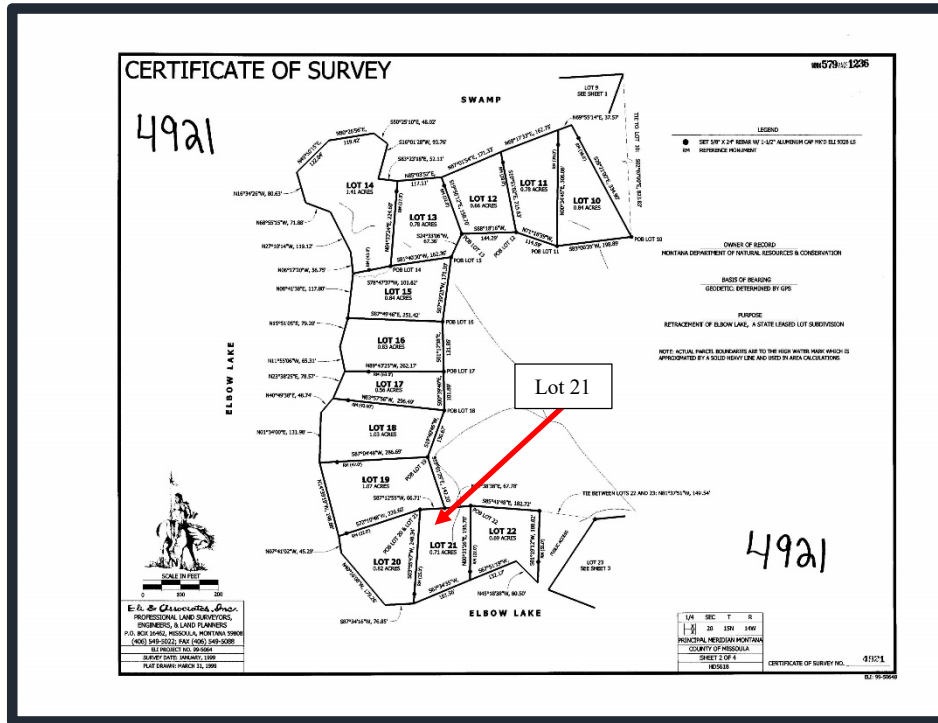


APPRAISAL REPORT OF:

**LOT 21, CERTIFICATE OF SURVEY #4921
ELBOW LAKE
SEELEY LAKE, MISSOULA COUNTY, MONTANA**



PREPARED FOR:

State of Montana, Montana Board of Land Commissioners,
& Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601
Attention: Mr. Brent Neace, Real Estate Specialist

MARKET VALUES AS OF:

August 7, 2024

PREPARED BY:

Elliott M. Clark, MAI &
Christopher D. Clark
Clark Real Estate Appraisal
PO Box 1531
Seeley Lake, Montana 59868
(406) 862-8151



PO Box 1531
Seeley Lake, Montana 59868

LETTER OF TRANSMITTAL

October 9, 2024

Mr. Brent Neace, Real Estate Specialist
State of Montana, Montana Board of Land Commissioners,
& Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, Montana 59620-1601

Re: Lot 21 of COS 4921, Section 20, Township 15 North, Range 14 West, Elbow Lake, Seeley Lake, Missoula County, Montana

Dear Mr. Neace:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced property on August 7, 2024. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. The property viewing, reviews, and analyses were made in order to prepare the attached summary appraisal report.

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

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

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

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

We certify that, to the best of our knowledge and belief, the statements and opinions contained in this appraisal report are full, true, and correct. We certify that we have no interest in the subject property and that neither the employment to make this appraisal nor the compensation is contingent upon the value conclusions for the property. We specifically certify that we are competent (geographically and with regard to the property type) to complete this appraisal report. This appraisal assignment was not made nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.

This appraisal is subject to the attached Certification of Appraisal and Statement of Limiting Conditions. We further certify that this appraisal was made in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation (USPAP).

Respectfully submitted,



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



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

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	Lot 21, COS 4921, Section 20, Township 15 North, Range 14 West, Elbow Lake, Seeley Lake, Missoula County, Montana
Site Size	0.71 Acres
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-063-0018.02
Flood Zone	Not Mapped
Zoning	None

HIGHEST AND BEST USE(S)

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

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

Report Date	October 9, 2024
Inspection Date(s)	August 7, 2024
Effective Date of Value(s)	August 7, 2024
Property Rights Appraised	Fee Simple

Estimate of Market Values

Lot Value	\$158,000
Improvement Value	\$162,000
Total Market Value	\$320,000

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

MARKETING & EXPOSURE TIME

The appraised value for the subject site, as if vacant, is based upon 1 to 3 month marketing and exposure times. The appraised value for the subject property, as improved, is also based upon 1 to 3 month marketing and exposure times. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

APPRAISER INFORMATION

Appraiser(s)	Elliott M. Clark, MAI & Christopher D. Clark
---------------------	--

CERTIFICATION OF APPRAISAL

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

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

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

Elliott M. Clark

Dated Signed: October 9, 2024
Elliott M. Clark, MAI
MT REA-RAG-LIC-683

Christopher D. Clark

Date Signed: October 9, 2024
Christopher D. Clark
MT REA-RAL-LIC-841

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

SCOPE OF THE APPRAISAL

The subject property is Lot 21 of COS 4921, Section 20 Township 15 North, Range 14 West, Elbow Lake, Seeley Lake, Missoula County, Montana

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

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

Scope of Property Viewing

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject property on August 7, 2024. We measured the improvements on the subject lot and walked the lot.

Scope of Research

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

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

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

Extraordinary Assumption(s)

An **Extraordinary Assumption** is defined in the 2024 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusions.*”

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

Hypothetical Conditions

A **Hypothetical Condition** is defined in the 2024 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for purpose of analysis.*”

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

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

Highest & Best Use

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

Appraisal Process

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

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

Environmental

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

General Data Sources

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

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

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

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is identified on the table below;

Sale #	Lot #	Certificate of Survey	Section/Township/Range	County	Gross Acres
2071	21	Lot 21, COS 4921	S20/T15N/R14W	Missoula	0.710

INTENDED USE & INTENDED USERS OF THE APPRAISAL

It is understood that the intended use of this appraisal is for decisions regarding the possible sale of the subject property by the client. This report was prepared for the client, (State of Montana, Montana Board of Land Commissioners, & Montana Department of Natural Resources and Conservation) and is their exclusive property. The client is an intended user of this report. The Lessees for the subject lot are additional intended users of this report. The Lessees are listed below;

Sale #	Lot #	Lessee
2071	21	Michael Tardif & David Christensen

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

PURPOSE OF THE APPRAISAL

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

DATE OF PROPERTY VIEWING

August 7, 2024

EFFECTIVE DATE OF MARKET VALUES

August 7, 2024

PROPERTY RIGHTS APPRAISED

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

DEFINITION OF MARKET VALUE

At the request of the client, the following definition of market value is utilized in this report.

Market Value is defined in the following manner:

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

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

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

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

STATEMENT OF OWNERSHIP & USE HISTORY

The subject site is owned by the State of Montana. The improvements on the subject lot are owned by the lessees. The lessees and the most recent transfer documents available online via Missoula County, Montana are identified below;

Sale #	Lot #	Lessee	Address	Last Transfer Document
2071	21	Michael Tardif & David Christensen	Unknown	Unknown

We did not find evidence that the improvements on this property transferred during the three years prior to the report effective date. The lessees reported that the property had been leased by their family since 1975-77.

USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages hundreds of residential cabin sites which are owned by the State of Montana. The subject lot is in this program. According to the available information, the subject lot has been used for recreational/residential purposes for the three years prior to the report effective date. There was a home and related outbuildings on the subject lot as of the report effective date. The home construction date and any recent listing information for the improvements via the area MLS for the property are below;

Sale #	Lot #	Lessee	House Built	Listing History of Improvements via Area MLS
2071	21	Michael Tardif & David Christensen	1959	N/A

According to our research, the improvements on the subject lot were not available for sale via the area MLS as of the report effective date or during the three years prior to the report effective date.

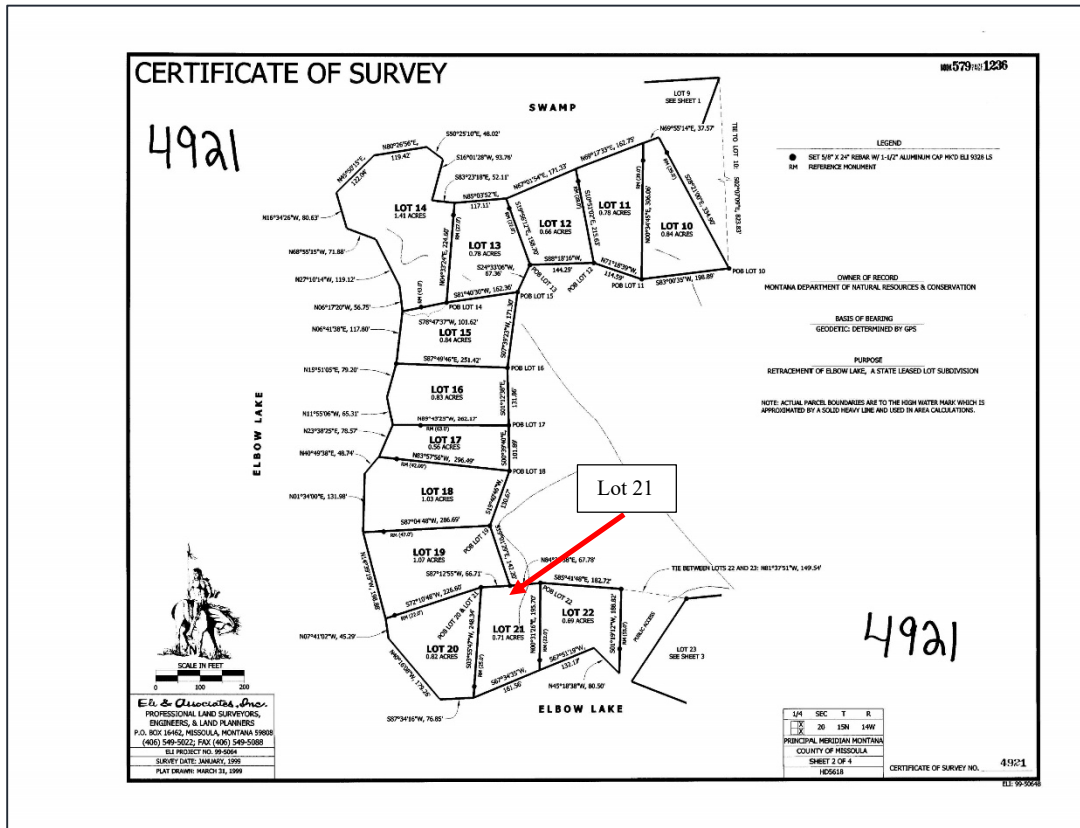
PROPERTY DESCRIPTION

GENERAL DESCRIPTION

The subject property is Lot 21 of Certificate of Survey #4921 in Section 20, Township 15 North, Range 14 West, in Missoula County, Montana. The subject site size is below;

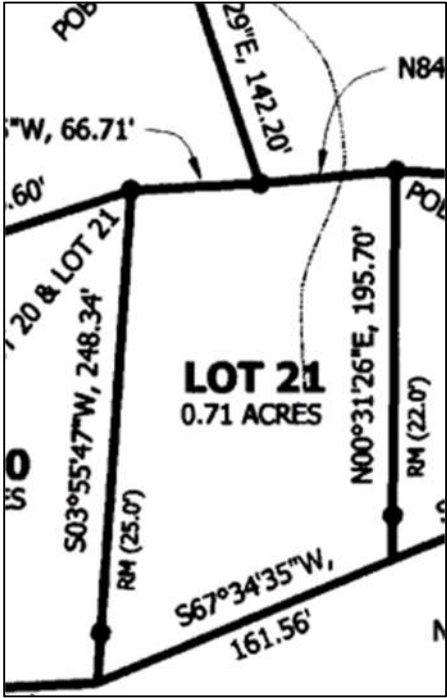
Sale #	Lot #	Gross Acres	Water Frontage (Feet)
2071	21	0.710	161.56

Page 2 of COS 4921 depicting the subject lot is below.



A zoomed in image the subject lot from COS 4921 is on the following page.

Lot 21
Zoomed Image from Page 2 of COS 4921



ACCESS AND VIEWS

The subject property has vehicular access from a driveway off of Elbow Loop. The subject lot has frontage along the east side of the Elbow Lake which is a wide portion of the Clearwater River. Access and water frontage for the subject site is described on the table below;

Sale #	Lot #	Lessee	Access
2071	21	Michael Tardif & David Christensen	Driveway off of Elbow Loop Private Road

Elbow Loop is a private, gravel road with no shared maintenance agreement in place. Elbow Loop does provide access for additional properties. There is a high likelihood than a road maintenance agreement could be created for Elbow Loop.

There are views of adjacent Elbow Lake from the subject property.

IMPROVEMENTS

The improvements on the subject lot are described on the table below.

Sale #	2071
Lot #	21
Residence SF	502
Construction Type	Wood Frame
Foundation	Piers
Quality	Average
Condition	Good
Year Built	1952
# of Bedrooms	1
# of Bathrooms	0
Porches	200 SF Deck
Outbuildings	29 SF Outhouse, 48 SF Outhouse, & 108 SF Storage Building
Well/Septic	None/None
Landscaping	Natural Vegetation /Lawn Area

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

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

Sale #	Lot #	Lessee	Access	Easement Affecting Property
2071	21	Michael Tardif & David Christensen	Driveway off of Elbow Loop Private Road	Right of Way Deed to Missoula Electric Cooperative, Inc. for Overhead Electrical Distribution Line

The easements are not considered to impact the marketability of the property.

ZONING

The subject property is in an portion of Missoula County that is not zoned.

ASSESSMENT/REAL PROPERTY TAXES

The subject lot is tax exempt. The improvements on the site are taxable. The 2023 taxable market values for the **subject improvements** (as per the Montana Department of Revenue) and the 2023 tax bill amount (not including a special assessment) for the improvements only are on the table below;

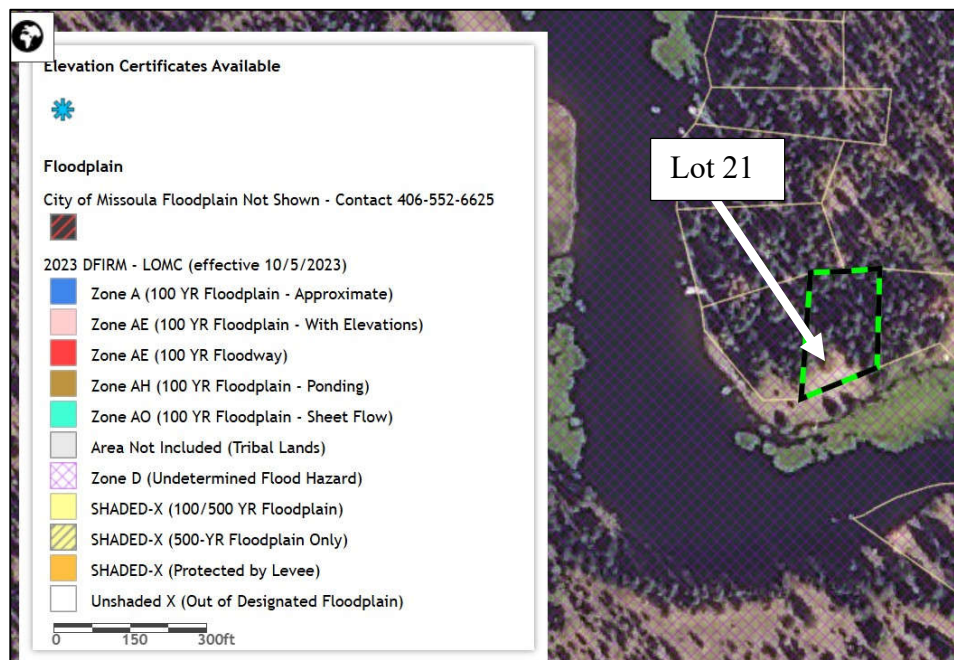
Tax Information						
Sale #	Lot #	Lessees	2023 Taxable Market Value for Land	Assessor # for Improvements	2023 Taxable Market Value for Improvements	2023 Tax Bill Amount for Improvements
2071	21	Michael Tardif & David Christensen	Unknown	0000173204	\$79,280	\$517.97

TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

A description of the general topography (according to our observations in the field) is included on the table below;

Sale #	Lot #	Lessee	Topography
2071	21	Michael Tardif & David Christensen	Generally Level

We consulted the Missoula County flood data. A flood map from Missoula County for the subject lot is below.



According to Missoula County, the subject lot is in an area of undetermined floor hazard. For report purposes, we assume that the subject lot is not in an area of flood hazard.

The subject lot includes native vegetation and lawn area.

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

UTILITIES

The subject lot has access to electricity. Information regarding a septic system and well is below;

Sale #	Lot #	Lessees	Septic Tank	Water Source	Water Right	Notes
2071	21	Michael Tardif & David Christensen	No	No	No	Electricity to Property

There were no well or septic permits on file for the subject with Missoula County.

PUBLIC SAFETY AND SERVICES

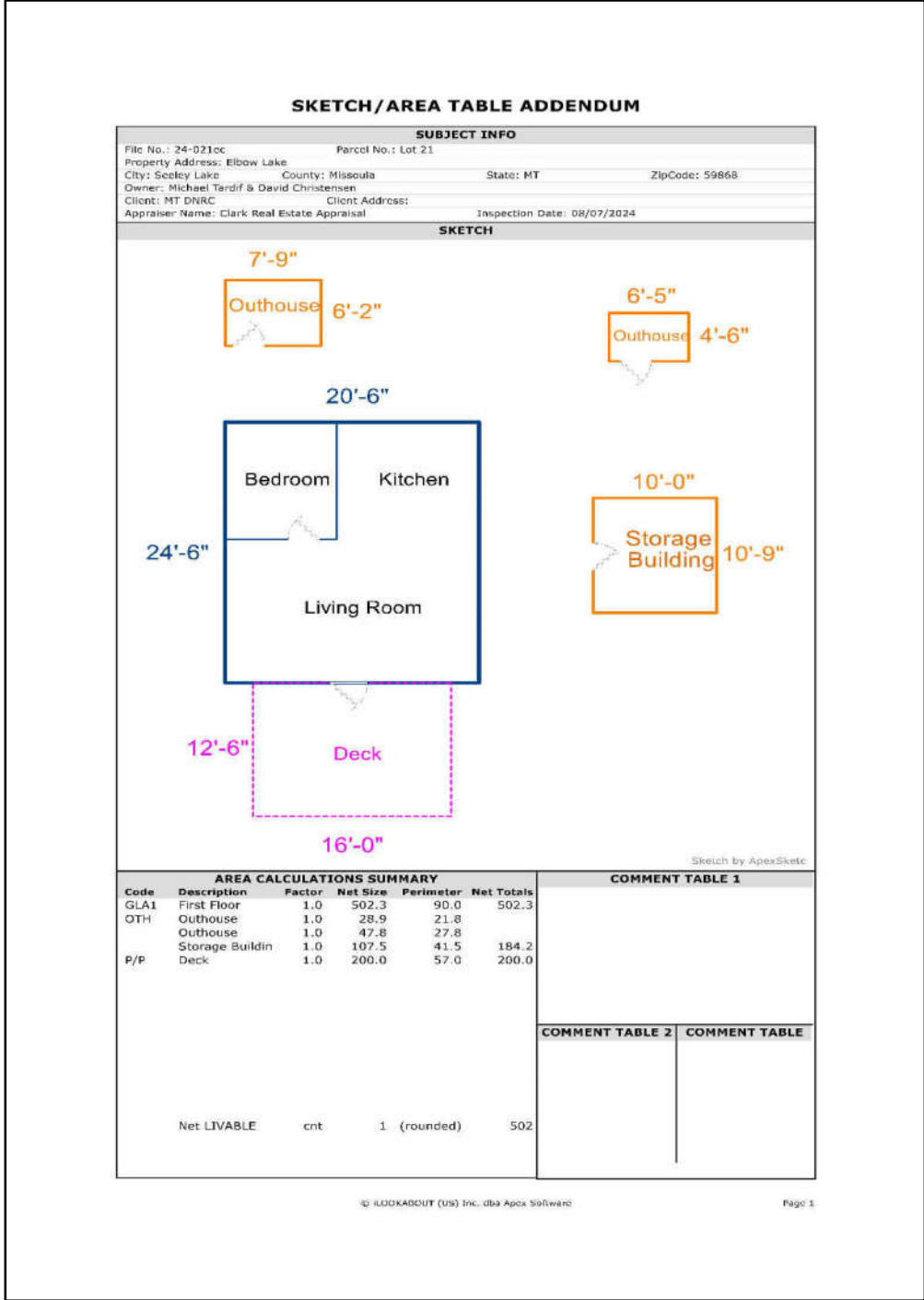
Police, fire protection, and other services are provided by Missoula County and area volunteer emergency services.

SITE SUITABILITY

The subject lot is physically suited for residential improvements. The location along the Elbow Lake is considered to significantly enhance the marketability of the subject property.

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

LOT 21 BUILDING SKETCH



SUBJECT PHOTOGRAPHS



Front of Residence on Lot 21



Front of Residence and Storage Building



Kitchen Area



Living Room



New Outhouse



New Outhouse Interior

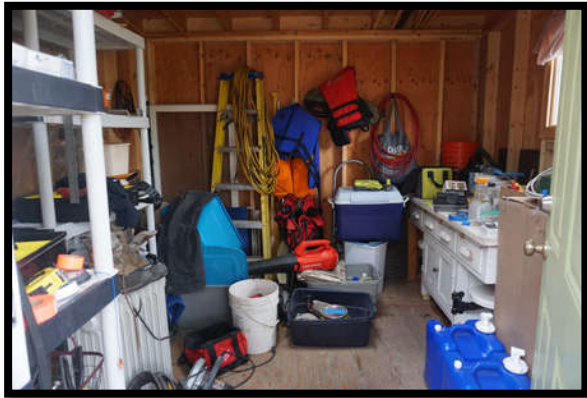
ADDITIONAL PHOTOGRAPHS



Old Outhouse



Storage Building



Storage Building Interior



Storage Tank for Kitchen Sink



Southwest Property Boundary Marker Looking North



Southwest Property Boundary Marker Looking Northeast

ADDITIONAL PHOTOGRAPHS



Southeast Property Boundary Marker Looking Southwest



Southeast Property Boundary Marker Looking North



Northeast Property Boundary Marker Looking South



Northeast Property Boundary Marker Looking West



Northwest Property Boundary Marker Looking East



Northwest Property Boundary Marker Looking South

ADDITIONAL PHOTOGRAPHS



Clearwater River Frontage Looking East



Clearwater River Frontage Looking West



Lot 21 Interior and Improvements Looking Southwest



Lot 21 Interior Looking North from River Frontage



View of Adjacent Cabin on Lot 20 to Left of Subject Cabin



Lot 21 Interior Looking East

ADDITIONAL PHOTOGRAPHS



Clearwater River Looking East



Lot 21 Interior and Firepit Area Looking West

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject site totals 0.71 acres and includes 161.56 feet of frontage along Elbow Lake which is a wide portion of the Clearwater River. The property includes residential improvements. The subject is located in the Seeley Lake area of Missoula County, Montana.

Area Land Use Trends

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

Potential Users of Subject Property

The potential users of the subject property would be market participants seeking to own recreational/residential property in the greater market area.

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted searches of the area MLS for sales (vacant and improved) with frontage along Elbow Lake. No sales (other than those from MT DNRC to the Lessees) with frontage on Elbow Lake were located. For this reason, it was necessary to expand the search to include recent sales of area properties with frontage along rivers or creeks.

Vacant Sites with Frontage on Creeks or Rivers

The search was limited to sites with 3.00 acres or less. The market data located is below.

Creek/Riverfront Lot Listings & Sales						
Address	Water Frontage Name	Sale Date	Sales Price	List Price	Site Acres	Days on Market
1087 Golf View Dr	Trail Creek	ACTIVE	N/A	\$289,000	1.14	85
2368 Double Arrow Rd	Drew Creek	2024	\$175,000		3.51	99
430 Grayling Dr	Trail Creek	2024	\$175,000		3.08	39
200 Morrell Creek Rd	Morrell Creek	2024	\$220,000		2.62	163
2785 MT Hwy 83	Clearwater River	2024	\$140,000		2.73	13
386 Skyport Way	Trail Creek	2023	\$287,700		2.69	1
780 Evergreen Dr	Mountain Creek	2023	\$185,000		3.00	31
181 Fawn Ln	Mountain Creek	2023	\$140,000		2.25	46
591 Whitetail Dr	Trail Creek	2023	\$290,000		1.80	0

Residential Improved Properties with Frontage on Creeks or Rivers

We conducted a search for sales of homes with frontage along area creeks or rivers and with site sizes of 3.00 acres or less. The results are below;

Sale Date	Sold Price	List Price	Waterfront Name	Days on Market
Active		\$859,000	Clearwater River	91
Pending		\$889,990	Morrell Creek	11
Active		\$599,000	Trail Creek	219
Average Days on Market				107
2024	\$675,000		Clearwater River	247
Average Days on Market				247
2023	\$249,900		Seeley Lake Outlet	0
2023	\$700,000		Trail Creek	14
Average Days on Market				7
2022	\$601,000		Trail Creek	43
2022	\$679,000		Clearwater River	156
2022	\$316,000		Seeley Creek	156
Average Days on Market				118

Competitive Supply

Vacant Sites with Frontage on Creeks or Rivers

We located one active listing of a vacant site with frontage along an area creek or river.

Residential Improved Properties with Frontage on Creeks or Rivers

There were 2 active listings and 1 pending sale of homes on site with frontage along area creeks or rivers.

Interaction of Supply and Demand

Vacant Sites with Frontage on Creeks or Rivers

There were 4 sales or creek or river frontage sites per year within the search parameters utilized. There is only 1 active listing. Demand exceeds supply for this property type.

Residential Improved Properties with Frontage on Creeks or Rivers

There have been 1 to 3 sales per year within the search parameters utilized. There are a total of 3 active or pending sales. Supply and demand for residential improved properties with creek or river frontage is in relative balance.

Subject Marketability Conclusion

Vacant Sites with Frontage on Creeks or Rivers

The subject site is considered to have similar marketability compared to the other sites similar in size and with frontage on area creeks or rivers.

Residential Improved Properties with Frontage on Creeks or Rivers

The subject properties, as improved, are considered to have similar marketability compared to other properties with similar improvements and frontage along the Clearwater River. It is important to note that the sales and listings of improved residential properties include homes that are of superior quality compared to the subject. These homes are not considered to represent competition for the subject property.

Estimated Marketing and Exposure Times

The most recent sales of sites with frontage along area creeks or rivers were marketed for an average of 49 days. Based upon this data, a **marketing time** between 1 to 3 months is considered appropriate for subject property as if vacant. If the subject property had sold, as if vacant, on the effective date of this report, at the appraised value concluded, a 1 to 3 month **exposure time** would have been reasonable.

The most recent sales of residential improved properties with frontage along area creeks or rivers were marketed for an average of 87 days. Based upon this data, a **marketing time** between 1 to 3 months is considered appropriate for subject property as improved. If subject property had sold, as improved, on the effective date of this report, at the appraised value concluded, a 1 to 3 month **exposure time** would have been reasonable.

HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

AS IF VACANT

Legally Permissible

The subject property is in an area of Missoula County with no zoning. There are numerous legally permissible uses.

Physically Possible

There is sufficient space on the subject site as if vacant for a single family residence and related outbuildings. There is not sufficient space on the site for most other types of uses.

Financially Feasible

Area properties which include waterfrontage are considered to have very good marketability for recreational and/or residential. Use of the subject site as if vacant for construction of a single family residence is financially feasible.

Maximally Productive

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

Highest and Best Use Conclusion

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

AS IMPROVED

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

THE APPRAISAL PROCESS

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

APPROACHES IN THE VALUATION OF REAL PROPERTY

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

Cost Approach

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

Sales Comparison Approach

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

Income Capitalization Approach

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

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

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

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

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

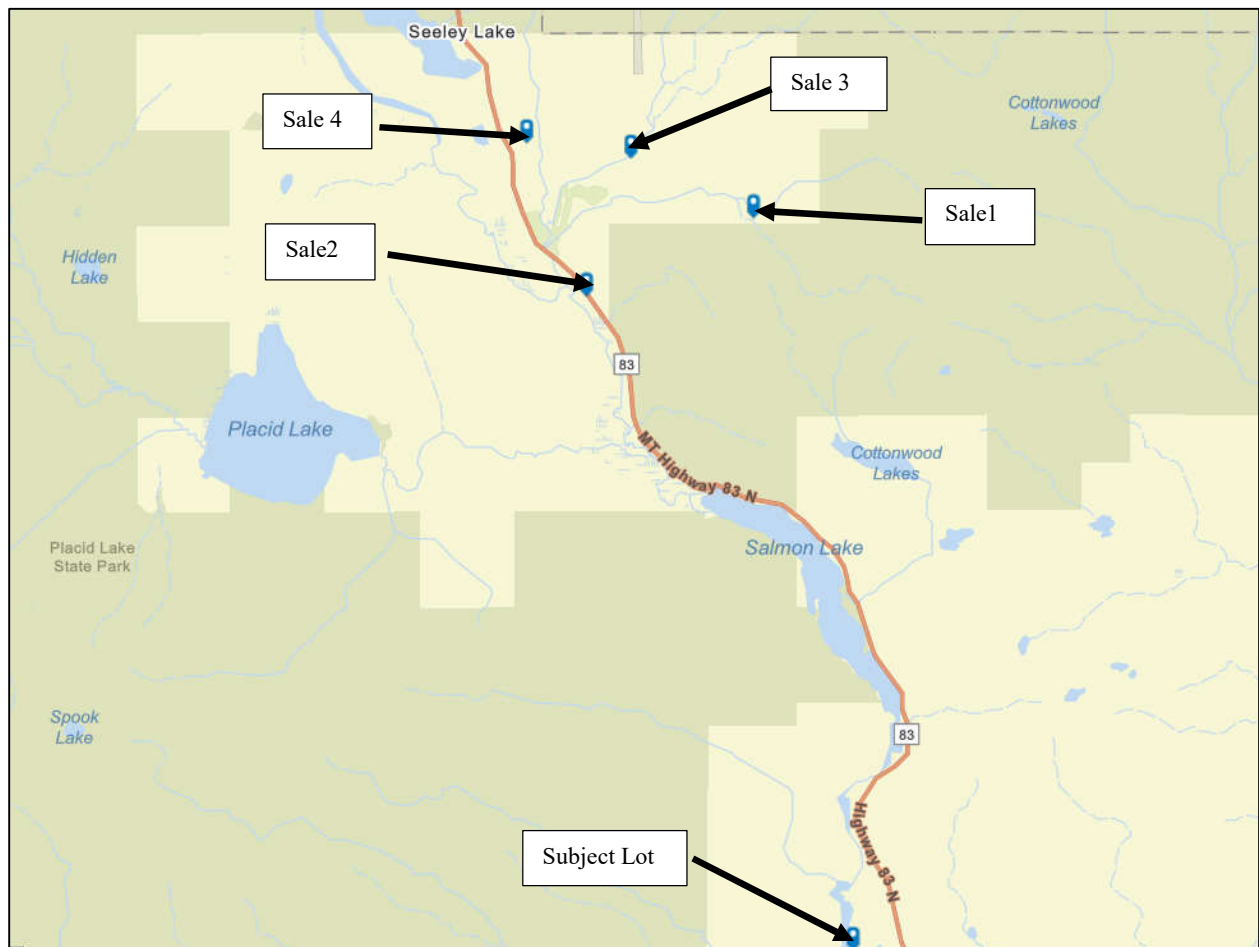
LOT SALES

We conducted a search for sales of vacant home sites similar to the subject property as if vacant. We located four recent sales that were considered credible comparables for the subject property as if vacant. The comparables selected are described on the table below.


Sale #	Sale Date	Address	City	Water Front Name	Acres	Sales Price
1	2024	2368 Double Arrow Rd	Seeley Lake	Drew Creek	3.510	\$175,000
2	2024	2785 MT Hwy 83	Seeley Lake	Clearwater River	2.730	\$140,000
3	2024	430 Grayling Dr	Seeley Lake	Trail Creek	3.080	\$175,000
4	2024	200 Morrell Creek Dr	Seeley Lake	Morrell Creek	2.620	\$220,000

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


Map of Comparable Lot Sales



LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location	2368 Double Arrow Road	
	City/State	Seeley Lake, MT	
	County	Missoula	
	Assessor Number	0005827204	
	Zoning	Unzoned Portion of Missoula County	
	Site Size: Acres	3.510	
	Square Feet	152,896	
	Date of Sale	July 19, 2024	
	Sales Price	\$175,000	
	Less Cost of Improvements*	\$0	
	Sales Price Adjusted	\$175,000	
	MLS #	30022858	
ANALYSIS OF SALE			
Price per Acre	\$49,858	Price per Square Foot	\$1.14
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Matthew C. Bartley & Ranae S. Bartley	Grantee	Kenneth Eugene Haugen & Teri Ann Haugen
Type of Instrument	Warranty Deed	Document #	202407894
Financing/Conditions	Conventional/Market	Marketing Time	99 Days on Market
Legal Description	Lot 105 of Drew Creek Addition-Phase VII to the Double Arrow Ranch, Missoula County, Montana	Verified By	Sahra Susman, Listing Agent
Section/Township/Range	S07/T16N/R14W	Intended Use/Comments	Purchased for Residential Use
PROPERTY DETAILS			
Access	Gravel Subdivision Road	View	Similar Properties, Trees, Mountains
Topography	Some Slope	Lot Dimensions	Various
Flood Plain	According to Missoula County, the property is not in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	Drew Creek (FF Not Known)	Value of Improvements	
Utilities	Electricity & Telephone	Miscellaneous	There are relatively significant CC&R's associated with this subdivision. This property includes a road easement within the east side site boundary.
			Report File # 24-021ec


LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location		2785 Montana Highway 83
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		0004259155
	Zoning		Unzoned Portion of Missoula County
	Site Size: Acres		2.730
	Square Feet		118,919
	Date of Sale		May 13, 2024
	Sales Price		\$140,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$140,000
	MLS #		30023018
ANALYSIS OF SALE			
Price per Acre	\$51,282	Price per Square Foot	\$1.18
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Joseph A. Lombardi	Grantee	Kathryn A. Wessel
Type of Instrument	Warranty Deed	Document #	202404837
Financing/Conditions	Cash/Market	Marketing Time	13 Days on Market
Legal Description	Lot 9 of Certificate of Survey No. 5840, Missoula County, Montana	Verified By	Kyle Huestis, Listing Agent
Section/Township/Range	S14/T16N/R15W	Intended Use/Comments	Purchased for Recreational Use
PROPERTY DETAILS			
Access	County Highway	View	Similar Properties, Trees, Mountains, River
Topography	Level	Lot Dimensions	Various
Flood Plain	According to Missoula County, The property is in an area of elevated flood risk (AE & Shaded X)	Improvements	None
Feet of Water Frontage	Clearwater River (FF Not Known)	Value of Improvements	
Utilities	Electricity & Telephone	Miscellaneous	This property is 100% within the floodplain and cannot accommodate a septic system. There are no CC&R's associated with this property.
		Report File #	24-021ec

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location		430 Grayling Drive
	City/State		Seeley Lake, MT
	County		Missoula
	Assessor Number		0005902234
	Zoning		Unzoned Portion of Missoula County
	Site Size: Acres		3.080
	Square Feet		134,165
	Date of Sale		May 9, 2024
	Sales Price		\$175,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$175,000
	MLS #		30021935
ANALYSIS OF SALE			
Price per Acre	\$56,818	Price per Square Foot	\$1.30
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Derik G. Millich & Jennifer J. Millich	Grantee	Christy L. Von Lanken
Type of Instrument	Warranty Deed	Document #	202404728
Financing/Conditions	Conventional/Market	Marketing Time	39 Days on Market
Legal Description	Lot 145 of Amended Plat of Trail Creek Addition or Phase VI to the Double Arrow Ranch, Missoula County, Montana	Verified By	Jeffery Micklitz, Listing Agent
Intended Use/Comments	Purchased for Residential Use		
Section/Township/Range	S12/T16N/R15W		
PROPERTY DETAILS			
Access	Paved Subdivision Road	View	Similar Properties, Trees, Mountains, Creek
Topography	Some Slope	Lot Dimensions	Various
Flood Plain	According to Missoula County, the property is not in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	Trail Creek (FF Not Known)	Value of Improvements	
Utilities	Electricity & Telephone	Miscellaneous	There are relatively significant CC&R's associated with this subdivision. This property includes a road easement within the south side site boundary.
			Report File # 24-021ec

LAND SALE 4

COMPARABLE SALE INFORMATION			
	Location	200 Morrell Creek Drive	
	City/State	Seeley Lake, MT	
	County	Missoula	
	Assessor Number	0001475503	
	Zoning	Unzoned Portion of Missoula County	
	Site Size: Acres	2.620	
	Square Feet	114,127	
	Date of Sale	February 15, 2024	
	Sales Price	\$220,000	
	Less Cost of Improvements*	\$0	
	Sales Price Adjusted	\$220,000	
	MLS #	30013575	
ANALYSIS OF SALE			
Price per Acre	\$83,969	Price per Square Foot	\$1.93
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	A-1 Holdings, Inc	Grantee	Justin Talley & Adrian Nebel
Type of Instrument	Warranty Deed	Document #	202401684
Financing/Conditions	Conventional/Market	Marketing Time	163 Days on Market
Legal Description	Lot 39 of Double Arrow Ranch Phase II, Missoula County, Montana	Verified By	Scott Kennedy, Listing Agent
Section/Township/Range	S11/T16N/R15W	Intended Use/Comments	Purchased for Residential Use
PROPERTY DETAILS			
Access	Paved County Road	View	Similar Properties, Trees, Mountains, Creek
Topography	Level with Gentle Slope to Creek	Lot Dimensions	Various
Flood Plain	According to Missoula County, the property is not in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	Morrell Creek (FF Not Known)	Value of Improvements	
Utilities	Electricity & Telephone, Community Water Available	Miscellaneous	There are relatively light CC&R's associated with this subdivision.
			Report File # 24-021ec

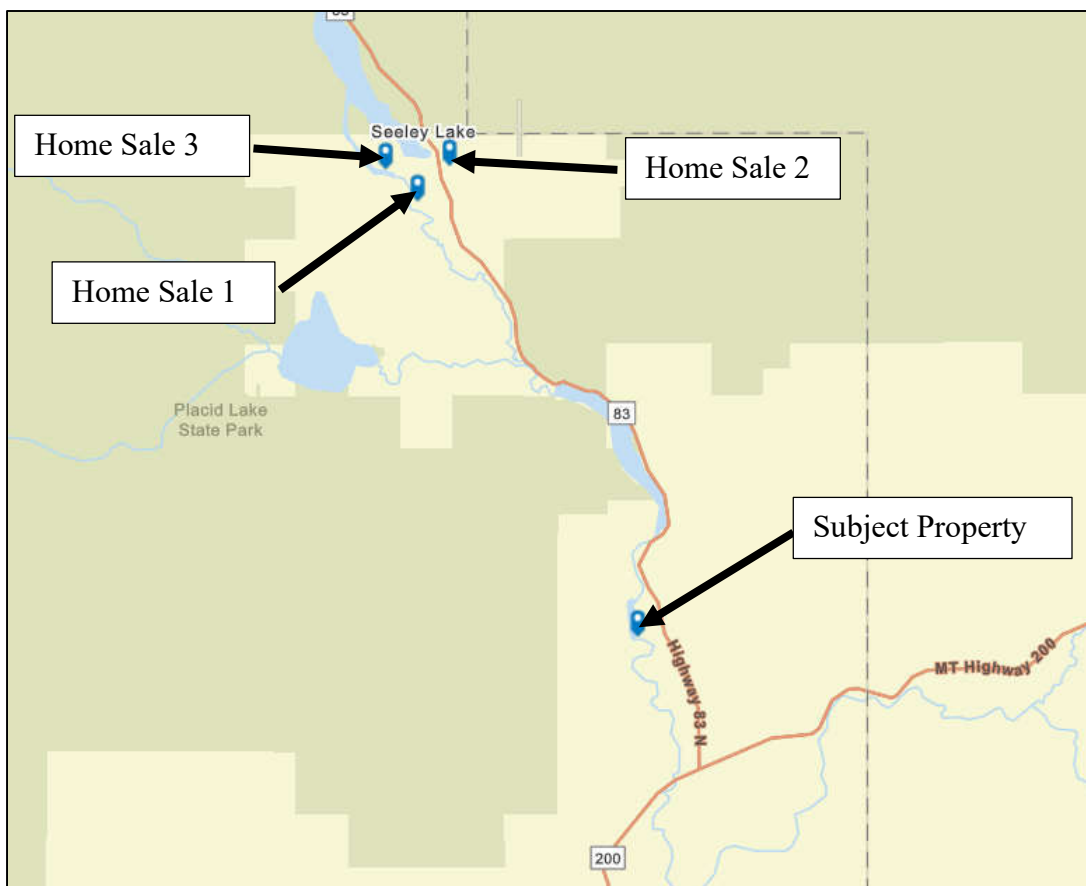
HOME SALES

We conducted a search for sales of homes similar to the home on the subject property. Very few truly comparable home sales were located in the subject area. For this reason, it was necessary to use two sales not located on area creeks or rivers. The contributory site value for each comparable home sale was concluded based upon sales of vacant sites and/or conclusions regarding the contributory values of the improvements. The most applicable and recent home sales located are described on the table below.

Comparable Home Sales							
Sale #	Address	City	Water Frontage Name	Sale Date	Sales Price	Less Site Value	Sales Price of Improvements
1	421 Cub Ln	Seeley Lake	N/A	2024	\$285,000	\$70,000	\$215,000
2	515 Tamarack Dr	Seeley Lake	N/A	2024	\$210,000	\$80,000	\$130,000
3	565 Cabin Ln	Seeley Lake	Seeley Lake Outlet	2023	\$249,900	\$80,000	\$169,900

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

Map of Comparable Home Sales



PROPERTY VALUATION

LOT 21

Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 21 COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	Lot 21, Elbow Lake	2368 Double Arrow Rd	2785 MT Highway 83	430 Grayling Dr	200 Morrell Creek Dr
CITY	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$175,000	\$140,000	\$175,000	\$220,000
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		07/19/24	05/13/24	05/09/24	02/15/24
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$175,000	\$140,000	\$175,000	\$220,000
SITE SIZE/ACRES	0.710	3.510	2.730	3.080	2.620
ADJUSTED SALES PRICE		\$175,000	\$140,000	\$175,000	\$220,000
ADJUSTMENT FOR:					
LOCATION	Elbow Lake	Double Arrow Ranch Phase VII	Morrell Flats	Double Arrow Ranch Phase VI	Double Arrow Ranch Phase II
		Superior -	Equal =	Superior -	Superior -
WATER FRONTAGE	Elbow Lake	Drew Creek	Clearwater River	Trail Creek	Morrell Creek
		Equal =	Equal =	Equal =	Equal =
SHAPE	Irregular	Irregular	Rectangular	Irregular	Irregular
		Equal =	Equal =	Equal =	Equal =
TOPOGRAPHY	Level	Level with Some Slope	Level	Level	Level
		Equal =	Equal =	Equal =	Equal =
FLOOD ZONE	None	None	Yes	None	None
		Equal =	Inferior +	Equal =	Equal =
FRONTAGE/ACCESS	Gravel Private Road	Gravel SD Road	Paved County Hwy	Gravel SD Road	Paved County Road
		Equal =	Equal =	Equal =	Equal =
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		Equal =	Equal =	Equal =	Equal =
EASEMENTS AFFECTING USE	No	No	No	No	No
		Equal =	Equal =	Equal =	Equal =
UTILITIES	Electricity, Telephone	Electricity, Telephone	Electricity, Telephone, Cannot Accommodate a Septic System	Electricity, Telephone	Electricity, Telephone, Community Water Available
		Equal =	Inferior +	Equal =	Superior -
SITE SIZE/ACRES	0.710	3.510	2.730	3.080	2.620
		Superior -	Superior -	Superior -	Superior -
OVERALL RATING COMPARED TO SUBJECT		Superior --	Inferior +	Superior --	Superior --
VALUE INDICATIONS		<< \$175,000	> \$140,000	<< \$175,000	<<< \$220,000

Discussion of Quantitative Adjustments

Adjustment for List Price: All of the comparables utilized in this analysis were closed sales as of the report effective date. For this reason, no adjustments were necessary in this category.

Adjustments for Improvements: The comparables did not include improvements and required no adjustment in this category.

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

Financing: The financing for the comparables were cash or cash equivalent; therefore, no adjustments were necessary to the comparables in category.

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

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

Market Conditions: The comparable sold in 2024. They all closed recently enough that no adjustment was considered necessary for changes in market conditions.

Discussion of Qualitative Adjustments

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

Location: The subject property and comparables are all located in the greater Seeley Lake area. Land Sales 1, 2, and 4 are in subdivisions with covenants, conditions, and restrictions (CC&R's) that result in some level of property maintenance and requirements for property conformance with surrounding properties. This is considered to be a positive attribute for these sales. The subject and Land Sale 2 are not within subdivisions with CC&R's. Land Sale 2 is identified as Equal = compared to the subject property in this category and Land Sales 1, 2, and 4 are identified as Superior – compared to the subject property in this category.

Water Frontage: The water frontage of the subject site and comparables results in approximately equal marketability. For this reason, the comparables are identified as Equal = compared to the subject property in this category.

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

Topography: The subject site has relatively level topography. The usable area of the subject site is similar to the comparables. For this reason, the comparables are identified as Equal = compared to the subject in this category.

Flood Zone: The flood risk was not determined for the subject site or for Land Sales 1, 3, or 4. It is assumed that the subject and these comparables are not within flood zones. All of Land Sale 2 is located in a flood zone. Location within the flood plain limits the potential uses for Land Sale 2. Land Sales 1, 3, and 4 are identified as Equal = compared to the subject property in this category. Land Sale 2 is identified as Inferior + compared to the subject property in this category.

Frontage/Access: The subject lot is accessed via a driveway from a private road. There is no maintenance agreement in place for this private road; however, there are sufficient users of this road that creation of such an agreement would be possible. Access to the comparables is via roads maintained by their respective subdivisions or by Missoula County. Based upon the likelihood of organizing a shared road maintenance agreement for Elbow Loop, access to the comparables is considered Equal = compared to the subject.

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

Easements or Use Restrictions Affecting Use: There were no atypical easements or use restrictions (other than the flood plain for Land Sale 2) associated with the subject or the comparables. An adjustment for the flood plain associated with Land Sale 2 was made in the Flood Zone category. The comparables are identified as Equal = compared to the subject property in this category.

Utilities: The subject site and comparables have similar access to electricity. The subject and Land Sales 1, 3, and 4 have similar likelihood of approval of construction of private wells and septic systems. These comparables are identified as Equal = compared to the subject property in this category. Land Sale 2 cannot accommodate a private septic system. This sale is identified as Inferior + compared to the subject property in this category.

Size/Acres: The subject site totals 0.71 acres. The comparables are all significantly larger than the subject property and are all identified as Superior – compared to the subject property in this category. Larger but otherwise similar properties typically sell for higher prices than smaller properties.

Improvement Value Estimate

Home Sales 1, 2, and 3 are appropriate comparables for the subject residence. A sales comparison analysis for the subject property utilizing these comparables is below.

SALES COMPARISON ANALYSIS FOR LOT 21 COS #4921, ELBOW LAKE, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION	Lot 21, Elbow Lake	421 Cub Ln	515 Tamarack Dr	565 Cabin Ln
LOCATION	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$285,000	\$210,000	\$249,900
LIST ADJUSTMENT				
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
FINANCING	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		07/02/24	02/05/24	05/19/23
ADJUSTED PRICE		\$285,000	\$210,000	\$249,900
LESS SITE VALUE		(\$70,000)	(\$80,000)	(\$80,000)
ADJUSTED IMPROVEMENT PRICE		\$215,000	\$130,000	\$169,900
MARKET CONDITIONS FACTOR		1.00	1.00	1.00
ADJUSTED IMPROVEMENT PRICE		\$215,000	\$130,000	\$169,900
ADJUSTMENT FOR:				
LOCATION/SITE	Elbow Lake	Interior Site	Interior Site	Clearwater River
		\$0	\$0	\$0
QUALITY	Average	Average	Average	Average
		\$0	\$0	\$0
CONDITION	Good	Average	Unfinished	Average
		\$21,500	\$39,000	\$16,990
BATHROOMS	0	1	1	0
		-\$10,000	-\$10,000	\$0
HOUSE SIZE/SF	502	1,200	1,092	916
		-\$55,840	-\$47,200	-\$33,120
FINISHED BASEMENT SIZE/SF	0	0	0	0
		\$0	\$0	\$0
OUTBUILDINGS	29 SF Outhouse, 48 SF Outhouse, 108 SF Storage Building	Equal	Superior	Equal
		\$0	\$7,000	\$0
TOTAL ADJUSTMENT		-\$44,340	-\$11,200	-\$16,130
NET ADJUSTMENT PERCENTAGE		-21%	-9%	-9%
ADJUSTED PRICE INDICATION		\$170,660	\$118,800	\$153,770

Discussion of Adjustments

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

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

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

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

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

Market Conditions: The comparables sold in 2023 or 2024. There was very little market data available relative to market conditions for home similar to the subject. There is evidence of market softening in other segments of the real estate market in the greater subject area. For these reasons, no adjustments were made in this category.

Location: The contributory site values for the home sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The contributory site value for each comparable home sale was concluded based upon sales of vacant sites and/or conclusions regarding the contributory values of the improvements.

Quality: The subject residence and comparables are similar in overall quality of construction. No adjustment was necessary in this category for the comparables.

Condition: Home Sales 1 and 3 were considered inferior in overall condition compared to the subject property. Upward adjustments of 10% were made to these sales in this category. The interior of Home Sale 2 was unfinished as of the sale date. An upward adjustment of 30% was made to this sale in this category. These adjustment percentages are considered representative of the actions of market participants relative to overall condition.

Bathrooms: The subject residence and Home Sale 3 do not include interior bathrooms. No adjustment was necessary in this category from Home Sale 3. Home Sales 1 and 2 each have 1 interior bathroom. An upward adjustment of \$10,000 was made to these sales in this category. The adjustment amount is considered to reflect the actions of market participants with regard to interior bathroom count.

House Size: Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$80 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable homes without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment amount is

considered appropriate and indicative of the actions of market participants with respect to house size.

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

Outbuildings/Amenities: Adjustments were made for any differences between our estimates of the contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were developed based upon depreciated cost which is calculated below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Storage Building	108	Section 17/Page 16	\$22.80	\$2,462
Outhouse	48	Lump Sum		\$4,000
Outhouse	29	Lump Sum		\$2,000
Total Cost New				\$8,462
Less Depreciation - Age/Life - 5/30 Years = 17%				<u>-\$1,439</u>
Depreciated Cost Estimate				\$7,024
Rounded To				\$7,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$170,660, \$118,800, and \$153,770. No weight is accorded the adjusted indication from Home Sale 2 because the interior of this home was unfinished at the time of sale. Home Sales 1 and 3 provided very similar adjusted indications of value and these comparables are considered most indicative market value for the subject improvements. All weight is placed on the adjusted value indications from Home Sales 1 and 3. The average of these indications is \$162,215. We have rounded this to \$162,000.

Improvement Value **\$162,000**

Total Value Conclusion

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

Subject Site Value	\$158,000
Subject Improvements Value	<u>\$162,000</u>
Total Value Indication	\$320,000

RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
21	2071	\$158,000	\$162,000	\$320,000	8/7/2024

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

QUALIFICATIONS OF THE APPRAISERS

ELLIOTT (ELLIE) M. CLARK, MAI

PROFESSIONAL DESIGNATIONS

MAI Designated Member of the Appraisal Institute (2004)

FORMAL EDUCATION

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

REAL ESTATE EDUCATION

Appraisal Institute

1990 - Basic Valuation Procedures
1990 - Real Estate Principles
1992 - Capitalization Theory and Technique
1994 - Advanced Income Capitalization
2001 - Highest and Best Use and Market Analysis
2001 - Advanced Sales Comparison and Cost Approaches
2002 - Standards of Professional Practice, Part A
2002 - Standards of Professional Practice, Part B
2002 - Report Writing and Valuation Analysis
2002 - Advanced Applications
2003 - Comprehensive Exam
2003 - Separating Real & Personal Property from Intangible Business Assets
2004 - Demonstration Appraisal
2006 - 7 Hour National USPAP Update Course
2006 - Business Practices and Ethics
2006 – Uniform Appraisal Standards for Federal Land Acquisitions
2008 - 7 Hour National USPAP Update Course
2010 - 7 Hour National USPAP Update Course
2012 – 7 Hour National USPAP Update Course
2012 – Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets
2012 – Valuation of Conservation Easements
2014 – 7 Hour National USPAP Update Course
2015 – Real Estate Finance Statistics and Valuation Modeling
2016 – 7 Hour National USPAP Update Course
2016 – Eminent Domain & Condemnation
2017 – Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications
2018 – 7 Hour National USPAP Update Course
2019 – 7 Hour National USPAP Update Course
2019 – Business Practice & Ethics
2020 – Small Hotel/Motel Valuation
2020 – Appraisal of Medical Office Buildings
2022 – 7 Hour USPAP Update Course
2022 – Analyzing Operating Expenses
2022 – Appraisal of Automobile Dealerships
2024 – 7 Hour USPAP Update Course

2024 – Rapid Response: Market Analysis in Volatile Markets
2024 - Expand Your Practice: Arbitration Do's and Don'ts
2024 – Case Studies in Appraising Green Residential Buildings

Institute of Financial Education

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

IAAO

1991 - Standards of Practice and Professional Ethics

Citadel Evening College

1993 - Residential Appraisal Reports Using URAR Form

William H. Sharp & Associates

1995 - The Home Inspection

Trident Technical College

1997 - Uniform Standards of Appraisal

Historic Preservation Consulting

1998 - Appraising Historic Property

The Beckman Company

2004 - The Technical Inspection of Real Estate

APPRAISAL SEMINARS ATTENDED

2000 – JT&T Seminars: Financial Calculator HP-12C
2000 – Appraisal Institute: Highest and Best Use Applications
2004 – Appraisal Institute: Evaluating Commercial Construction
2005 – Appraisal Institute: Scope of Work: Expanding Your Range of Services
2006 – Appraisal Institute: Subdivision Valuation
2006 – Appraisal Institute: Appraising from Blueprints and Specifications
2007 – Appraisal Institute: Analyzing Commercial Lease Clauses
2007 – Appraisal Institute: Condominiums, Co-ops, and PUDs
2008 – Appraisal Institute: Spotlight on USPAP
2008 – Appraisal Institute: Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans
2008 – Appraisal Institute: Office Building Valuation: A Contemporary Perspective
2009 – Appraisal Institute: Appraisal Curriculum Overview (2-Day General)
2010 – Appraisal Institute: Hotel Appraising – New Techniques for Today's Uncertain Times
2010 – Appraisal Institute: The Discounted Cash Flow Model: Concepts, Issues & Applications
2011 – Appraisal Institute: Understanding & Using Investor Surveys Effectively
2011 – Appraisal Institute: Advanced Spreadsheet Modeling for Valuation Applications
2012 – Appraisal Institute: Appraising the Appraisal: Appraisal Review-General
2013 – Appraisal Institute: Business Practices and Ethics
2018 – Appraisal Institute: Real Estate Finance, Value, and Investment Performance
2019 – Appraisal Institute: The Cost Approach: Unnecessary or Vital to a Healthy Practice
2022 – Appraisal Institute: Introduction to Green Buildings: Principals and Concepts

WORK EXPERIENCE

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

STATE LICENSES/CERTIFICATIONS

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

PARTIAL LIST OF CLIENTS

United States Department of Interior
United States Government Services Administration
State of Montana Department of Natural Resources
Montana Department of Transportation
City of Whitefish
City of Kalispell
Flathead County
Glacier Bank
Rocky Mountain Bank
Freedom Bank
Whitefish Credit Union
Parkside Credit Union
First Interstate Bank
Three Rivers Bank

CHRISTOPHER D. CLARK

FORMAL EDUCATION

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

REAL ESTATE EDUCATION

Appraisal Institute

Course 110 – Appraisal Principles, 2005
Course 120 – Appraisal Procedures, 2005
Course 410 – 15- Hour National USPAP Course, 2005
Course 203R – Residential Report Writing & Case Studies, 2006
Course REA070513 – Analyzing Commercial Lease Clauses, 2007
Course 06RE0638 – Condominiums, Co-ops, PUD's, 2007
Course REA071154 – Hypothetical Conditions, Extraordinary Assumptions, 2008
Course 07RE0734 – 7-Hour National USPAP Update, 2008
Course 06RE0641 – Quality Assurance in Residential Appraisals, 2008
Course 06RE1286 – Office Building Valuation: A Contemporary Perspective, 2008
Course 430ADM 0 Appraisal Curriculum Overview – 2009
Course I400 - 7-Hour National USPAP Update – 2010
Course OL-202R - Online Residential Sales Comparison and Income Approach – 2011
Course OL-200R - Online Residential Market Analysis and Highest & Best Use – 2011
Course OL-201R - Online Residential Site Valuation & Cost Approach – 2011
Course I400 – 7-Hour National USPAP Update Course – 2012
Course REA110436 – Appraising the Appraisal: Appraisal Review General – 2012
Course 08REO643 – Business Practices and Ethics -2013
Course I400 – 7-Hour National USPAP Update – 2014
Course REA4380 – Online Introduction to Green Buildings: Principles and Concepts 2014
Course REA120108 – Online Cool Tools: New Technology for Real Estate Appraisers
Course REA-6260 – Real Estate Finance Statistics & Valuation Modeling - 2015
Course REA-REC-REC-7415 – 2016-2017 7-Hour USPAP Update – 2016
Course REA-CEC-REC-7494 – Eminent Domain and Condemnation – 2016
Course REA-CEC-REC – 8806 – Uniform Standards for Federal Land Acquisitions 2017
Course REA-CEC-REC – 9788 2018 – 2019 7-Hour National USPAP Update 2018
Course REA-CEC-REC-9651 – Real Estate Finance, Value, and Investment Performance - 2018
Course REA-CEC-REC-11855 – The Cost Approach, Unnecessary or Vital 2019
Course REA-CEC-REC – 9788 – 2020-2021 7-Hour National USPAP Update 2019
Course REA-CEC-REC-10480 – Small Hotel/Motel Valuation - 2020
Course REA-CED-REC-9377 – Appraisal of Medical Office Buildings - 2020
Course REA-CEC-REC-14476 – 2022-2023 7-Hour National USPAP Update – 2022
Course REA-CEC-REC-13680 – Comparative Analysis – 2022
Course REA-CEC-REC-14201 – Analyzing Operating Expenses – 2022
Course REA-CEC-REC-14584 – Appraising Automobile Dealerships – 2022
Course REA-CEC-REC – 17107 – 2024-2025 7-Hour National USPAP Update - 2024
Course REA-CEC-REC-14276 – Case Studies in Appraising Green Residential Buildings – 2024
Course REA-CEC-REC-15310 – Expand Your Practice: Arbitration Do's & Don'ts – 2024

REAL ESTATE EDUCATION (cont.)

Appraisal Institute

Course REA-CEC-REC-15313 – Rapid Response: Market Analysis in Volatile Markets - 2024

WORK EXPERIENCE

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

STATE LICENSES/CERTIFICATIONS

Montana Licensed Appraiser # REA-RAL-LIC-841

APPRAISERS LICENSES

 **State of Montana**
Employment Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER
With endorsements of:
* REAL ESTATE APPRAISER MENTOR

REA-RAG-LIC-683
Status: **Active**
Expires: **03/31/2025**

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

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

 **State of Montana**
Employment Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
LICENSED APPRAISER

REA-RAL-LIC-841
Status: **Active**
Expires: **03/31/2025**

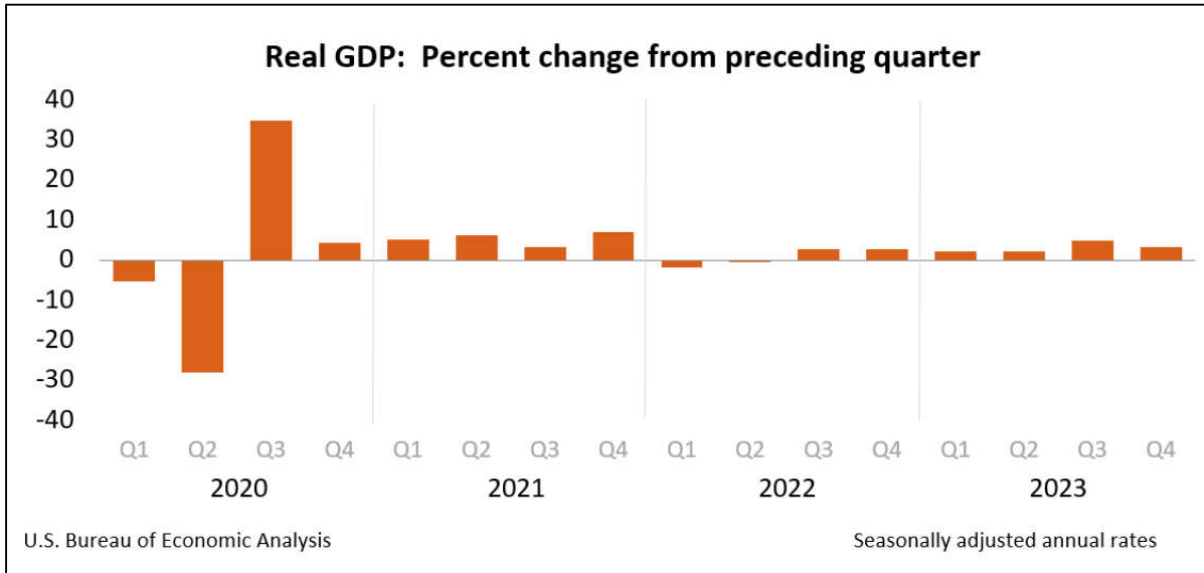
CLARK REAL ESTATE APPRAISAL
CHRISTOPHER D CLARK
CLARK REAL ESTATE APPRAISAL
P.O. BOX 1531
SEELEY LAKE, MT 59868

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

ADDENDUM

NATIONAL ECONOMIC DATA

According to an advance estimate from the Bureau of Economic Analysis of the US Department of Commerce (BEA), **Real gross domestic product (GDP)** increased at an annual rate of 3.3% in the fourth quarter of 2023. According to the advance estimate released by the Bureau of Economic Analysis, real GDP increased 4.9 percent in the third quarter of 2023.



According to the BEA, the increase in GDP reflected increases in consumer spending, exports, state and local government spending, nonresidential fixed investment, federal government spending, private inventory investment, and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. Compared to the third quarter of 2023, the deceleration in GDP in the fourth quarter primarily reflected slowdowns in private inventory investment, federal government spending, residential fixed investment, and consumer spending.

STATE ECONOMIC DATA

Montana is the 44th most populous state in the US. According to ESRI estimates using US Census data, the 2023 population of Montana was estimated to be 1,122,044. The population is forecasted to increase to 1,156,423 or by 3.06% by 2028

The state economy is diverse with a wide variety of industries. According to ESRI data, the industries with the highest number of the employed population in the state are;

- Services (49.9%)
- Construction (10.2%)
- Retail Trade (10.1%)
- Agriculture/Mining (5.9%)
- Transportation/Utilities (5.6%)

- Finance/Insurance/Real Estate (5.0%)

The remaining categories of manufacturing, wholesale trade, information, and public administration employ less than 5% each. According to ESRI, as of 2023 the median household income for Montana was \$63,489. It is forecasted to increase to \$72,262 or by 2.8% per year by 2028.

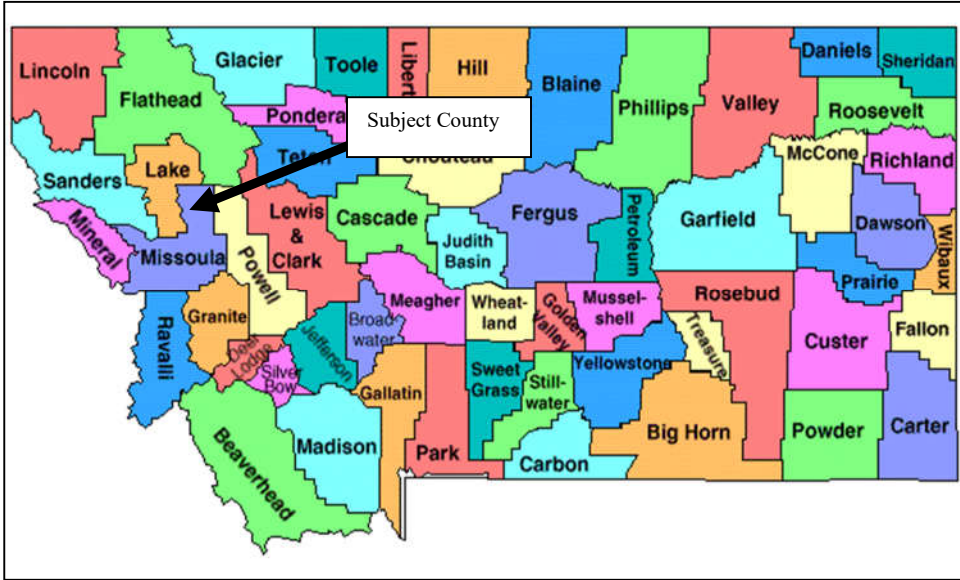
The following table summarizes unemployment rates in Montana over the past 10 years.



The annual average unemployment rate decreased every year from 2011 through 2019. However, due in large part to the coronavirus pandemic (which began in March 2020), the overall unemployment rate in Montana increased in 2020. However, since approximately mid-2020 the rate began to trend down, and it was reported at 3.2% as of December 2023.

MISSOULA COUNTY DATA

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



Geographical Information

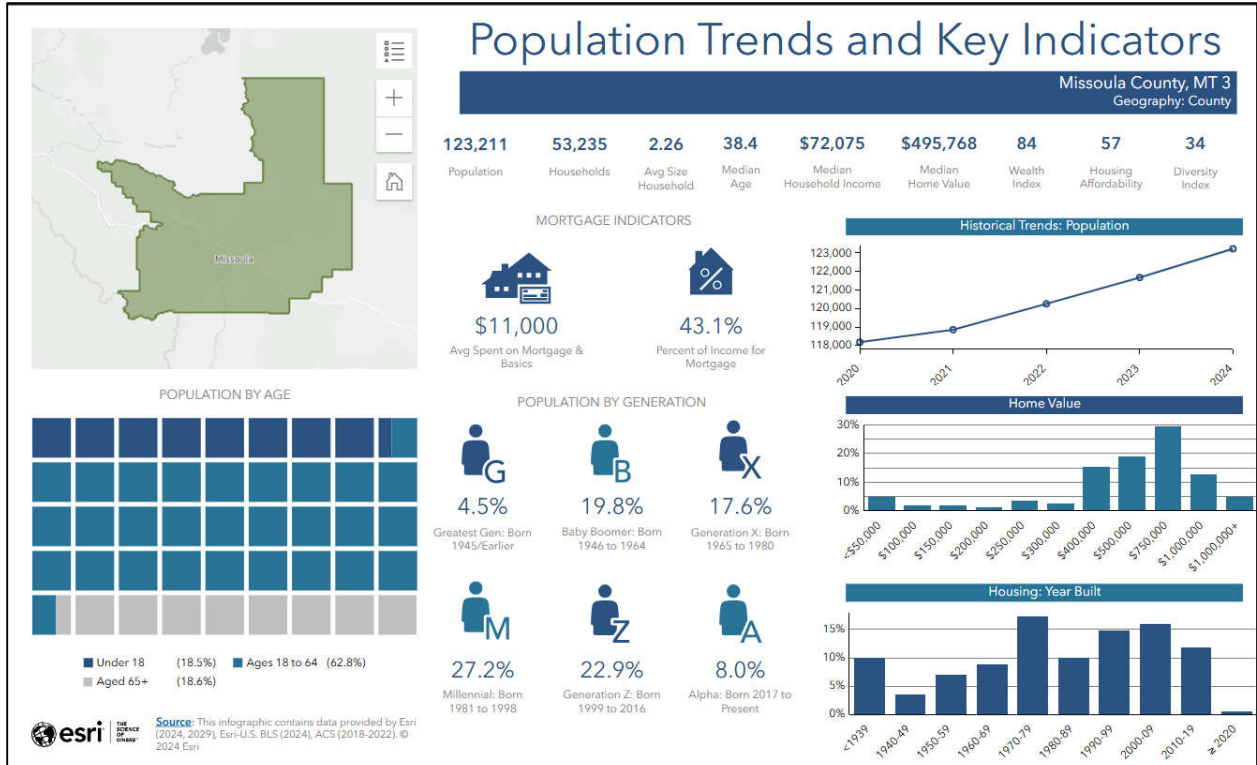
Missoula County is bordered to the north by Flathead, Lake, Sanders and Mineral Counties of Montana. It is bordered to the south and east by Ravalli, Granite and Powell Counties of Montana. A small portion of Missoula County is bordered to the west by Idaho and Clearwater Counties in Idaho. The general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

City and Communities

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

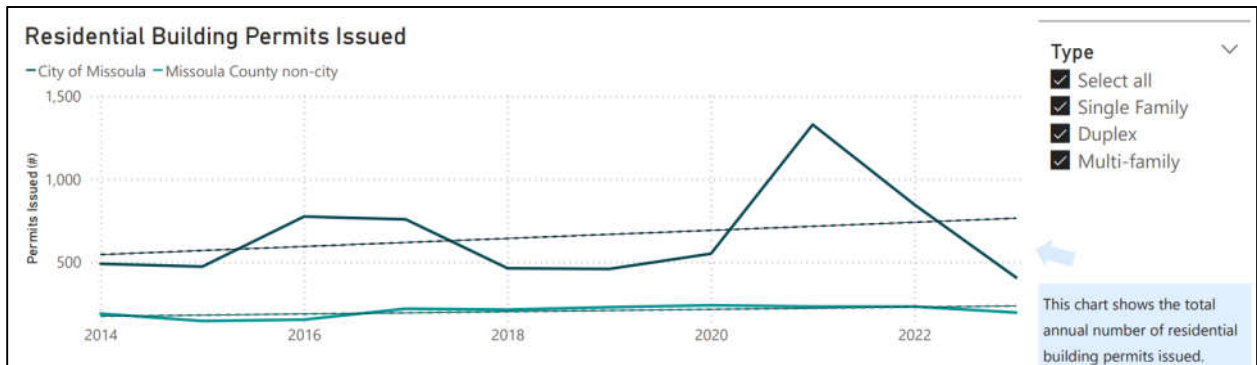
Population

Missoula County is the 3rd most populous county in Montana. The 2024 county population estimate from ESRI based upon US Census Bureau data was 126,857. A chart with population trends for Missoula County is on the following page.



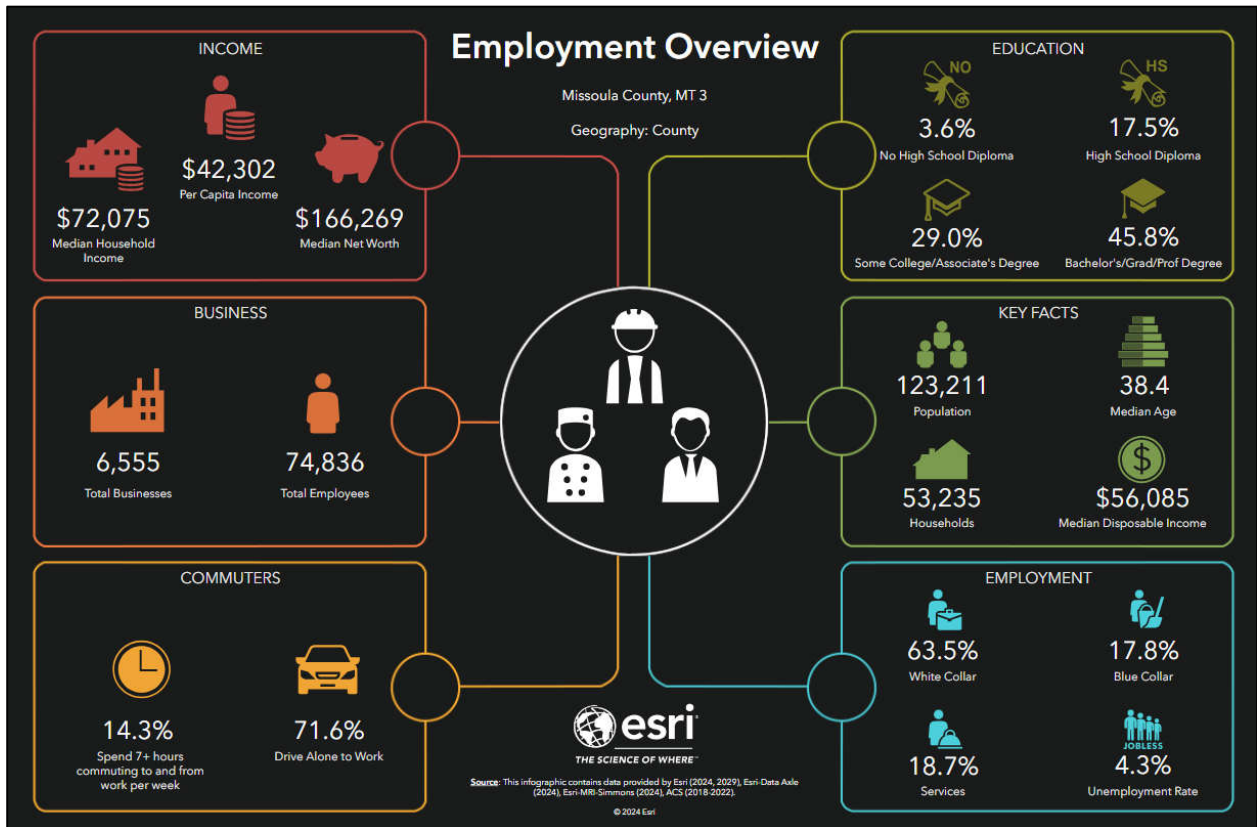
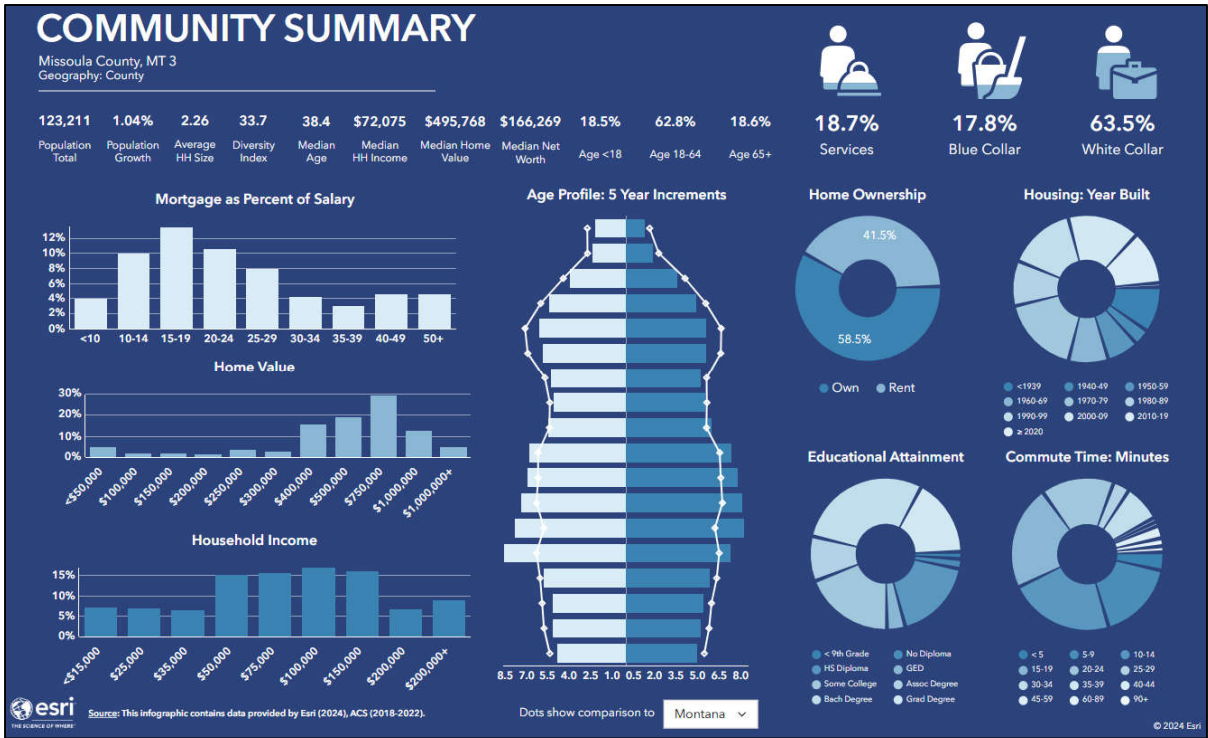
Housing, Income, & Employment

Residential building permits of all types (single family, duplex and multi-family) issued in Missoula County and the City of Missoula between 2014 and 2023 (compiled by the Missoula Organization of Realtors for the 2024 Five Valleys Housing Report) are on the graph below;

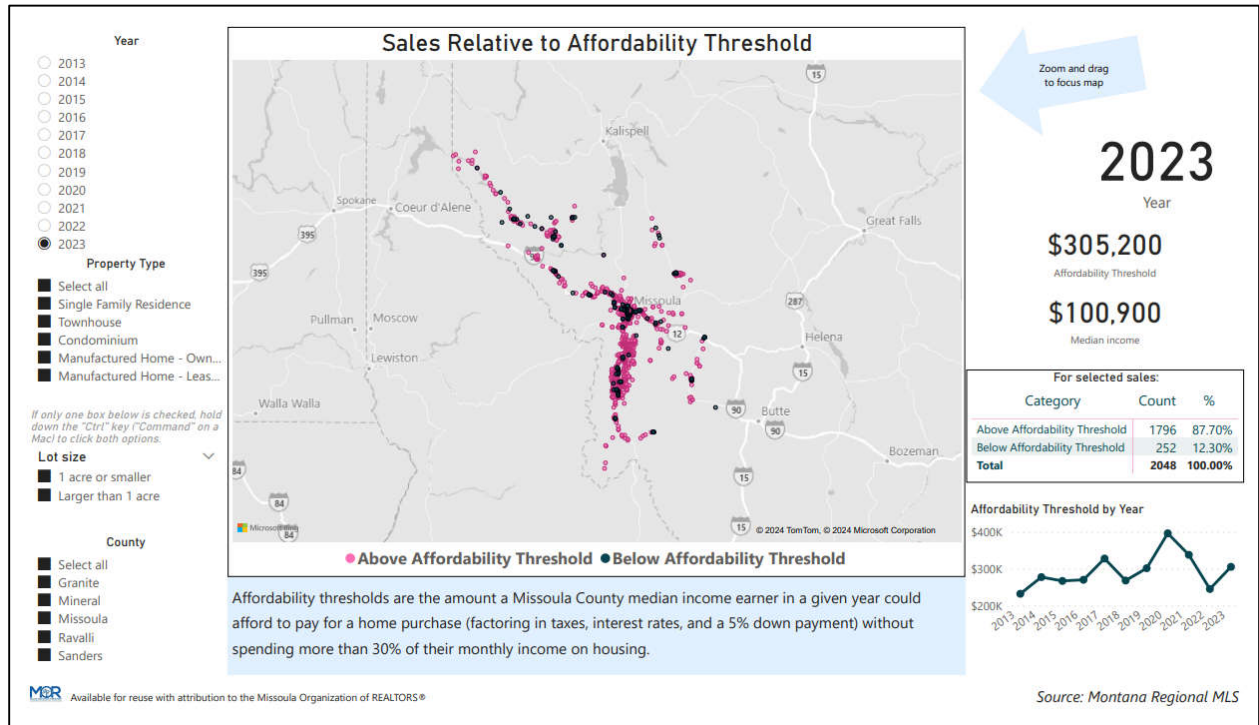


The total number of permits issues in the county generally increased between 2014 and 2022 then decreased in 2023 compared to 2022. This data does not include permits from 2023 due to the report compilation date. This chart was obtained from the 2024 Five Valleys Housing Report prepared by the Missoula Organization of Realtors.

The tables on the following page include information regarding home values, home ownership, and employment.

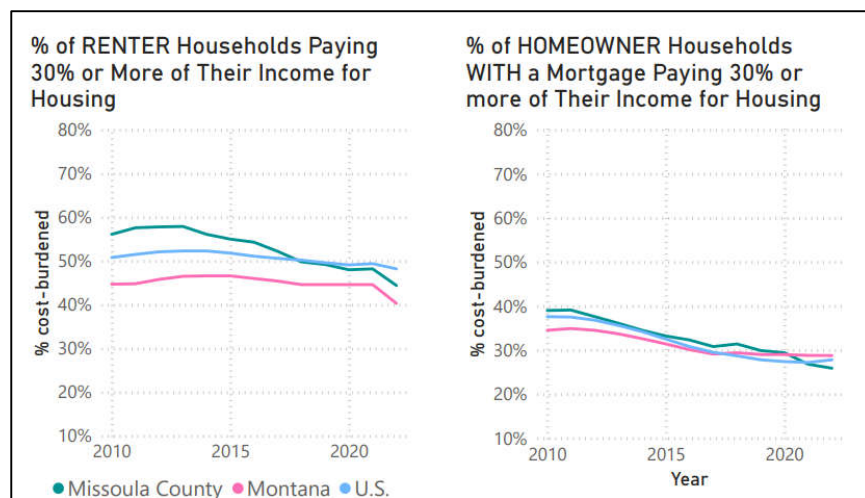


A housing affordability analysis for the greater Missoula area prepared by the Missoula Organization of Realtors is below.



This analysis indicates that the majority (87.70%) of home sales in the greater Missoula area during 2023 were above the affordability threshold of \$305,200.

The graphs below depicts the percentage of renter versus owner households with housing comprising 30% or more of household income.



Households spending greater than 30% of income on housing are considered “cost burdened”. This is the case for between 40% and 50% of the renters in Missoula County.

The housing affordability data and abundance of households with burdensome housing expense ratios indicates that there is significant housing affordability issue in Missoula County.

Education & Healthcare

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

Linkages & Transportation

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

County Data Conclusion

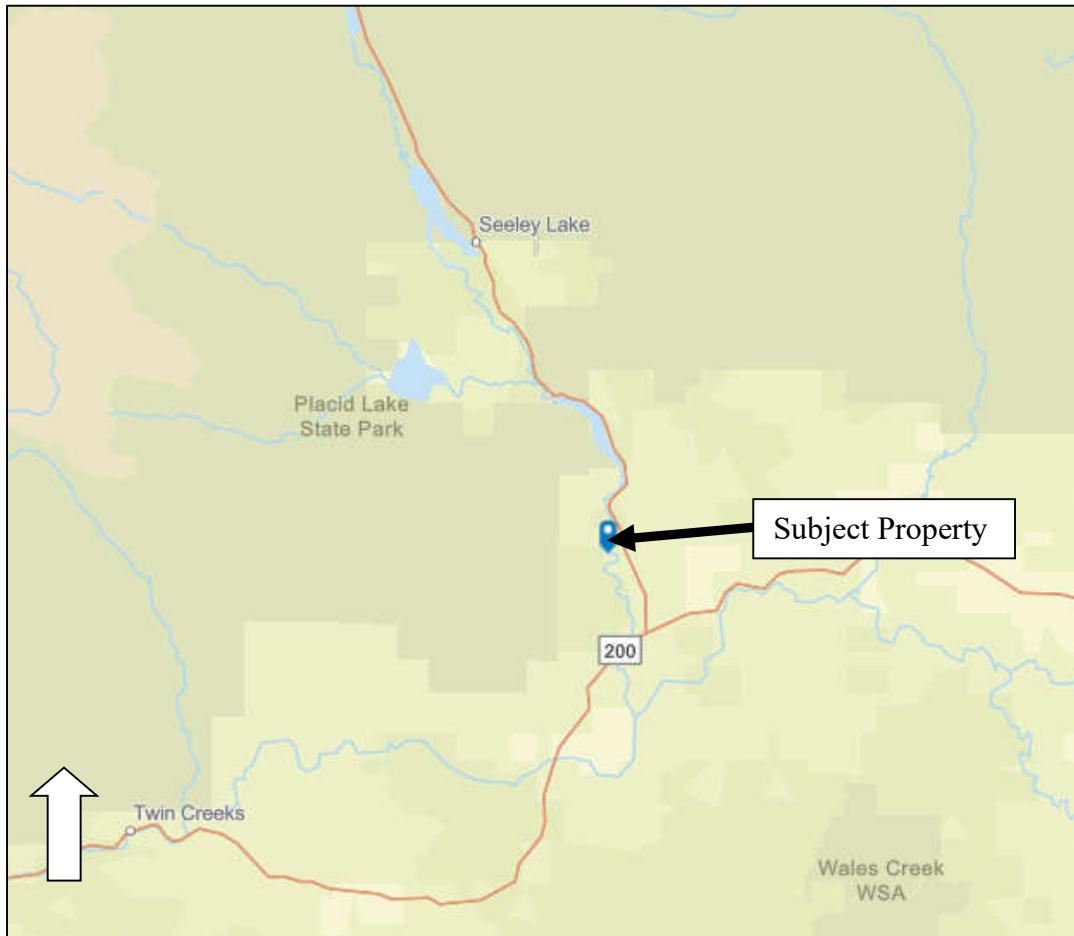
Missoula County is one of the most populous counties in Montana and the population is forecasted to continue increasing. Missoula County is the home of the University of Montana. The location of the university provides some stability in employment. The economy is relatively stable; however, the various sectors of the real estate market are exhibiting stabilization and/or decline. Overall, the economy of Missoula County is expected to grow during 2024 and growth is expected to continue for the foreseeable future.

SEELEY LAKE DATA

General Information

The community of Seeley Lake is the population center with any level of services located closest to the subject property. The general Seeley Lake area is known as the “Seeley-Swan Valley”. There is relatively little privately owned land in the area.

For report purposes the neighborhood boundaries of Seeley Lake consist of the Seeley Lake Census Designated Place (CDP). Montana Highway 83 runs north to south through the area. Seeley Lake is approximately 1 hour drive from Missoula and approximately 1.5 hour drive from Kalispell.



Much of the land off of Montana Highway 83 (between Bigfork and Montana Highway 200) is protected. A recent cooperative project that involved a large amount of acreage in the greater area is known as “The Montana Legacy Project.” It is a cooperative project of The Nature Conservancy, The Trust for Public Land and state, federal and private partners. The Nature Conservancy and The Trust for Public Land have acquired approximately 310,000 acres of land formerly owned by Plum Creek since 2009. The land will eventually be conveyed to a mix of public and private owners. Under this partnership, actual land ownership and management responsibilities rest with The Nature Conservancy.

Geography

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

Population

According to ESRI 2024 estimates based upon US Census data the population of Seeley Lake, CDP was 1,699.

Economy/Income

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2024 median household income for the area was \$56,164.

Housing & Real Estate

According to the ESRI there were 1,139 housing units in Seeley Lake in 2024. Approximately 58.9% of the housing units were identified as owner occupied, approximately 12.3% were identified as renter occupied, and approximately 28.8% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for Seeley Lake in 2024 was \$804,322. The most expensive homes are typically on navigable water or on large acreage tracts.

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

Recreation

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

Conclusion

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

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

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ATTACHMENT A

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

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales

Program: 2024 Missoula County Elbow Lake 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 Lessees Michael Tardif and David Christensen. 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 case 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.

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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 property 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 property. (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.

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

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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 Powell County):

Sale #	Acres ±	Legal Description
2071	0.71±	LOT 21, ELBOW LAKE COS 4921 Section 20, T15N-R14W

<u>DNRC Contact Information:</u> Brent Neace, Real Estate Specialist PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4289 Fax: (406) 444-2684 brent.neace@mt.gov	<u>Lessees:</u> Sale 2071: Michael Tardif & David Christensen - (360) 534-9960
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The following will be located in the body of the contract:

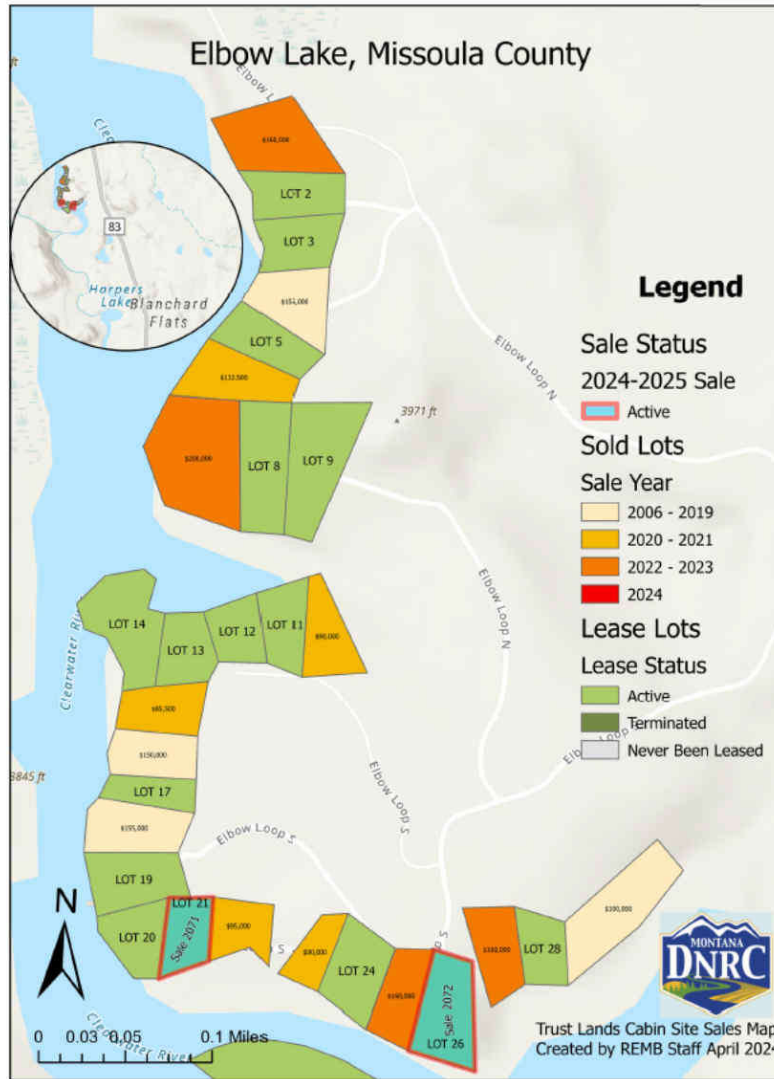
The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel(s). If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing 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.

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Location Map of Parcel



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Cabin Site Missoula County COS 4921

