vacant Housing Units	1,083	4,716	7,989
2027 Total Housing Units	19,514	45,821	55,928
2027 Owner Occupied Housing Units	13,363	31,965	37,677
2027 Renter Occupied Housing Units	5,010	8,828	9,881
2027 Vacant Housing Units	1,141	5,027	8,369

Currently, 66.7% of the 52,968 housing units in the area are owner occupied; 18.3%, renter occupied; and 15.1% are vacant. Currently, in the U.S., 58.2% of the housing units in the area are owner occupied; 31.8% are renter occupied; and 10.0% are vacant. In 2020, there were 51,095 housing units in the area and 14.9% vacant housing units. The annual rate of change in housing units since 2020 is 1.61%. Median home value in the area is \$385,442, compared to a median home value of \$283,272 for the U.S. In five years, median value is projected to change by 2.51% annually to \$436,250.

Neighborhood Summary-25 mile radius



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

Market Trends

Residential

In 1Q2023 the residential market in Whitefish experienced a 32% decrease in number of sales compared to 2022 with 73 sales in 1Q2023. Dollar volume is 20% lower over 2022, indicating a stabilizing market, with fewer sales. At the end of 1Q 2023 there were 165 active listings, indicating a 6+- month supply, and an average marketing time for sales of 190 days and 94% list to sale price ratio as shown in the following table:

Whitefish Residential Sales/Listing Data from MR MLS 1Q2023

Residential		Whitefish Area	
		No of Sales	Dollar Volume
\$1	\$99,999	0	\$0
\$100,000	\$199,999	0	\$0
\$200,000	\$299,999	1	\$249,000
\$300,000	\$399,999	3	\$1,124,000
\$400,000	\$499,999	9	\$4,008,000
\$500,000	\$999,999	33	\$24,975,000
\$1,000,000	\$2,999,999	20	\$33,972,000
\$3,000,000	\$5,999,999	6	\$24,565,000
\$6,000,000	+	1	\$7,390,000
Through March 2023		73	\$96,283,000
Through March 2022		108	\$120,350,000
Percentage Change		-32%	-20%
Number of Sales for Period			73
Sales - Average Price			\$1,319,000
Sales - Average Days on Market			190
Median Price of Sales			\$856,000
Sale Price as Percent of List Price			94%
Number of Listings			165
Listings - Average Price			\$2,680,000
Listings - Average Days on Market			229
Median Price of Listings			\$1,878,000
Total Listing Asking Price			\$442,123,000

Vacant Land

There is a 15+ month supply of vacant land in Whitefish as shown in the following table which indicates 108 active listings with 105 sales in 2022, and 219 sales in 2021, 292 sales in 2020, 182 sales in 2019; indicating demand is decreasing after strong demand in 2020 and 2021. Average list to sale price ratio is 92% as shown in the following table:

Whitefish Land Sales/Listing Data from MR MLS 1Q2023

Vacant Land		% of List Price	
Number of Listings (EOM)		108	92%
Average List Price			\$1,674,257
Number of Sales for Period		29	\$21,071,000
Average Sale Price			\$726,586
Average Sale Site Size (Acre)			4.32
Months supply compared to prev			15
		No	Average Price
Land Sales	1 up to 0.49 Ac	18	\$475,056
	2 0.5 to 0.99 Ac	1	\$1,420,000
	3 1 to 1.99 Ac	2	\$497,000
	4 2 to 4.99 Ac	2	\$565,000
	5 5 to 19.99 Ac	3	\$558,333
	6 over 20 Ac	3	\$2,433,333
Land Sales in			
2005		275	
2006		180	
2007		131	
2008		55	
2009		45	
2010		62	
2011		93	
2012		126	
2013		147	
2014		148	
2015		127	
2016		128	
2017		174	
2018		200	
2019		182	
2020		292	
2021		219	
2022		105	

[Flathead County Navigable Waterfront land sized lot to 3 acres](#)

Navigable waterfront sales sized lot to 3 acres in Flathead County in the past year indicate six closed sales with a median price of \$570,417, two under contract listings with a median list price of \$436,000 and four active listings with a median price of \$495,000. There is a 6+- month undersupply, as illustrated in the following table:

Market Analysis

Status: Active (4)

	Acres	List Price	List\$/Liv Sqft	List\$/Acre	Orig List Price	List\$/OL\$	CLS\$/OL\$	DOM	Close Price	Conc \$	CLS\$/Liv Sqft	CLS\$/Acre
Min	1	\$339,000	-	\$242,857	\$349,000	.88	-	54	-	-	-	-
Max	2	\$695,000	-	\$845,763	\$695,000	1	-	172	-	-	-	-
Avg	1	\$489,500	-	\$588,897	\$508,500	.96	-	98	-	-	-	-
Median	1	\$462,000	-	\$633,484	\$495,000	.99	-	82	-	-	-	-
Sum		\$1,958,000			\$2,034,000				-			

Status: Under Contract - Taking Back-Up Offers (2)

	Acres	List Price	List\$/Liv Sqft	List\$/Acre	Orig List Price	List\$/OL\$	CLS\$/OL\$	DOM	Close Price	Conc \$	CLS\$/Liv Sqft	CLS\$/Acre
Min	1	\$425,000	-	\$181,469	\$425,000	.99	-	21	-	-	-	-
Max	2	\$442,000	-	\$631,429	\$447,000	1	-	231	-	-	-	-
Avg	1.52	\$433,500	-	\$406,449	\$436,000	.99	-	126	-	-	-	-
Median	2	\$433,500	-	\$406,449	\$436,000	.99	-	126	-	-	-	-
Sum		\$867,000			\$872,000				-			

Status: Closed (6)

	Acres	List Price	List\$/Liv Sqft	List\$/Acre	Orig List Price	List\$/OL\$	CLS\$/OL\$	DOM	Close Price	Conc \$	CLS\$/Liv Sqft	CLS\$/Acre
Min		\$250,000	-	\$596,269	\$250,000	1	.8	7	\$200,000	-	-	\$552,239
Max	1	\$999,000	-	\$1,891,304	\$999,000	1	1	168	\$970,000	-	-	\$1,891,304
Avg	.66	\$593,417	-	\$1,271,619	\$593,417	1	.95	76	\$570,417	-	-	\$1,201,305
Median		\$542,500	-	\$1,321,429	\$542,500	1	.99	50	\$542,500	-	-	\$1,223,214
Sum		\$3,560,500			\$3,560,500				\$3,422,500			

Status: All (12)

	Acres	List Price	List\$/Liv Sqft	List\$/Acre	Orig List Price	List\$/OL\$	CLS\$/OL\$	DOM	Close Price	Conc \$	CLS\$/Liv Sqft	CLS\$/Acre
Min		\$250,000	-	\$181,469	\$250,000	.88	.8	7	\$200,000	-	-	\$552,239
Max	2	\$999,000	-	\$1,891,304	\$999,000	1	1	231	\$970,000	-	-	\$1,891,304
Avg	.91	\$532,125	-	\$899,850	\$538,875	.99	.95	91	\$570,417	-	-	\$1,201,305
Median	1	\$438,500	-	\$682,747	\$441,000	1	.99	65	\$542,500	-	-	\$1,223,214
Sum		\$6,385,500			\$6,466,500				\$3,422,500			

[Flathead County Commercial Market](#)

Commercial sales activity is stabilizing in Flathead County with 64 closed sales, 28 listings under contract and 83 active listings in the past year compared to 74 closed sales last year. Indicating a 13+- month supply.

Site Description



[General Description Legal Description, Size, water amenity](#)

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

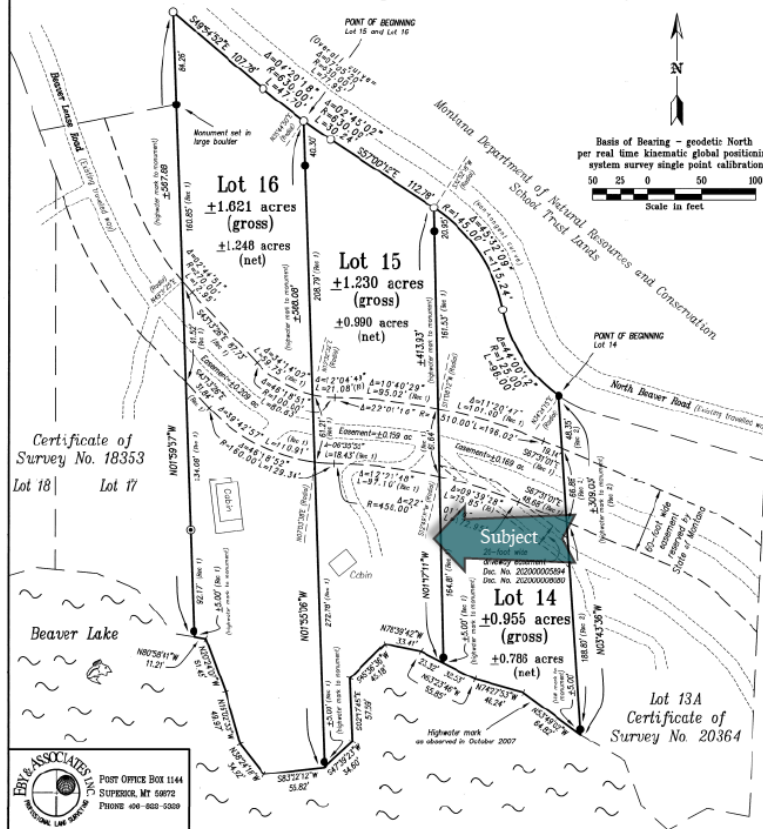
Lot#	Sale #	COS #	Township/Range/Section	County	Size/Acres	waterfront	WF'
15	2057	22282	T31N-R22W, Sec. 20	Flathead	1.23	Beaver Lake	194.06

Certificate of Survey

Government Lots 3 and 4, Section 20

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

Owner: State of Montana School Trust Lands
Date of survey: April 2022
Purpose: Retracement of amended lease boundaries
Commissioned by: State of Montana Department of Natural Resources and Conservation



LEGAL DESCRIPTIONS

Lot 14
That portion of Government Lot 3 and Government Lot 4, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:
BEGINNING at a point that bears North 37°09'16" West 4735.99 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 630.00 foot radius curve concave northwesterly having a radial bearing of North 35°44'50" East; thence along said curve through a central angle of 02°45'02" an arc length of 30.24 feet; thence South 57°00'12" East 112.78 feet; thence South 01°17'11" East 413.93 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: North 63°23'46" West 23.32 feet, North 78°39'42" West 33.41 feet, South 45°36'36" West 45.18 feet, South 02°17'45" East 57.59 feet, and South 47°39'23" West 34.60 feet; thence North 01°55'06" West 588.08 feet, more or less, to the Point of Beginning containing 1.230 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 15
That portion of Government Lot 3, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:
BEGINNING at a point that bears North 37°09'16" West 4735.99 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 630.00 foot radius curve concave northwesterly having a radial bearing of North 35°44'50" East; thence along said curve through a central angle of 02°45'02" an arc length of 30.24 feet; thence South 57°00'12" East 112.78 feet; thence South 01°17'11" East 413.93 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: North 63°23'46" West 23.32 feet, North 78°39'42" West 33.41 feet, South 45°36'36" West 45.18 feet, South 02°17'45" East 57.59 feet, and South 47°39'23" West 34.60 feet; thence North 01°55'06" West 588.08 feet, more or less, to the Point of Beginning containing 1.230 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

Lot 16
That portion of Government Lot 3, Section 20, Township 31 North, Range 22 West, Principal Meridian, Flathead County, Montana described as follows:
BEGINNING at a point that bears North 37°09'16" West 4735.99 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 630.00 foot radius curve concave northwesterly having a radial bearing of North 35°44'50" East; thence along said curve through a central angle of 02°45'02" an arc length of 30.24 feet; thence South 57°00'12" East 112.78 feet; thence South 01°17'11" East 413.93 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: North 63°23'46" West 23.32 feet, North 78°39'42" West 33.41 feet, South 45°36'36" West 45.18 feet, South 02°17'45" East 57.59 feet, and South 47°39'23" West 34.60 feet; thence North 01°55'06" West 588.08 feet, more or less, to the Point of Beginning containing 1.230 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

LEGEND

- Found 1" outside diameter, galvanized steel pipe, in case, unless otherwise noted.
- Found 1" diameter rebar, with 2" diameter aluminum cap marked, "EY & ASSOCIATES" and "M.J. DENTON 108845".
- Set 1" diameter rebar, 24" long, with 2" diameter aluminum cap marked, "EY & ASSOCIATES" and "M.J. DENTON 108845".

(line 1) or (line 2) Record measurement per Certificate of Survey No. 18353
(line 2) Record measurement per Certificate of Survey No. 20364

COS# 22282

20220021449 Fees: \$26.50 by: JW
by Eln & Associates Inc.
Date 4/15/2022 Time 12:36 PM
Debbie Peterson, Flathead County Montana

Page 2 of 2
Certificate of Survey No. 22282

Lot 15

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

BEGINNING at a point that bears North 37°09'16" West 4735.99 feet from the Southeast Corner of Section 20, Township 31 North, Range 22 West, said point being on a 630.00 foot radius curve concave northwesterly having a radial bearing of North 35°44'50" East; thence along said curve through a central angle of 02°45'02" an arc length of 30.24 feet; thence South 57°00'12" East 112.78 feet; thence South 01°17'11" East 413.93 feet, more or less, to the approximate highwater mark of Beaver Lake; thence along said approximate highwater mark the following five courses: North 63°23'46" West 23.32 feet, North 78°39'42" West 33.41 feet, South 45°36'36" West 45.18 feet, South 02°17'45" East 57.59 feet, and South 47°39'23" West 34.60 feet; thence North 01°55'06" West 588.08 feet, more or less, to the Point of Beginning containing 1.230 acres of land, more or less, as shown on this Certificate of Survey which is herewith incorporated in and made a part of this legal description.

[Address/access](#)

The subject lot has access on DNRC gravel Beaver Lease Road.

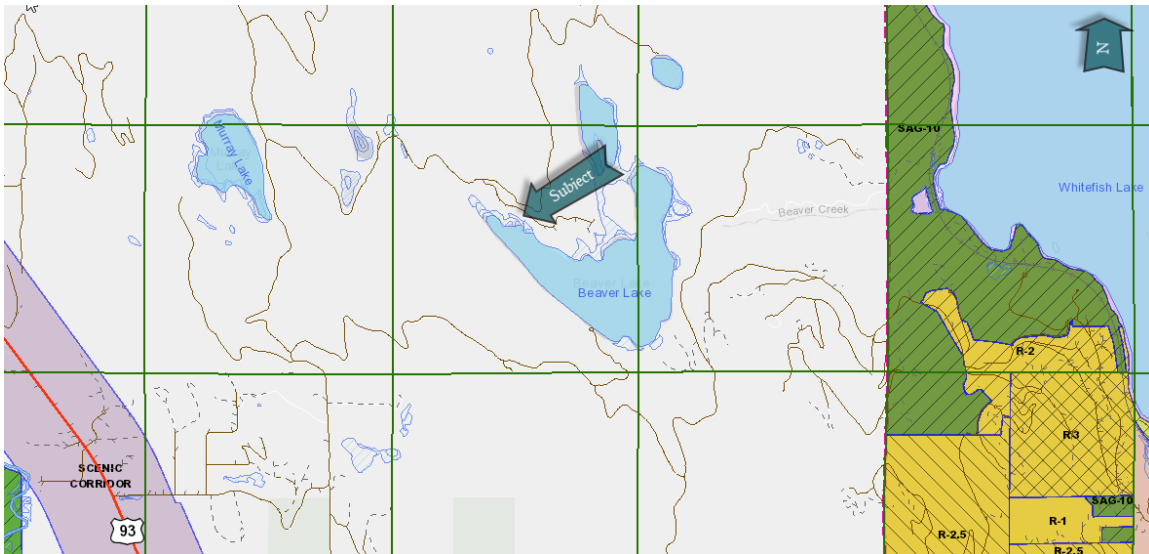
Lot#	Sale #	Lessee	Address	City	Access
15	2057	Ross G. & Sandra Anderson	72 Beaver Lease Road	Whitefish, MT	DNRC gravel road

[Water Rights](#)

According to DNRC, no water rights are associated with the sale.

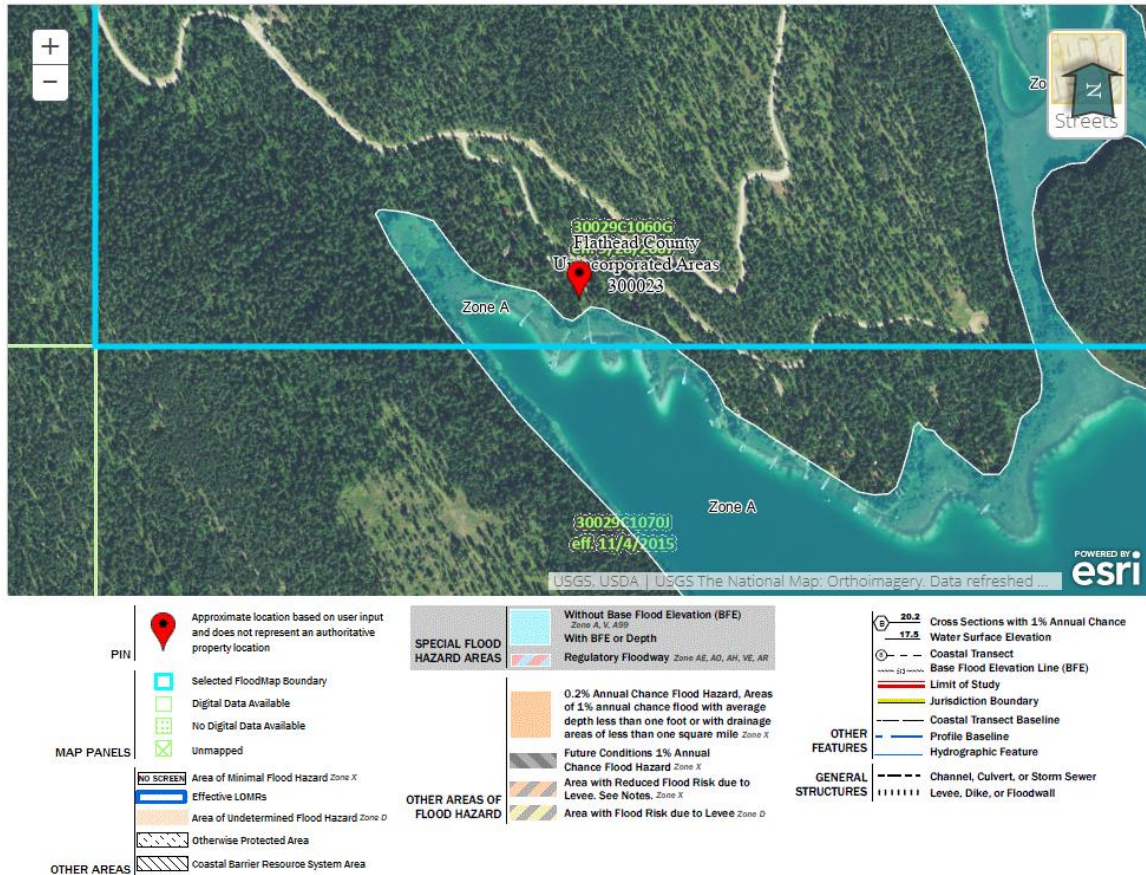
[Zoning](#)

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



[Flood Map](#)

According to FEMA Flood map service Flood map number 30029C1060G with an effective of 9/28/2007, a portion of the subject tract along Beaver Lake lies within Zone A. According to FEMA and the National Flood Insurance Program, any building located in an A zone is considered to be in a Special Flood Hazard Area and is lower than the Base Flood Elevation. Zone X is an area of minimal flood hazard. Following is the FEMA flood map:



Topography, vegetation, soils and drainage

The subject Lot 15 is moderate to gently sloped and it appears that drainage and storm water runoff is adequate and/or properly designed and engineered for the subject site. A soil study for the subject sites was not provided; it is assumed that the soil can accommodate the type of construction which is typically seen in the subject area. The subject lot includes native vegetation and trees.

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

Easement, Restrictions and Encroachments

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

STATEMENT OF LAND STATUS

STATE OF MONTANA)
)
) : SS
County of Lewis & Clark)

Brent Neace, having first been duly sworn, deposes and says:

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

Section 20, Township 31 North, Range 22 West
Lot 15, Beaver Lake, COS 22282, containing 1.23 acres, more or less.

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

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

Residential Lease No. 3052651 issued March 1, 2021, to Ross and Sandra Anderson, and expiring February 28, 2036;

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

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

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

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

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

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


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

Easement No. D-17522 issued May 19, 2022 to Lonnie and Catherine Collinsworth for a private access road to a single-family residence and associated outbuildings;

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

This concludes the affidavit of Brent Neace.

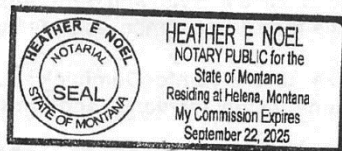
DATED this 28th day of February, 2023

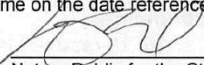


Brent Neace, Real Estate Sales Specialist
Trust Land Management Division

State of Montana
County of Lewis & Clark

Signed and acknowledged before me on the date referenced above by Brent Neace.



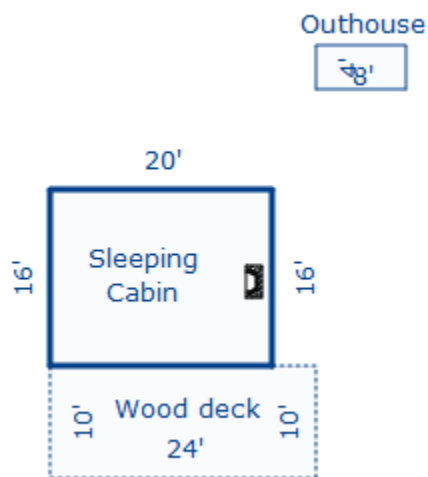

Notary Public for the State of Montana.
Residing at Helena, Montana
My commission expires September 22, 2025

Sale #2057

Improvements are summarized in the table below:

<i>Cabin Improvements</i>	
Sale#/Lot#	#2057/Lot 15
Residence SF	320
Construction	wood frame
Foundation	post and pier
Quality	cheap
Condition	fair
Year Built	unknown
# Bedrooms	one room cabin
#Baths	0
Porch/Deck/SF	240
Outbuilding/SF	32
Utilities	none
WS/Fireplace	WS
Appliances	none

Sale #2057 Improvement sketch and photos



AREA CALCULATIONS SUMMARY		
Code	Description	Net Size
GBA1	First Floor	320.00
P/P	Wood Deck	240.00
OTH	Storage	32.00

SUBJECT PROPERTY PHOTOGRAPHS #2057



Subject Beaver Lease Road bisects the subject parcel



Subject sleeping cabin front

SUBJECT PROPERTY PHOTOGRAPHS



Subject sleeping cabin rear



Subject outhouse

SUBJECT PROPERTY PHOTOGRAPHS



Subject one room sleeping cabin with wood stove



Subject one room sleeping cabin

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject entry and wood deck



Subject boardwalk to Beaver Lake and views SE

SUBJECT PROPERTY PHOTOGRAPHS #1139



Subject waterfront and personal property floating dock facing NE



Subject land area on the north side of Beaver Lease road

Strengths, Weaknesses, Opportunities and Threats

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

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

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

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

In summary, the subject location has multiple recreational opportunities and DNRC road access but is also off-grid with no power. The improvement is a sleeping cabin without power, water or septic, and there are limited properties available on 144-acre Beaver Lake.

Taxes and assessment data

<i>Tax Bill for Improvements</i>					
Lot#	Sale #	Lessee	Assr#	Imp. Assessed Vaue	Tax Bill
15	2057	Ross G. & Sandra Anderson	576560	\$36,210	\$453.90

The annual tax amount for the Lessee is based on a total assessed improvement value with no taxes assessed on the State land which is tax exempt. The subject's improvement real estate taxes are within the comparable properties tax amounts therefore are considered reasonable.

Highest and Best Use

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

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

Analysis of Highest & Best Use as Vacant

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

Legally Permissible

A threshold of highest and best use is what is legally permissible. This analysis considers private restrictions, existing zoning, likely zoning, building codes, historic district controls, urban renewal ordinances, and other encumbrances because they may preclude many potential uses.

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

Physically Possible

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

PHYSICALLY POSSIBLE	
Characteristic	Conclusion
Site Area-Lot #	Size/Water amenity
15	1.23 ac, 194.06' Beaver Lake
Shape	irregular
Topography	sloped to undulating
Parcel Type	Single family residential recreational site off-grid
Utilities	None
Access	DNRC Road with easement
Flood Plain	Zone A along Beaver Lake
Soil Conditions	Appears good for development based on surrounding use
Environmental Concerns	None noted
Other	Residential recreational site
Physically possible uses	single family residential/recreational

Financially Feasible

After determining the uses that are physically possible and legally permissible, an appraiser considers the uses that are likely to produce an adequate return on investment. All uses that yield a positive return are financially feasible. Feasibility is tested through a cost/benefit analysis or through direct market observation. Based on the recent similar sales and listings, and surrounding use of developed sites, it appears that owner occupied residential/recreational use are both feasible and maximally productive. There is strong demand and an undersupply of available properties. The use that indicates financial feasibility is single family

residential/recreational development based on current use of similar properties in the area.

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

Maximally Productive

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

Conclusion of Highest and Best Use as though Vacant

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

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

Analysis of Highest & Best Use as improved

After taking into consideration the four tests of highest and best use, it is physically possible to occupy the subject improved properties as single family recreational residence, permissible since there is no zoning, financially feasible based on development of surrounding sites, therefore this use is maximally productive. Highest and best use as improved is single family residential recreational development, as the subject sleeping cabin has limited functional utility.

Conclusion of Highest and Best Use as improved

The development of a single-family residence/recreational cabin meets the general tests for highest and best use and is considered maximum site utilization. Given the attributes of the subject real estate, the conclusion of highest and best use is based on logic and observed evidence. Therefore, the highest and best use, as improved, is the development of single family residential/recreational cabin, since the subject sleeping cabin has limited functional utility.

Most Probable Buyer/User

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

Appraisal Methodology

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

Cost Approach

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

Sales Comparison Approach

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

of the comparable properties based on relevant, market-derived elements of comparison.

Income Capitalization Approach

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

Methods and/or Techniques Employed

Whenever possible, all three basic approaches to value are employed. The resulting indications of value are then correlated into a final estimate of market value. In the course of investigating the marketplace sufficient data was found to employ the Sales Comparison Approach to value the sites as if vacant and as improved, which is necessary for credible results given the intended use, property characteristics and type of value sought. Most market participants interested in purchasing homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason, the Cost Approach is not considered applicable. The Income Capitalization Approach is not developed as there is insufficient data due to most properties are owner occupied.

Organization of the data and analysis

Comparable lot sales are presented in the following section of this report. After presentation of the comparables, the subject site is valued and the estimated contributory value of the sleeping cabin is developed based on the cost approach, followed by the total value indication reconciliation.

Land Valuation-Comparable Land Sales

Methodology

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

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

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

Unit of Comparison

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

Elements of Comparison

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

Transaction adjustments

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

Property adjustments

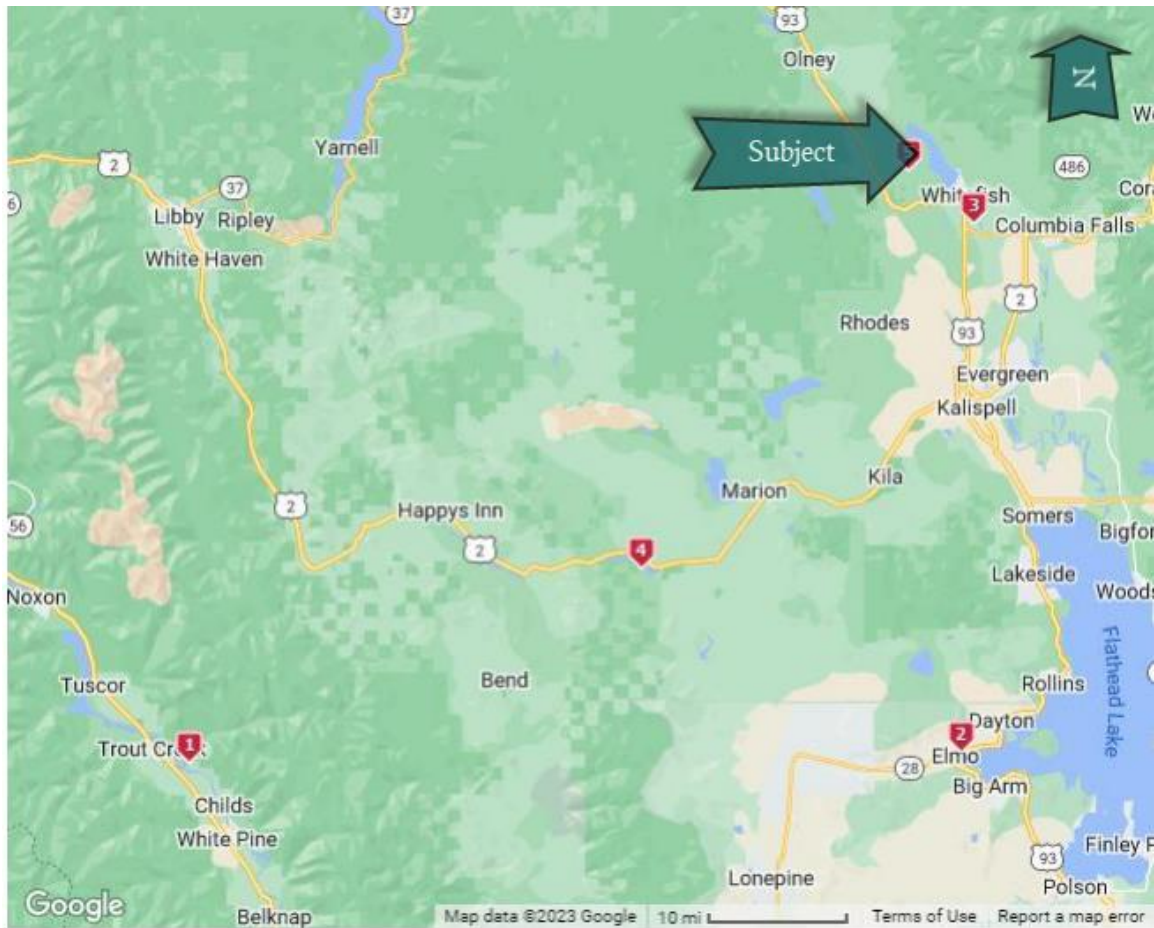
- Location
- Physical characteristics
- Economic characteristics
- Zoning/use
- Non-realty components of value

Comparable Land Sales Data

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

<i>Land Sales Synopsis</i>					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	Lot 15	458 Blue	Lot 3 Big	3057 River	930 McGregor
Address	Beaver Lease Rd.	Slide Rd	Arm Bay	Lakes Dr	Lane
City, MT	Whitefish	Trout Creek	Elmo	Whitefish	Marion
Sale Date	Jun-23	Aug-22	Jun-22	May-23	Nov-22
MLS or Doc#		22210171	22207247	30004920	22209724
Market Time		102	27	327	146
Land size/AC	1.23	1.00	0.34	0.42	1.34
waterfront ft	194.06	250	80	100	139
Waterfront		Noxon Res/CFR	Flathead Lk	The Lakes	McGregor Lake
List Price		\$344,900	\$398,000	\$427,500	\$799,000
Sale Price		\$344,900	\$413,000	\$427,500	\$740,000
List to sale %		100%	104%	100%	93%
Sale Price		\$344,900	\$413,000	\$427,500	\$740,000
Less dock imps		(\$5,000)	(\$10,000)		(\$15,000)
Price/Site		\$339,900	\$403,000	\$427,500	\$725,000
<i>Price/LF'</i>		<i>\$1,360</i>	<i>\$5,038</i>	<i>\$4,275</i>	<i>\$5,209</i>

Land Sale Location Map



Land Sales Data

Land Sale No. 1



458 Blue Slide Road, Trout Creek



458 Blue Slide Road, Trout Creek, MT

Transaction			
Property ID	2255	Sale Date	08-15-2022
Address	458 Blue Slide Road	Sale Price	\$344,900
City	Trout Creek	Price per site	\$344,900
State	Montana	Sale Status	Closed
Seller	Troy R. Renstrom	Sale Conditions	Typical
Buyer	HAYCOOK ANDREW B & DENISE R	Rights Conveyed	Fee Simple
Financing Terms	Conventional		
Recording Number	327050	Confirmed Phone	406-544-5157
Tax Parcel Number	11729	Confirmed With	Bess Evans
Legal Description	S23, T24 N, R31 W, 2492, PARCEL N/A, EAGLES NEST LOT 2 COS 2492 IN NESW PLAT E 1.0 ACRES		
MLS#	22210171		
Asking Price	\$344,900		
Sale/List Ratio	100%		
DOM	102		

Site			
Land Acres	1.00000	Topography	Gently Sloping
Land Sq Ft	43,560	Zoning	none
Frontage	paved County Road. 250' Noxon Reservoir/Clark Fork River	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	Avista frontage
Utilities	power	Environ. Issues?	unknown

Remarks	
1 acre with 250 feet of level to sloping Noxon Reservoir/Clark Fork River water frontage. Shared driveway. New shared dock. No zoning or covenants. Avista frontage with no setbacks. Located on a bay between the Clark Fork River & Noxon Reservoir with 38 miles of navigable waters. Bass, walleye, pike, perch, bluegill and trout. Power on site; approved for septic/well. Sloping to level land with mature trees with a wide trail to the shoreline. Near Trout Creek, with restaurants, grocery store, hardware store. Sold previously 8/7/2020 for \$120,000 MLS#22011653. Estimated contributory value of the shared dock is \$5,000. Estimated contributory value of power is \$10,000.	

Land Sale No. 2



Lot 3 Big Arm Bay, Elmo



Lot 3 Big Arm Bay, Elmo, MT 59915

Transaction			
Property ID	2256	Sale Date	06-29-2022
Address	Lot 3 Big Arm Bay	Sale Price	\$413,000
City	Elmo	Price per site	\$413,000
State	Montana	Sale Status	Closed
Seller	Szerlong	Sale Conditions	Typical
Buyer	TRUST B AND ORPHAN 2007 IRREVOCABLE TRUST	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	599092	Confirmed Phone	406-871-8647
Tax Parcel Number	31611	Confirmed With	Kara Chapman
Legal Description	NORTH BIG ARM BAY SUBD 300, S19, T24 N, R21 W, Lot 3, ACRES 0.341, 1/25 INT COMMON AREA LOTS 1,16,26,27,28		
MLS#	22207247		
Asking Price	\$398,000		
Sale/List Ratio	104%		
DOM	27		

Site			
Land Acres	0.34000	Topography	Level
Land Sq Ft	14,810	Zoning	none
Frontage	Gravel private road. 80' Flathead Lake frontage	In Flood Plain?	No
Shape	mostly rectangular	Encumbrances	Common area marina in lake view
Utilities	power/community w/s	Environ. Issues?	Unknown

Remarks
0.34 acre south facing lot with 80' of gravel beach. Community pier is 1 lot away with private boat slip with power. HOA offers community water and septic as well as parks, boat/RV storage lot and a boat ramp. Estimated contributory value of boat slip is \$10,000. Estimated contributory value of power, community water and sewer is \$20,000.

Land Sale No. 3



3057 River Lakes Drive, Whitefish



3057 River Lakes Drive, Whitefish, MT 59937

Transaction			
Property ID	2257	Sale Date	05-10-2023
Address	3057 River Lakes Drive	Sale Price	\$427,500
City	Whitefish	Price per site	\$427,500
State	Montana	Sale Status	Closed
Seller	Julie M Howard Rev. Trust	Sale Conditions	Typical
Buyer	IBES KIM J	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	202300006927	Confirmed Phone	406-730-1798
Tax Parcel Number	10206	Confirmed With	Liz McGavin
Legal Description	THE LAKES AT RIVERSIDE PH2, S08, T30 N, R21 W, Lot 52		
MLS#	30004920		
Asking Price	\$427,500		
Sale/List Ratio	100%		
DOM	327		

Site			
Land Acres	0.42000	Topography	Level
Land Sq Ft	18,295	Zoning	WLR
Frontage	Paved public street	In Flood Plain?	No
Shape	L-Shaped	Encumbrances	unknown
Utilities	p/w/s	Environ. Issues?	Unknown

Remarks
0.42 acre lot with 100' of The Lakes waterfront community with park areas, sidewalks, and connecting walking paths, hiking/biking trails. Membership at The Canoe Club could be purchased, with private outdoor pool, hot tub, workout facility, sauna, theatre room and full kitchen. Previous transfer 5/5/2021 for unknown amount. WD #202100015782. Estimated contributory value of power, community water and sewer are \$20,000.

Land Sale No. 4



930 McGregor Lane, Marion, MT



930 McGregor Lane, Marion, MT

Transaction			
Property ID	2258	Sale Date	11-29-2022
Address	930 McGregor Lane	Sale Price	\$740,000
City	Marion	Price per site	\$740,000
State	Montana	Sale Status	Closed
Seller	Leigh	Sale Conditions	Typical
Buyer	GRAN FAMILY REVOCABLE TRUST	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	202200029449	Confirmed Phone	406-250-6160
Tax Parcel Number	6255	Confirmed With	Zachary Andrews
Legal Description	Lot 10 McGregor Lake Highlands Phase 1; S8-T25N-R25W		
MLS#	22209724		
Asking Price	\$799,000		
Sale/List Ratio	93%		
DOM	146		

Site			
Land Acres	1.34000	Topography	Level
Land Sq Ft	58,370	Zoning	none
Frontage	Paved private road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power/community w/s	Environ. Issues?	

Remarks
McGregor Highlands is a gated community on the far side of McGregor Lake. The location is close to State and Forest Service land. 1.3+ acres of gently sloping terrain, with 139+ feet of McGregor Lake waterfront. Dock included. The subdivision offers community water, community sewer, an owner pavilion with showers, boat launch, community beach, community dock, and paved interior roads. Sold previously 8/24/2018 for \$337,000 MLS# 21804966. Estimated contributory value of the dock is \$15,000. Estimated contributory value of power, community water and sewer are \$20,000.

Property Valuation

Site Adjustments

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

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

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

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

Site Value Estimate

The following four land sales are analyzed to estimate the site value of the subject Sale #2057 Lot 15. Adjustments are considered for the comparables as they relate to the subject site in the following adjustment grid:

Land Sales Adjustment Grid					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
Address	Lot 15	458 Blue	Lot 3 Big	3057 River	930 McGregor
City, MT	Beaver Lease Rd.	Slide Rd	Arm Bay	Lakes Dr	Lane
Sale Date	Whitefish	Trout Creek	Elmo	Whitefish	Marion
MLS or Doc#	Jun-23	Aug-22	Jun-22	May-23	Nov-22
Market Time		22210171	22207247	30004920	22209724
Land size/AC		102	27	327	146
waterfront ft	1.23	1.00	0.34	0.42	1.34
Waterfront	194.06	250	80	100	139
List Price	Noxon Res/CFR	Flathead Lk	The Lakes	McGregor Lake	
Sale Price		\$344,900	\$398,000	\$427,500	\$799,000
List to sale %		\$344,900	\$413,000	\$427,500	\$740,000
Sale Price		100%	104%	100%	93%
Less dock imps		\$344,900	\$413,000	\$427,500	\$740,000
		(\$5,000)	(\$10,000)		(\$15,000)
Price/Site		\$339,900	\$403,000	\$427,500	\$725,000
Price/LF		\$1,360	\$5,038	\$4,275	\$5,209
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		power	p/com w/s	p/w/s	p/com w/s
		(\$10,000)	(\$20,000)	(\$20,000)	(\$20,000)
Sale Date	Jun-23	Aug-22	Jun-22	May-23	Nov-22
# months		10	11	1	6
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$334,900	\$393,000	\$407,500	\$720,000
Property Adjustments					
Location Characteristics:		pers. floating dock	shared dock	marina boat slip	Canoe Club
Easements affecting use		road bisects	shared driveway	typical	typical
access		DNRC dirt rd	public/paved	privt/grvl	pubic/paved
Shape/Topography		irregular/rolling/slp	irregular/rolling	rec/level	rec/level
Site Utility		average	average	avg/shallow	average
Zoning		none	none	none	WLR
Utilities-(adj above)		none	power	p/com w/s	p/w/s
water/amenity	194.06' BL	250'NR	80'FL	100'TL	139'ML
Overall Adjustment		similar	similar	similar	superior
		0%	0%	0%	-40%
Physical Characteristics	194.06' BL	250'NR	80'FL	100'TL	226'BL
Land size/AC	1.23	1.00	0.34	0.42	1.34
		0%	0%	0%	0%
Net Adjustment %		0%	0%	0%	-40%
Gross Adjustment %		0%	0%	0%	40%
Final Adjusted \$/Site		\$334,900	\$393,000	\$407,500	\$432,000
Statistics		Unadjusted \$/Site	Adjusted \$/Site		
Low		\$344,900	\$334,900		
High		\$740,000	\$432,000		
Median		\$420,250	\$400,250		
Average		\$481,350	\$391,850		

Analysis of Land Sale Adjustments

Utilities adjustment

All the comparable waterfront sales have power, two sales also have community water/sewer, and one sale has city water/sewer. Six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

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

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City water/sewer, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, an adjustment of \$10,000 is applied for sales with power, and \$20,000 (R) for sales with power, water, and sewer availability.

Improvements

Land Sale No. 1 includes a shared dock with an estimated contributory value of \$5,000 which is deducted to reveal the value of the land alone. Sale No. 2 has a deeded boatslip at the common area marina with an estimated contributory value of \$10,000 and Sale No. 4 has a private dock with an estimated contributory value of \$15,000 which is deducted to reveal the value of the land alone.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 11 months, with

limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

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

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. Sale No. 4 has a superior location on McGregor Lake in a gated subdivision with amenities resulting in a 40% downward adjustment based on paired comparables in the grid. No adjustment is indicated for the remaining sales which are similar in overall site utility compared to the subject property.

Size

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

Reconciliation of Sales Comparison Approach

Comparable land sales bracket the subject Lot 15 characteristics with site utility of one homesite. Unadjusted site values range from a low of \$344,900 for Sale No. 1 with a shared driveway and dock on the Noxon Reservoir/Clark Fork River to as high as \$740,000 for Sale No. 4 on superior McGregor Lake in a gated subdivision. After a \$10,000 to \$20,000 adjustment for utilities available, dock improvements, locational characteristics and size, the value indication is much closer from \$334,900 for Sale No. 1 to as high as \$432,000 for Sale No. 4. The

mathematical average is \$391,850 and the median is \$400,250. A market value of \$390,000 (R) for the subject 1.23-acre Lot 15 with 194.06' of Beaver Lake frontage is well supported by this analysis.

Lot 15 Site Value Indication- 1.23 ac 194.06' Beaver Lake frontage

\$390,000 (R)

Cost analysis

Improvement Value Estimate

The subject Lot 15 is improved with a wood frame, dry, one room sleeping cabin on a post and pier foundation, and outhouse which are older, and it is unknown when they were built. No comparable sales were located with similar improvements. For that reason, the contributory value of improvements is estimated using depreciated cost. This analysis does not constitute a full Cost Approach but is adequate for determination of the contributory value of the improvements on this property. Depreciated cost analysis is as follows:

<i>Cost analysis for improvements on Lot 15 Sale # 2057</i>				
Building	Size	Marshall	Cost/	Total
Description	SF	Valuation	SF	Cost New
Class D Cheap				
Guest Cottage	320	Section 12/Page 15	\$69.00	\$22,080
Wood Deck	240	Section 12/Page 40	\$19.50	\$4,680
Wood Stove		online cost/install		\$4,200
Outhouse	32	online cost/install		<u>\$2,500</u>
Total Cost New				\$33,460
Less Depreciation-Age/Life- 35/50 = 70%				<u>-\$23,422</u>
Depreciated Cost Estimate				\$10,038
Rounded To				\$10,000

Total Value Conclusion

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

Total Value Conclusion	
Description	#2057 Lot 15 COS 22282
Lot size/amenity	1.23 ac Beaver lake
Improvement size/Year	320 SF sleeping cabin/unknown
Land-segregated value	\$390,000
Improvements-segregated value	\$10,000
Total fee simple market value (Hypothetical Condition)	\$400,000

Reconciliation

The Sales Comparison and Cost approaches employed in this report have produced the following results with the hypothetical condition of whole fee simple ownership:

Fair Market Value indications by the Sales Comparison approach June 13, 2023	
Description	#2057 Lot 15 COS 22282
Lot size/amenity	1.23 ac, 194.06' Beaver lake frontage
Improvement size/Year	320 SF sleeping cabin/unknown
Land-segregated value	\$390,000
Improvements-segregated value	\$10,000
Total fee simple market value (Hypothetical Condition)	\$400,000

The Sales Comparison Approach is developed for the subject lot as if vacant by analyzing four sales of similar waterfront properties in Flathead, Sanders and Lake Counties that have occurred within 12 months. Land sales are adjusted to reflect the subject's characteristics. A limited Cost approach is developed to estimate the contributory value of the subject's depreciated improvements. The value indication from this approach is reasonably indicative of the investor attitudes in the Flathead County influence area.

Exposure Period

Based on the Highest and Best use of the subject property, market evidence indicates an exposure period of 6 to 12 months may be required to sell the subject lot “as if vacant” and improved property as a whole. A 6 to 12 month exposure period assumes an aggressive marketing effort, and similar economic conditions to the current real estate market. Exposure Period and marketing time are synonymous in this discussion.

Average days on market of all residential sales in Whitefish from the past year are 190 days as shown in the Market Analysis.

Average days on market of all vacant waterfront land sales in Flathead County from the past year are 143 days and Median days on market for all waterfront land sales in Flathead County from the past year are 91 days, as shown in Statistical Market Analysis below:

Status: All (42)

	Acres	List Price	List\$/Liv Sqft	List\$/Acre	Orig List Price	List\$/OL\$	CLSS\$/OL\$	DOM	Close Price
Min		\$69,000	-	\$3,000	\$98,000	.38	.29	7	\$35,000
Max	280	\$1,498,000	-	\$2,614,706	\$1,498,000	1	1.34	770	\$2,000,000
Avg	22.32	\$634,514	-	\$363,529	\$668,648	.95	.89	143	\$633,255
Median	5	\$560,000	-	\$80,904	\$635,000	1	.95	91	\$571,500
Sum		\$26,649,600			\$28,083,200				\$24,063,690

Addenda

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

FOR DNRC USE ONLY		
Amount Increased under this Agreement: <u>\$0.00</u>		
<u>Fund Name</u>	<u>Fund No.</u>	
Cabin Site Sale Private Closing Costs	02031	
Trust Administration Account	02938	
<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>
555HA	6048-06	50%
	6049-56	50%
Contract Expiration Date: August 31, 2023		

Approved


Document # 235125

Amendment # 1

Division DK

Legal MP

FSO GU



This Amendment to Contract No. 235125, hereinafter called the "Amendment #1", is made and entered into between the Montana Department of Natural Resources and Conservation, Real Estate Management Bureau/Trust Lands Management Division, P.O. Box 201601, Helena, MT 59620-1601 (hereinafter called the "State"), and McGinnis Real Estate Appraisal Group LLC, Jennifer McGinnis (hereinafter called the "Contractor"), whose address and phone number are PO Box 996 Polson, MT 59860, 406-883-1659 Except as amended herein, Contract No. 235125 remains fully in effect.

The parties to this Amendment #1, in consideration of the mutual covenants and stipulations, and Pursuant to SECTION 32.2, Entire Agreement, agree to amend the following sections of the aforementioned contract as follows:

Section 3 SERVICES AND/OR SUPPLIES, is hereby deleted and the following inserted in its place:

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcels in Flathead County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an Appraisal Report, conducted and prepared in compliance with the Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that supports the analyses, opinions and conclusions.

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

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

- 1) The appraisal report will be one document containing the property data and analysis, opinions, and conclusions of value for the properties. If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal and can be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.
- 2) Each sale parcel listed in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions must be assigned separate values.
- 3) The definition of market value is that as defined in **12 C.F.R 34.42(h)**.

The effective date of this Amendment #1 is the last day of signing by all parties.

This Amendment #1 consists of Eight (8) pages. One original is to be retained by the Department and one original is to be retained by the Contractor. A scanned copy or facsimile copy of the original has the same force and effect as the original document.

7/24/2023

Date

By: DocuSigned by:
Jennifer McGinnis
Contractor's Authorized Representative

7/24/2023

Date

By: DocuSigned by:
Didra Blahutsky
Department of Natural Resources & Conservation

ATTACHMENT A

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

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2023 Beaver Lake Flathead County Appraisal

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee Ross and Sandra Anderson. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and must 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 property. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

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

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not

applicable.

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 1 (one) cabin site identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

Attachment B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Property (Located in Flathead County):

Sale #	Acres ±	Legal Description
2057	1.23±	Lot 15, Beaver Lake, COS 22282, Section 20, T 31N-R 22W

<u>DNRC Contact Information:</u> Deidra Kloberdanz, Lands Section Supervisor PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4165 Deidra.Kloberdanz@mt.gov	<u>Lessees:</u> Sale 2057: Ross & Sandra Anderson (406) 261-2528
--	---

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

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

The definition of market value is that as defined in 12 C.F.R. § 34.42 (h).

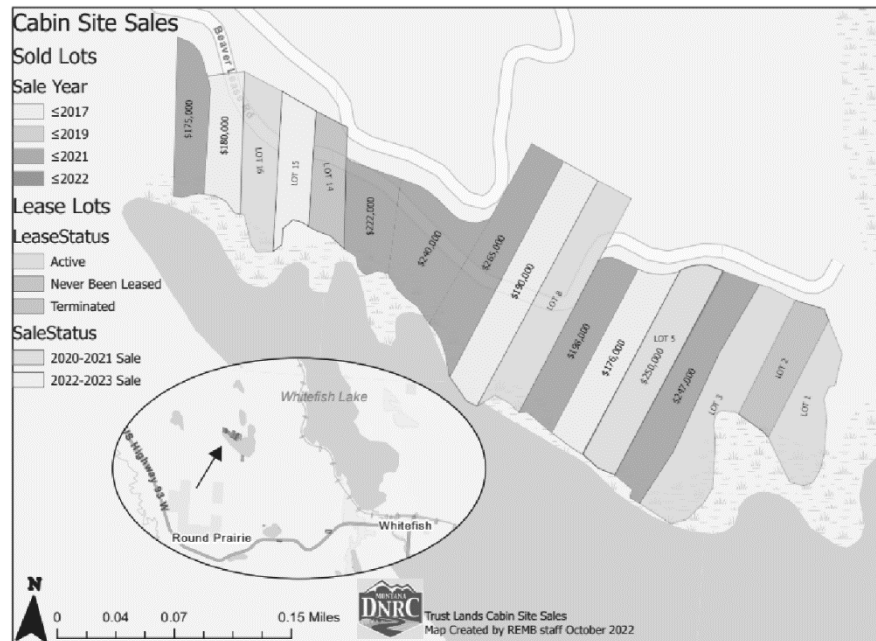
The DNRC will provide access to each state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, current lease data, any known property issues, surveys (if any). The local land office will provide the contact information to the appraiser, if necessary,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

Location Map of Parcel

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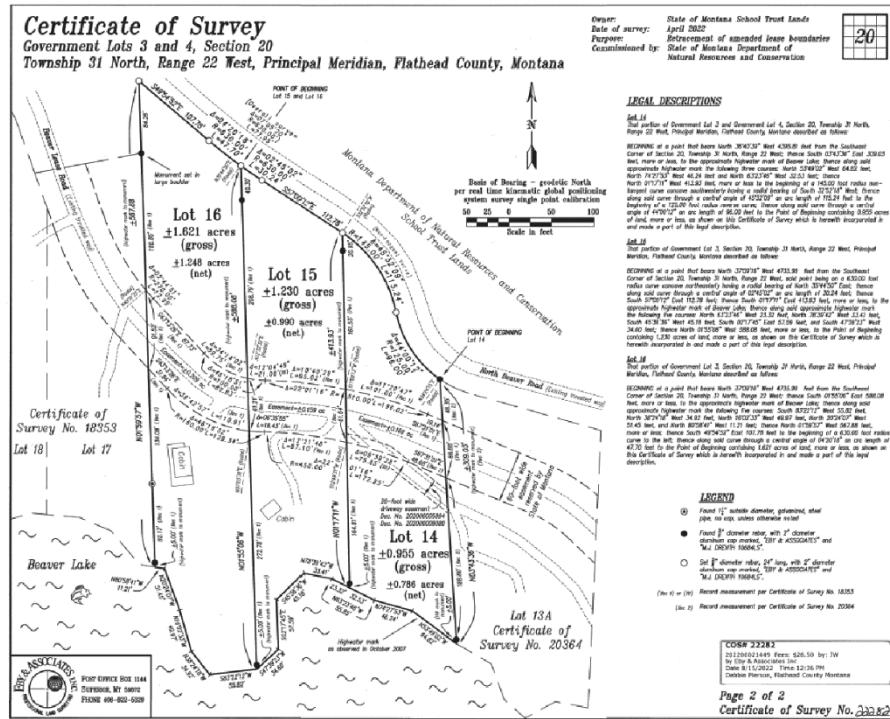
Sales 2057, Beaver Lake, Flathead County



Cabin Site Sale Certificate of Survey 22282

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McGinnis Real Estate Appraisal Group, LLC

Qualifications of Jennifer L. McGinnis, MAI

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

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

Membership/Affiliations:

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

EDUCATION:

University of Montana
B.A. Communication Studies-1991

Appraisal Institute Courses & Seminars

- Inconsistency: it's hiding in plain sight in your appraisal-2021
- What's up with Technology for Real Estate Appraisers-2021
- Condemnation Appraisal-2019
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications-2017
- Marketability studies-Advanced Considerations & applications-2017
- Marketability studies- 6 step process & basic applications-2017
- Uniform Standards of Professional Appraisal Practice Update-2022
- Real Estate finance, statistics, & valuation modeling-2015
- Business Practices and Ethics -2021, 2018
- Valuation of Conservation Easements -2012

- Appraising the Appraisal: Appraisal Review-2012
- Fundamental of Separating Real Property, Personal Property, & Intangible Business Assets-2012
- Advanced Spreadsheet Modeling for Valuation Applications-2011
- The Discounted Cash Flow Model: Concepts, Issues & Applications-2010
- Hotel Appraising-New techniques for today's uncertain times-2010
- Valuation by Comparison-2010
- Using Spreadsheet Programs in Real Estate Appraisals-2010
- Report Writing & Valuation Analysis-2009
- General Demonstration Report Writing-2009
- Advanced Applications-2009
- Advanced Income Capitalization-2008
- Uniform Appraisal Standards for Federal Land Acquisitions-2007
- Advanced Sales Comparison and Cost Approaches-2006
- Highest & Best Use and Market Analysis-2005
- The Professional's Guide to the URAR-2005
- General Applications-2004
- Basic Income Capitalization-2004
- Advanced Residential Form & Narrative Report Writing-2003
- Appraisal Procedures-2002
- Standards of Professional Practice, Part A & B-2002
- Appraisal Principles-2002
- 15 Hour USPAP Course 2002, 2006

Additional Seminars

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

EXPERIENCE:

2013-Present

Partner, McGinnis Real Estate Appraisal Group, LLC

Appraisal/valuation and consulting assignments include: commercial/retail buildings, office buildings, commercial/industrial properties, warehouse buildings,

medical office buildings, development land, residential and commercial subdivisions, residential and commercial condominiums, high-end residential properties, apartment buildings, low income housing tax credit apartments, retirement homes, rural acreage, waterfront properties, Federal land acquisition (Yellow Book) appraisal reports, leased fee and leasehold valuations.

2003 - 2013

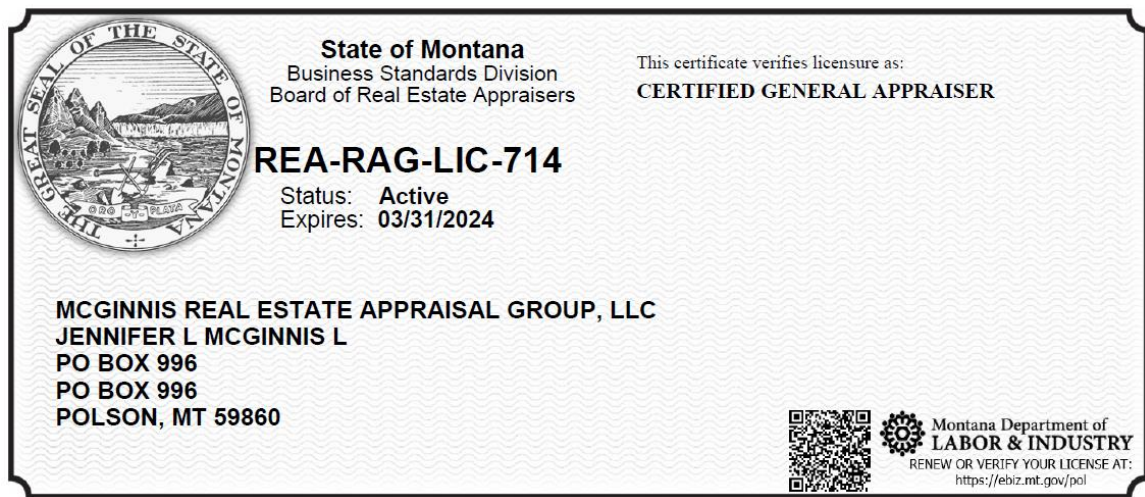
Real Estate Appraiser

Serving clients throughout the State of Montana.

Stevens & Company

P.O. Box 8287

Missoula, MT 59807



PRIVACY NOTICE

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

Types of Nonpublic Personal Information We Collect

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

Parties To Whom We Disclose Information

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

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

Confidentiality and Security

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

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