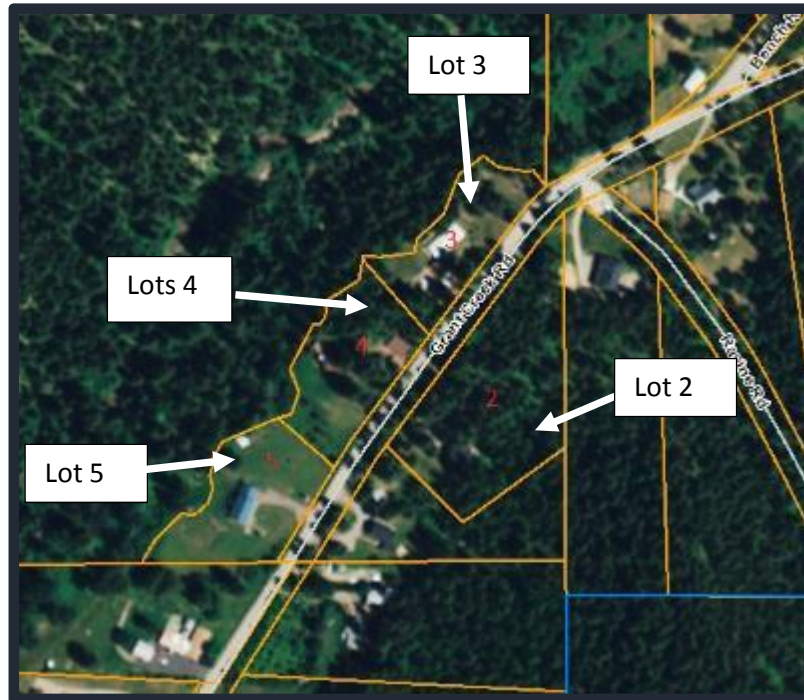


*APPRAISAL REPORT OF:*

**LOTS 2, 3, 4, & 5  
COS #5747  
MISSOULA, MONTANA**



*PREPARED FOR:*

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

*MARKET VALUES AS OF:*

**May 9, 2016**

*PREPARED BY:*

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



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

---

## LETTER OF TRANSMITTAL

June 17, 2016

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

Re: Lots 2, 3, 4, and 5 COS #5747, Missoula, Montana

Dear Ms. Cooper:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced properties on May 9, 2016. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. The property viewings, 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 interests in the individual subject lots, the individual subject improvements, and the site and improvements considered together are estimated in this report. These estimates were made after thorough study of available market data and other data felt to be pertinent to this appraisal. The attached summary appraisal report exhibits the factual data found and reasoning used in forming our opinions of value.

The values are based on the assumptions that all necessary governmental approvals have been obtained and will be maintained, and that the property owners will exhibit sound management and sales practices. The values are based upon the **Hypothetical Conditions** that each property is a legal parcel and that each parcel has legal and adequate access. The value for subject Lot 3 is based on the **Hypothetical Condition** that an access easement (see Property Descriptions section of this report) across this property was recorded as of the report effective date.

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We were not provided with soil studies for the subject sites. 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 sites. 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 properties and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimates of the properties.

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

Respectfully submitted,



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



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

16-013ec

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lots 2, 3, 4, & 5, COS #5747, Grant Creek Area, Missoula, Montana
<b>Site Size</b>	See Property Description for Individual Site Sizes
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	See Property Description
<b>Census Tract</b>	30-063-0014.00
<b>Flood Zone</b>	Zone X , Map Panel 30063C1205E – Dated 6/6/ 2015
<b>Zoning</b>	None

### HIGHEST AND BEST USE(S)

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

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

<b>Report Date</b>	June 17, 2016
<b>Inspection Date(s)</b>	May 9, 2016
<b>Effective Date of Value(s)</b>	May 9, 2016
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Values</b>	Property Valuation Section of Report & Page 88 of Report
<b>Individual Improvement Values</b>	Property Valuation Section of Report & Page 88 of Report
<b>Individual Total Market Values</b>	Property Valuation Section of Report & Page 88 of Report

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

### MARKETING & EXPOSURE TIME

The appraised values for the subject properties as improved are based upon a 3 to 6 month marketing times and 3 to 6 month exposure times. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

### APPRAISER INFORMATION

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

## **CERTIFICATION OF APPRAISAL**

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

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



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



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

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. The legal description(s) from the most recently recorded deed(s) or plat(s) are assumed to be correct.
2. The appraisers assume no responsibility for matters legal in character, nor do they render any opinion as to titles, which are assumed to be marketable. All existing liens, encumbrances and assessments have been disregarded and the properties are 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 properties.
4. The appraisers have not made a survey, engineering studies or soil analysis of the properties 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 properties.
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 properties to determine whether or not they are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties together with a detailed analysis of the requirements of the ADA could reveal that the properties are 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 properties. Since the appraisers have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the values of the properties.
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 properties will be reported and their impact on the values will be discussed.
13. This appraisal assignment was not made nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.
14. The appraisers are not building inspectors and this report does not constitute building inspections for the subject properties. Any obvious defects are noted (if applicable); however, this report is not to be relied upon for detection of unseen defects for any of the subject properties.
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 properties consists of Lots 2, 3, 4, & 5 of Certificate of Survey #5747, Missoula, Missoula County, Montana.

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

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

### **Scope of Property Viewing**

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject properties on May 9, 2016. We measured the improvements on the subject properties and walked the subject sites.

### **Scope of Research**

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

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

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

### **Extraordinary Assumption(s)**

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

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

### **Hypothetical Conditions**

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

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

The values concluded for subject Lot 3 are based upon the **Hypothetical Condition** that the access easement described in the Property Descriptions portion of this report was recorded as of the report effective date.

### **Highest & Best Use**

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

### **Appraisal Process**

The Sales Comparison Approach is developed to determine the value of each 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 properties as improved. Most market participants interested in purchasing lake front homes do not base decisions upon the depreciated cost of the improvements. For this reason the Cost Approach is not considered applicable and was not developed in this report. The subject properties are 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 values of the subject properties 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 their impact on the value will be discussed.

**General Data Sources**

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

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

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



## IDENTIFICATION OF THE SUBJECT PROPERTIES

Lot #	Certificate of Survey	Section/Township/Range	County
2	5747	S16/T14W/R19W	Missoula
3	5747	S16/T14W/R19W	Missoula
4	5747	S16/T14W/R19W	Missoula
5	5747	S16/T14W/R19W	Missoula

## INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Lot #	Sale #	Lessee
2	825	Richard Bridges
3	824	James & Loretta Diede
4	826	Ross & Cynthia Rademacher
5	823	Vincent & Relinda Lindgren

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

## PURPOSE OF THE APPRAISAL

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

## **DATES OF PROPERTY VIEWINGS**

May 9, 2016

## **EFFECTIVE DATES OF MARKET VALUES**

May 9, 2016

## **PROPERTY RIGHTS APPRAISED**

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

## **DEFINITION OF MARKET VALUE**

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

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

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

## STATEMENT OF OWNERSHIP & USE HISTORY

### STATEMENT OF OWNERSHIP

The subject sites are all owned by the State of Montana. The improvements on the sites are owned by the respective lessees. The lessees are listed and the most recent transfer of the improvements according to the records of Missoula County are below;

Lot #	Lessee	Last Transfer of Improvements
2	Richard Bridges	2012
3	James & Loretta Diede	N/A
4	Ross & Cynthia Rademacher	2016
5	Vincent & Relinda Lindgren	N/A

### USE/MARKETING HISTORIES

The Montana Department of Natural Resources and Conservation manages a total of approximately 770 leasable residential cabin sites which are owned by the State of Montana. The subject lots are in this program. According to the available information, the subject lots have been used for recreational/residential purposes for the three years prior to the report effective date. Houses were constructed on all of the subject sites. The house construction dates and most recent listing information and sales price for the improvements via the area MLS for each subject property are below;

Lot #	Lessee	Last Transfer of Improvements	Purchase Price of Improvements	Year House Built
2	Richard Bridges	2012	\$220,000	Unknown
3	James & Loretta Diede	N/A	N/A	1999
4	Ross & Cynthia Rademacher	2016	\$277,000	1987
5	Vincent & Relinda Lindgren	N/A	N/A	2005

According to our research, none of the subject improvements were available for sale via the area MLS as of the report effective date. The improvements on Lots 2 and 4 were marketed via the area MLS and sold during the past 3-4 years. None of the remaining subject properties had been marketed via the area MLS during the 3 years prior to the report effective date.

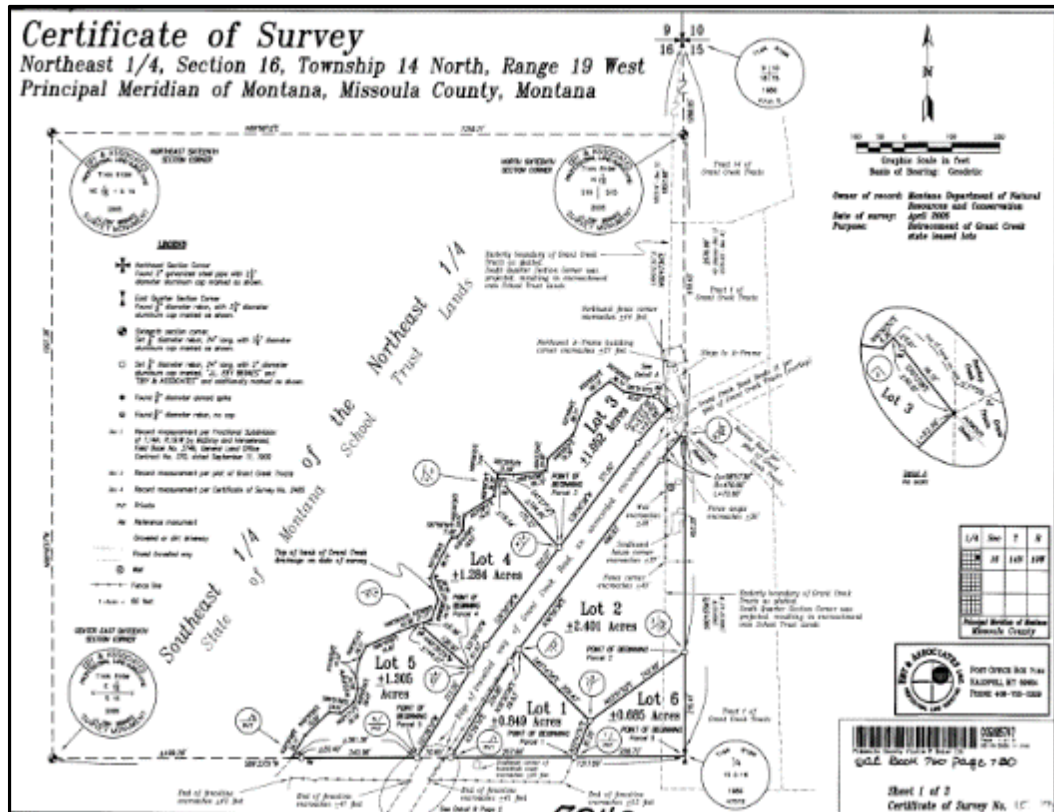
# PROPERTY DESCRIPTIONS

## GENERAL DESCRIPTION

The subject properties are Lots 2, 3, 4, & 5 of Certificate of Survey #5747 in Section 16, Township 14 North, Range 19 West, in Missoula County, Montana. The subject properties are described on the table below;

Lot #	Lessee	Gross Acres	Slope Description
2	Richard Bridges	2.401	Slopes Up Toward the East
3	James & Loretta Diede	1.052	Generally Level
4	Ross & Cynthia Rademacher	1.284	Generally Level
5	Vincent & Relinda Lindgren	1.305	Generally Level

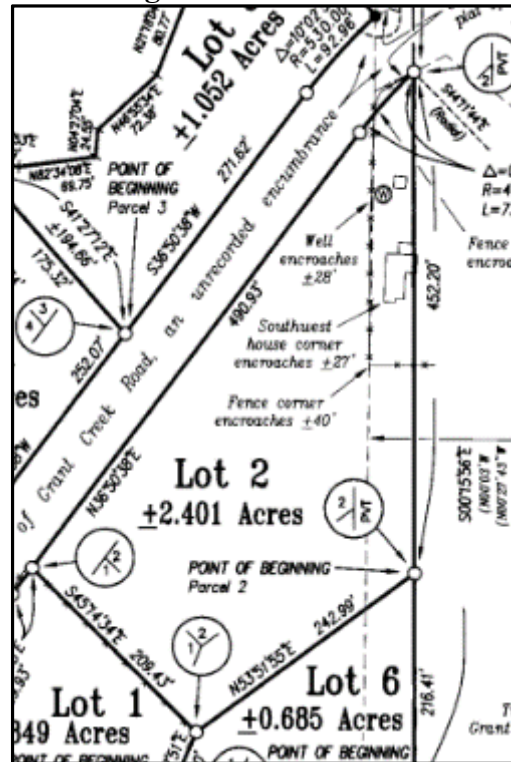
The subject properties are identified as Lots 2, 3, 4, and 5 on COS# 5747 below;



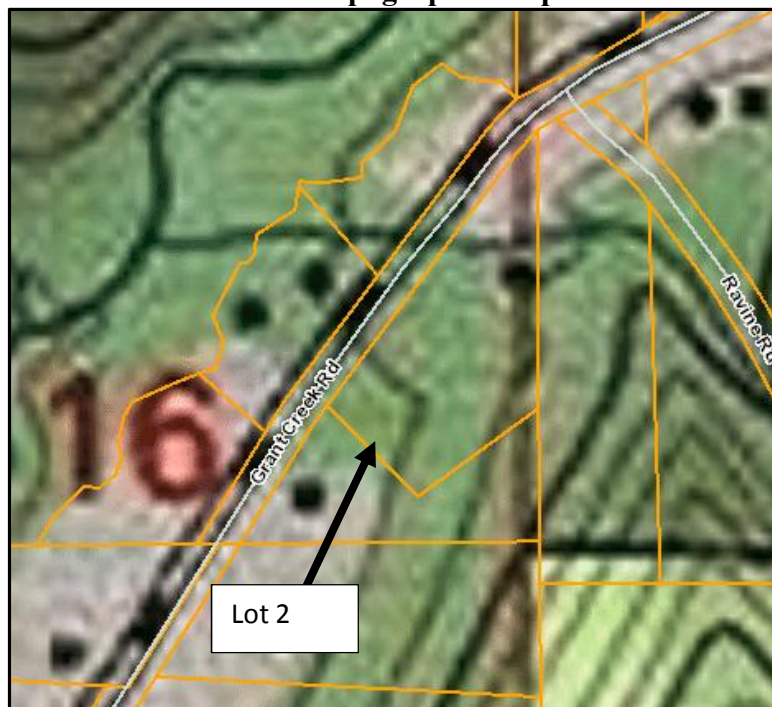
Individual images depicting each subject site recorded as part of COS #5747 and topographic maps are included on the following pages.

## LOT 2

### Enlarged View of COS #5747

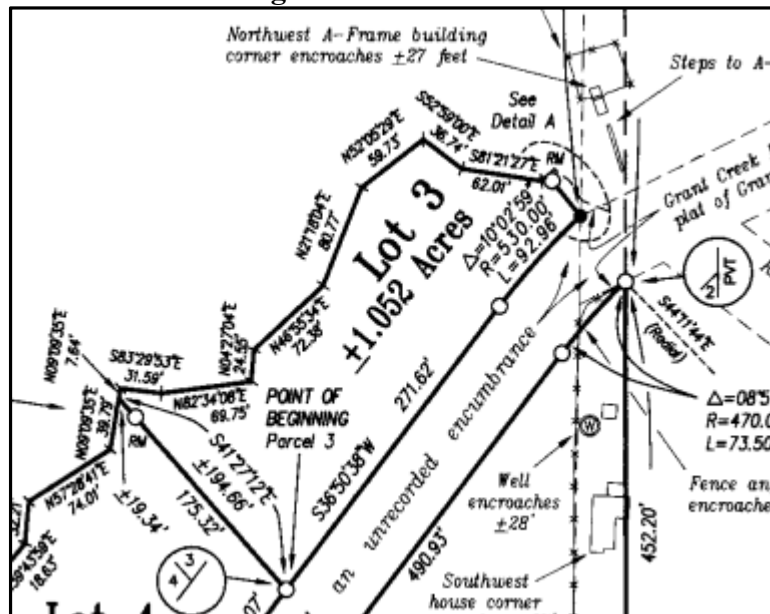


### Area Topographic Map



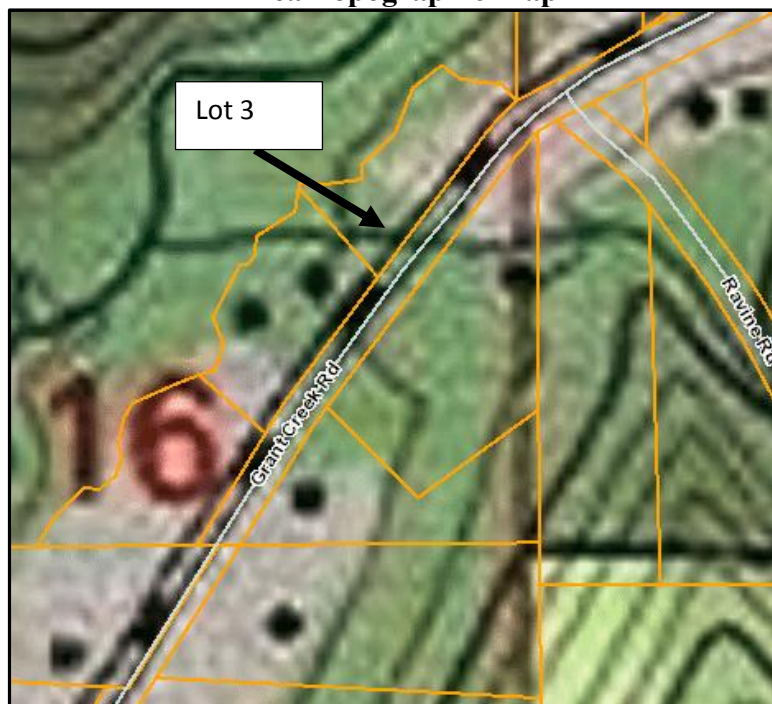
## LOT 3

## Enlarged View of COS #5747



**(See Easement Section of Location of Proposed Access Easement)**

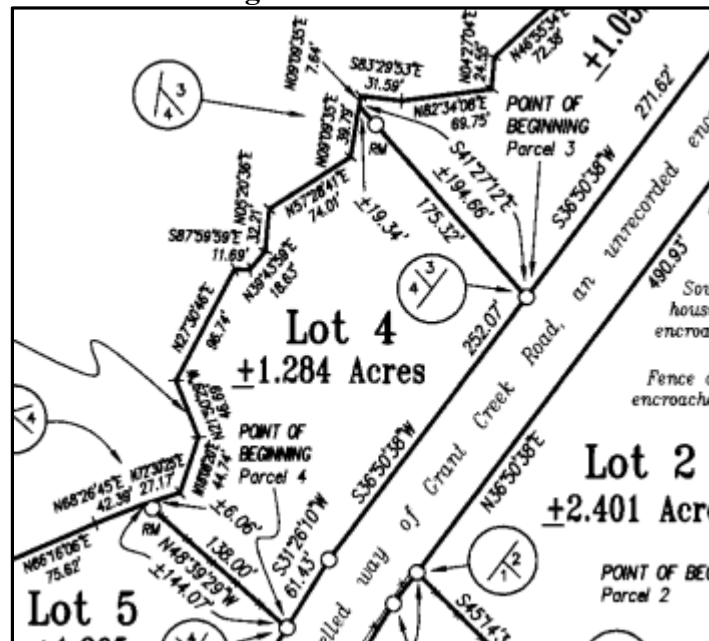
## Area Topographic Map



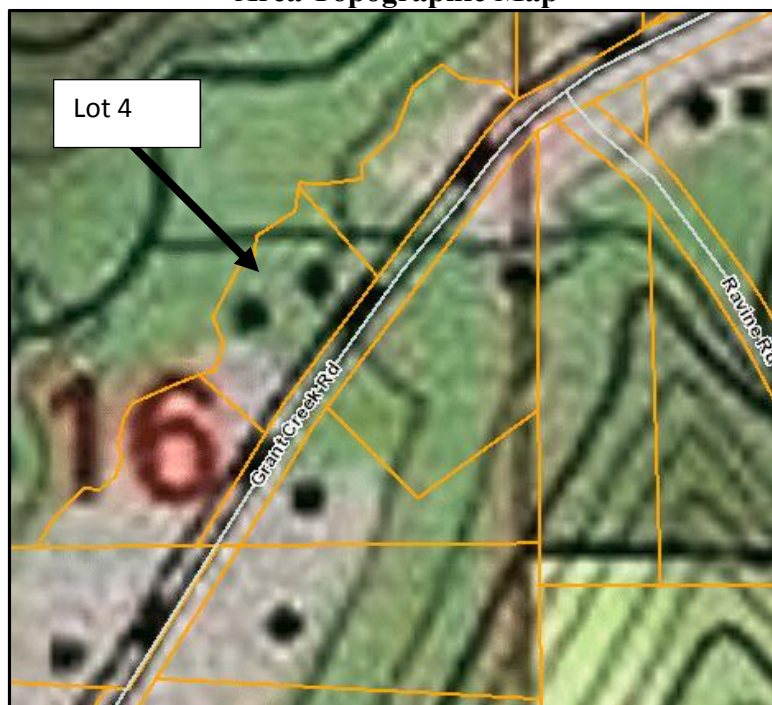


## LOT 4

### Enlarged View of COS #5747

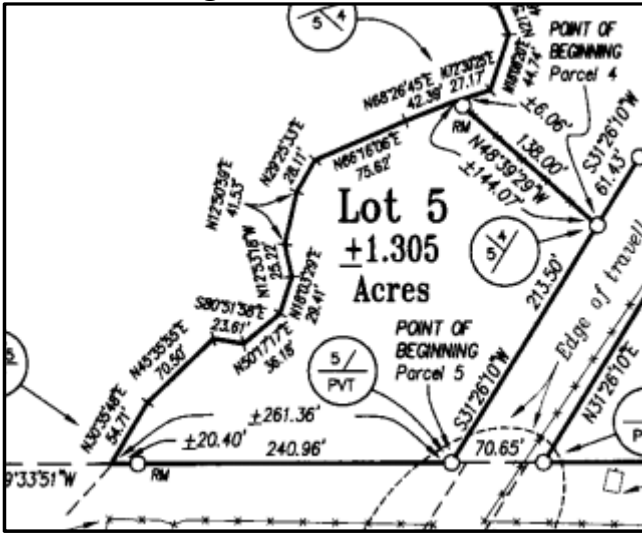


## Area Topographic Map



## LOT 5

### Enlarged View of COS #5747



## Area Topographic Map





## ACCESS AND VIEWS

The subject properties are accessed via Grant Creek Drive. According to COS #5747, the subject portion of Grant Creek Road is an “unrecorded encumbrance”. The road is paved to the subject sites and appears to be traveled as a public road. Subject lots 3, 4, and 5 abut land owned by the State of Montana. These sites have views of this property. Access to this property is via permit. These subject sites are within walking distance of Grant Creek. Subject Lot 2 abuts a privately owned parcel and a residential parcel leased by the State of Montana. All four subject sites have wooded views.

## IMPROVEMENTS

The subject improvements are described on the table below;

Lot #	2	3	4	5
Residence SF	3,460	1,866	2,504	2,880
Finished Basement SF	0	0	392	0
Construction Type	Wood Frame	Modular	Wood Frame	Wood Frame
Foundation	Slab	Crawl Space	Basement & Crawl	Crawl Space
Quality	Good	Average	Good	Good
Condition	Good	Good	Good	Good
Year Built	Aprox. 2010	1999	1987	2005
# of Bedrooms	4	4	4	4
# of Bathrooms	4	3	2	2
Porches/Decks	Deck/Patio	2 Patios	2 Decks/Covered Porch	Deck/2 Covered Porches
Outbuildings	2 Car Garage, Storage Above Garage, Pad for Hot Tub	2 Car Garage	2 Car Garage with Workshop Space	2 Car Garage, Shed
Other Site Improvements	Well/Septic	Well/Septic	Well/Septic	Well/Septic
Landscaping	Yes	Yes	Yes	Yes

## EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

No easements are noted on the recorded COS for the subject properties. There are encroachments (portion of a house and a well for the property directly east) noted on subject Lot 2.

There is to be an access easement within the boundaries of subject Lot 3. This easement is to provide public vehicular and pedestrian access to the land located to the west of subject Lots 3, 4, and 5 which is owned by the State of Montana. The easement is depicted on the image to the right. It is to total 3,600 SF or 0.0826 acres. The darker area depicts the location of a 60 foot wide road bed. The values for subject Lot 3 are based upon the Hypothetical Condition that this easement was recorded as of the report effective date.



All of the subject properties are regulated by Missoula County, various agencies of the State of Montana, and agencies of the United States regarding construction near or in riparian and other wetland areas. Permits are required for construction within specific distances of waterways. We do not know the distance to Grant Creek from subject Lots 3, 4, and 5.

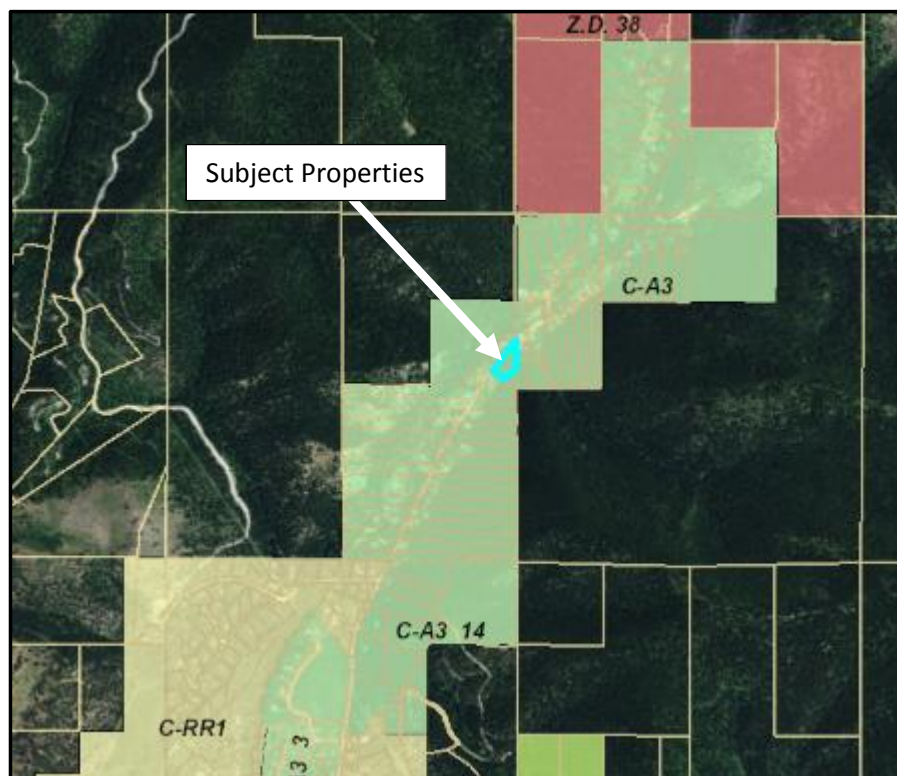
If additional easements, restrictions, or encroachments other than those noted in this report are present on the subject properties, the values concluded in this report may be affected.

## ZONING

The subject properties are located in a CA-3, Residential Zoning District of Missoula County. The intent of this zoning district is below;

*“This district provides for low density residential development of an open and rural character in areas best suited for such purposes and provides for environmental protections of those areas that are fragile and cannot support more intensive urbanized activities due to physiographic, hydrologic, biologic, and economic conditions.”*

The subject portion of the Missoula County GIS Map with a zoning overlay is included below;



The allowable use are; single family dwelling, mobile homes on lots with 5 acres or more, accessory buildings and uses, and agriculture on lots with 5 acres or more.

Conditionally permitted uses are; home occupation or community residential facility serving less than nine persons.

The maximum density is 1 dwelling per 5 acres. The minimum lot width is 1/3 of the average depth. The front, side, and rear setbacks are all 50 feet. There is not maximum building height.

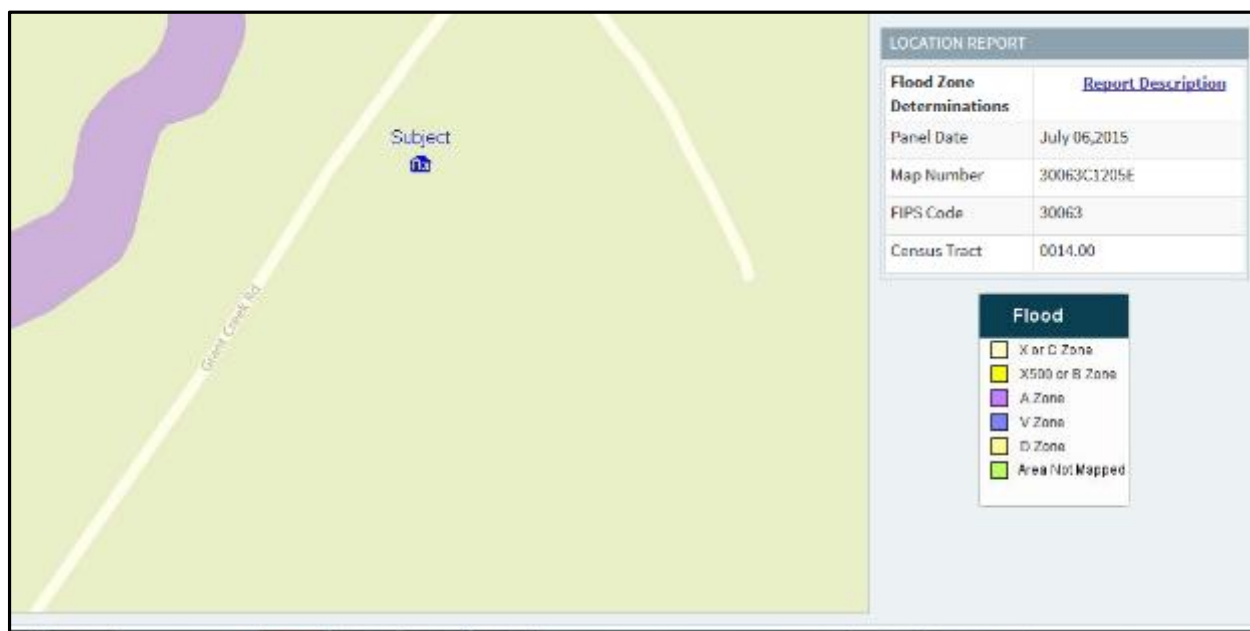
### ASSESSMENT/REAL PROPERTY TAXES

The subject lots were tax exempt as of the report effective date; however, the lots are valued by the Montana Department of Revenue to assist with determination of lease rates. The improvements on each site are taxable. The 2015 tax bills and taxable market values for the subject improvements (as per the Montana Department of Revenue) are included on the table below;

Tax Bills for Improvements			
Lot #	Lessee	2015 Taxable Market Value	2015 Tax Bill Amount
2	Richard Bridges	\$247,850	\$2,294.07
3	James & Loretta Diede	\$100,650	\$940.24
4	Ross & Cynthia Rademacher	\$215,920	\$2,000.41
5	Vincent & Relinda Lindgren	\$245,420	\$2,271.58

### TOPOGRAPHY, VEGETATION, WETLANDS, SOILS AND DRAINAGE

According to the Federal Emergency Management Agency (FEMA) Flood Zone Map (Map Panel #30063C1205E), it appears that the subject properties are located in Zone X or C. Zones X and C are areas designated as low to moderate flood risk. An exhibit derived from the FEMA flood map panel is below;



The subject lots all include native vegetation and/or landscaping. We assume that drainage and storm water runoff is adequate and was properly designed and engineered for the subject sites. We have not been provided with soil studies for the subject sites. We assume the soils can accommodate the type of construction, which is typically seen in the subject area.

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

#### **UTILITIES**

There is electricity and telephone service along Grant Creek Drive. All of the subject lots had access and were connected to electricity as of the report effective date. The subject lots all include wells and septic systems. It is assumed that the septic systems were in working order as of the report effective date.

#### **PUBLIC SAFETY AND SERVICES**

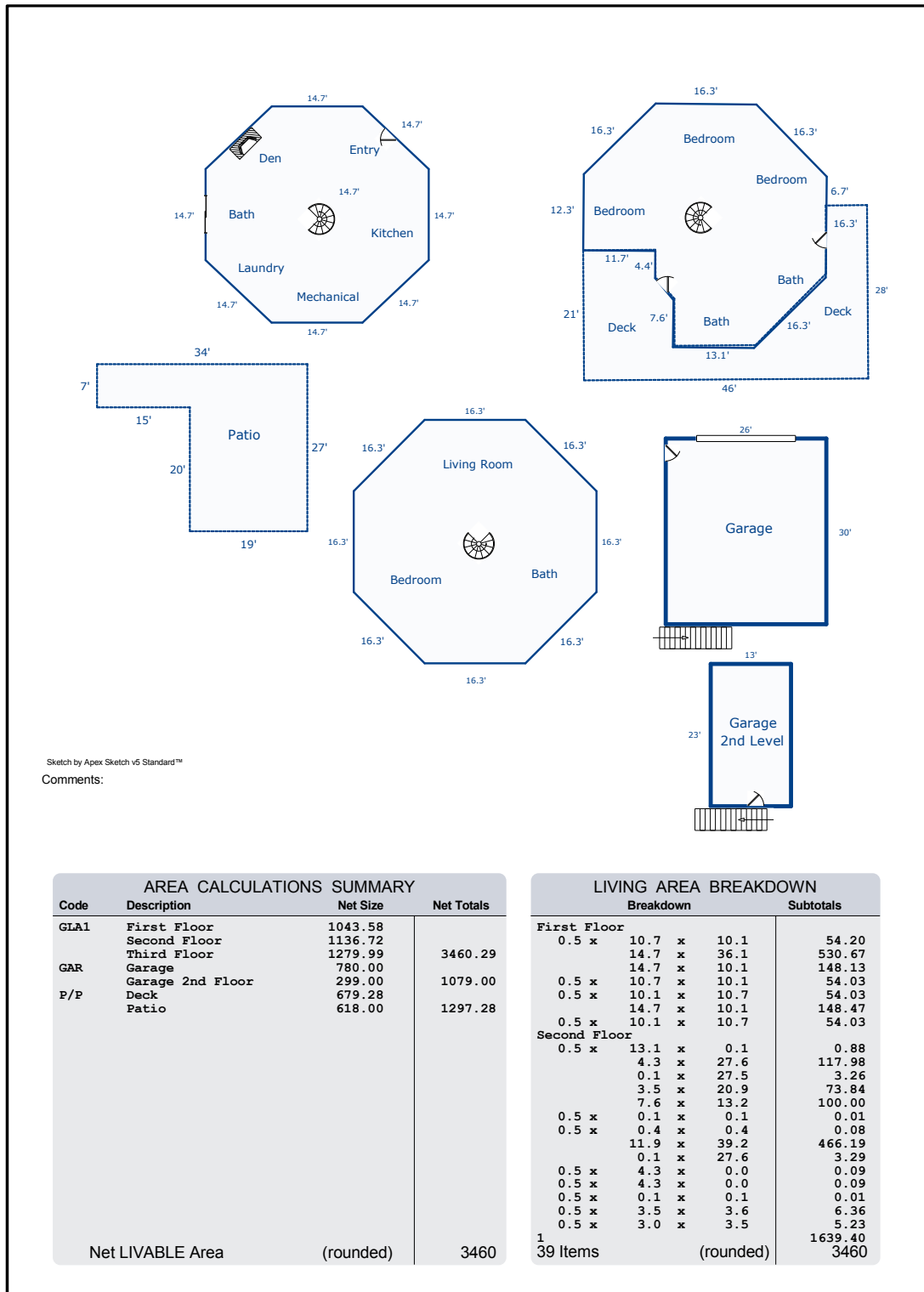
Police, fire protection, and other services are provided by Missoula County and the area rural fire district.

#### **SITE SUITABILITY**

The subject lots are legally and physically suited for residential improvements.

# SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

## LOT 2 – BUILDING SKETCH





## LOT 2 - PHOTOGRAPHS



House and Parking Area on Lot 2



House and Garage on Lot 2



House and Landscaping



House Looking North from Wooded Portion of Lot 2



Kitchen



Den on 1<sup>st</sup> Floor

## ADDITIONAL PHOTOGRAPHS



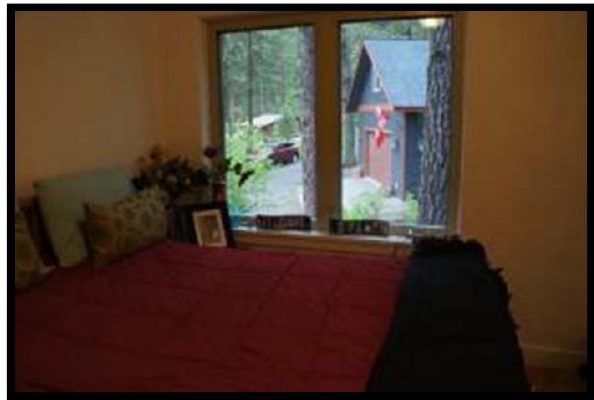
Laundry Room



Bathroom



Stairway to Upper Levels



Bedroom



Bathroom



Bedroom



## ADDITIONAL PHOTOGRAPHS



Bedroom



Bathroom



Upper Level Den



Bedroom



Skylights



View down Stairway to Lower Levels



## ADDITIONAL PHOTOGRAPHS



Bathroom



Bathroom



Garage



Rear of Garage



Garage Interior



Garage 2<sup>nd</sup> Level Storage

## ADDITIONAL PHOTOGRAPHS



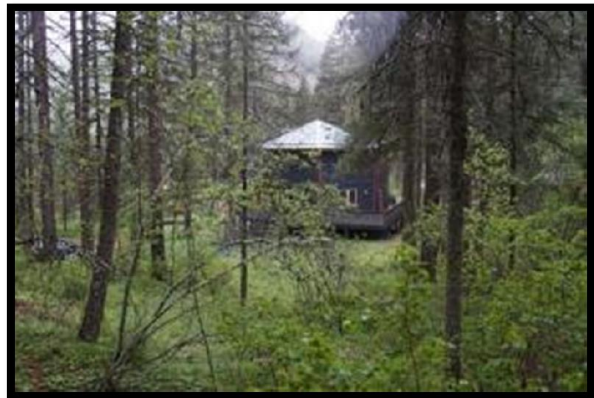
Hot Tub on Lot 2



View Looking Southwest along South Property Boundary



Wooded Portion of Lot 2 Looking NW toward House



House Looking Northwest from Wooded Portion of Lot



View Looking Northwest along West Property Boundary



Driveway to Lot 2



## ADDITIONAL PHOTOGRAPHS

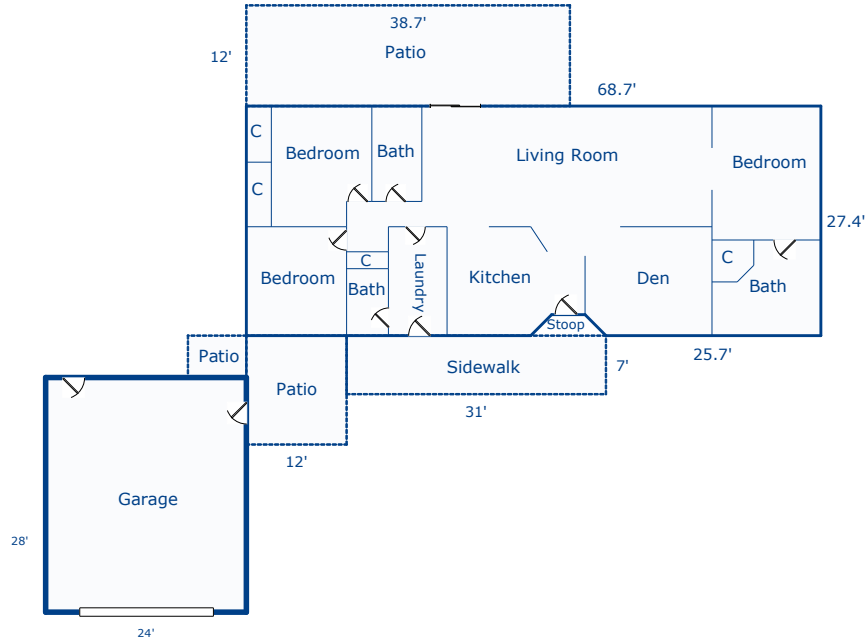


Grant Creek Road Looking Southwest



Grant Creek Road Looking Northeast

## LOT 3 – BUILDING SKETCH



Sketch by Apex Sketch v6 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1866.13	1866.13
GAR	Garage	672.00	672.00
P/P	Patio	464.40	
	Front Patio	156.00	
	Walkway	217.00	
	Side Patio	35.00	872.40
Net LIVABLE Area		(rounded)	1866

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor	68.7	x 24.9	1710.63
	2.5	x 25.7	64.25
0.5 x	2.5	x 2.5	3.13
0.5 x	2.5	x 2.5	3.13
	34.0	x 2.5	85.00
5 Items			(rounded) 1866

## LOT 3 - PHOTOGRAPHS



House on Lot 3



Southwest Side of House and Garage



Side and Rear of House Looking East



Northeast Side of House and Well



House and Lot 3 Interior Looking West



Kitchen

## ADDITIONAL PHOTOGRAPHS



Bathroom



Bedroom



Bedroom



Laundry Room



½ Bath



Den



## ADDITIONAL PHOTOGRAPHS



Master Bedroom



Master Bathroom



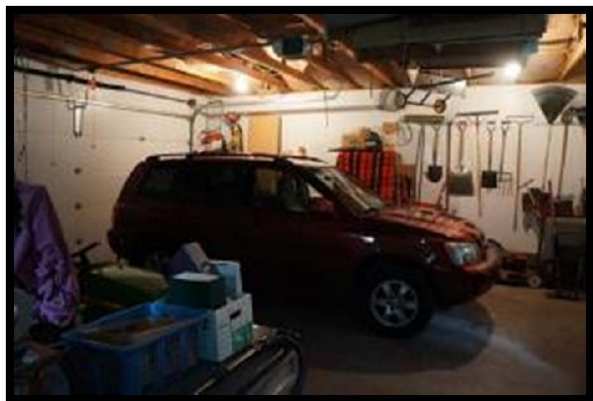
Living Room



Crawlspace



Garage and Parking Pad



Garage Interior

## ADDITIONAL PHOTOGRAPHS



Wooded DNRC Land Adjacent to Lot 3



Rear of Lot 3 Looking Southwest



Improvements on Lot 3 Looking East



Arbor and Path to Grant Creek



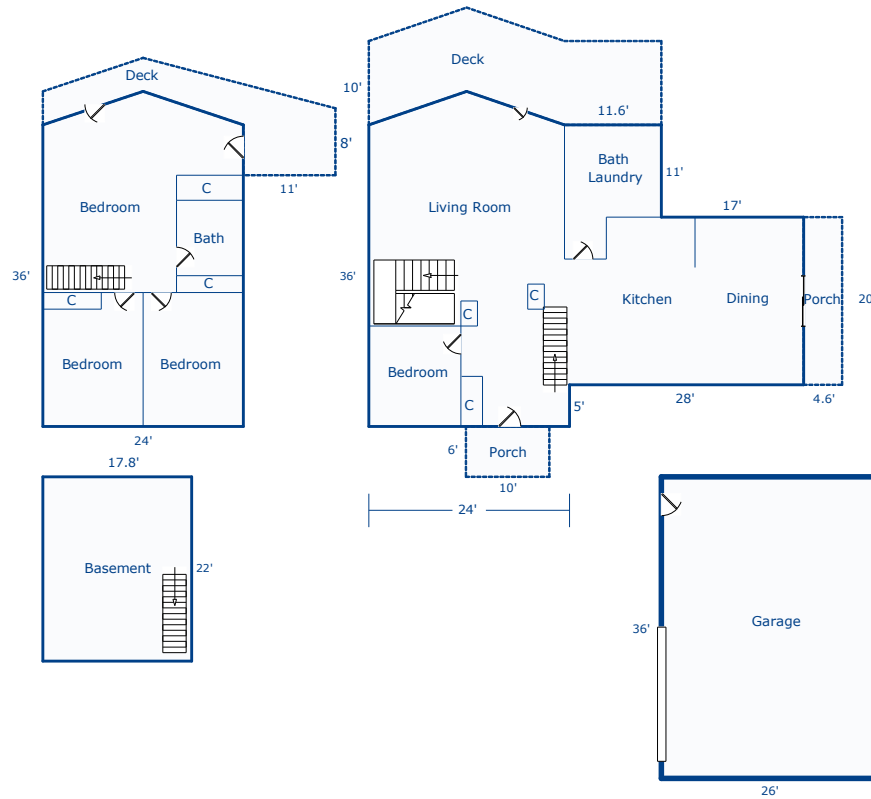
Grant Creek



Property Boundary Marker on Northeast Portion of Lot 3



## LOT 4 – BUILDING SKETCH



Sketch by Apex Sketch v6 Standard™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1591.80	
	Second Floor	912.00	2503.80
BSMT	Basement	391.60	391.60
GAR	Garage	936.00	936.00
P/P	Deck	350.00	
	C Porch	60.00	
	C Porch	92.00	
	2nd Floor Deck	205.00	707.00
Net LIVABLE Area		(rounded)	2504

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	24.0 x	5.0	120.00
	52.0 x	20.0	1040.00
	11.0 x	35.0	385.00
0.5 x	11.7 x	4.0	23.40
0.5 x	4.0 x	11.7	23.40
Second Floor			
	24.0 x	36.0	864.00
0.5 x	12.0 x	4.0	24.00
0.5 x	4.0 x	12.0	24.00
8 Items			(rounded) 2504

## LOT 4 - PHOTOGRAPHS



Southeast Side of House on Lot 4



North Side of House



Southwest Side of House



House and Lot 4 Interior Looking North



Living Room



Bedroom

## ADDITIONAL PHOTOGRAPHS



Den



Bathroom / Laundry



Kitchen



Kitchen



Dining Area



2<sup>nd</sup> Floor Bedroom



## ADDITIONAL PHOTOGRAPHS



2<sup>nd</sup> Floor Bathroom



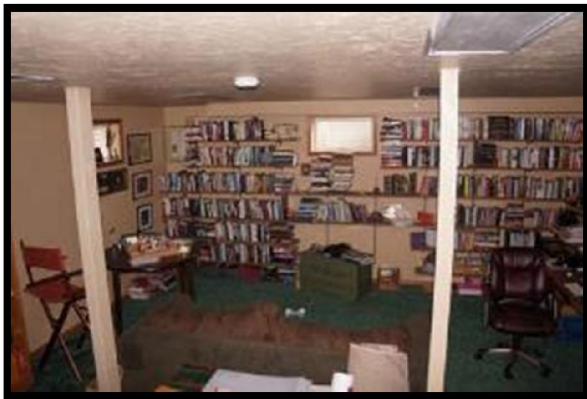
2<sup>nd</sup> Floor Bathroom



2<sup>nd</sup> Floor Bedroom



2<sup>nd</sup> Floor Bedroom



Basement



Garage

## ADDITIONAL PHOTOGRAPHS



Garage Interior



Driveway and House on Lot 4



View along Lot 4 Property Boundary Looking Southwest



View of Wooded DNRC Land Adjacent to Lot 4



Approximate Property Corner Looking Northwest



View Looking SE along South Property Boundary



## ADDITIONAL PHOTOGRAPHS



Southwest Property Boundary Marker



Grant Creek on Adjacent DNRC Land

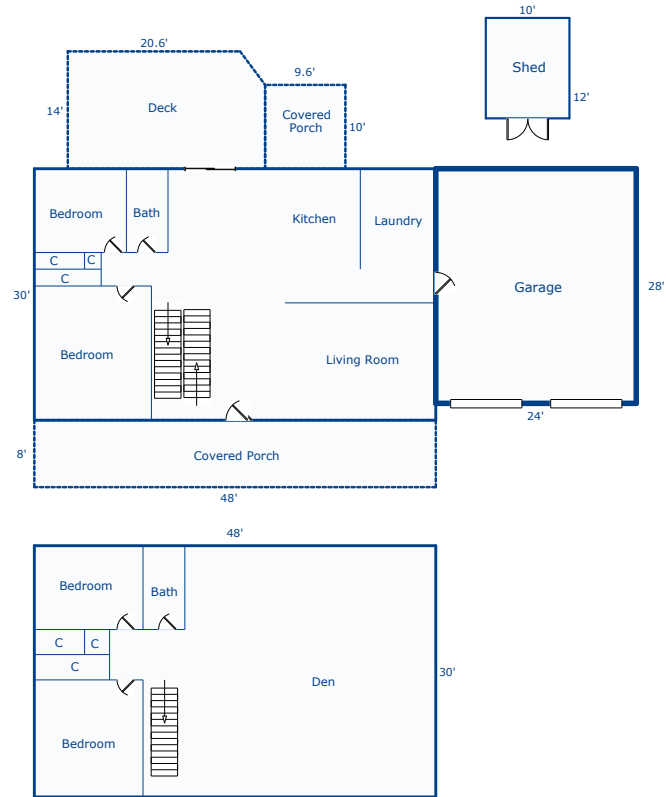


Grant Creek Road Looking Southwest



Grant Creek Road Looking Northeast

## LOT 5 – BUILDING SKETCH



Sketch by Apex Sketch v6 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1440.00	
	Second Floor	1440.00	2880.00
GAR	Garage	672.00	672.00
P/P	Deck	324.40	
	C Porch	384.00	
	Covered Porch	96.00	804.40
OTH	Shed	120.00	120.00
Net LIVABLE Area		(rounded)	2880

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	48.0	x 30.0	1440.00
Second Floor			
	48.0	x 30.0	1440.00
2 Items		(rounded)	2880

## LOT 5 - PHOTOGRAPHS



Driveway and Front of House on Lot 5



West Side of House



North Side of House



View of South End of House Looking East



Living Room



Kitchen



## ADDITIONAL PHOTOGRAPHS



Laundry Room



Bathroom



Bedroom



Bedroom



Den on 2<sup>nd</sup> Floor



2<sup>nd</sup> Floor Bedroom

## ADDITIONAL PHOTOGRAPHS



2<sup>nd</sup> Floor Bedroom



Garage Interior



Crawlspace



Shed



Lot 5 Interior and House Looking Northeast



Southwest Property Corner Looking West



## ADDITIONAL PHOTOGRAPHS



View East along South Property Boundary



Northwest Property Corner Looking Northwest



View Southeast along North Property Boundary



Grant Creek Road Looking Northeast



Grant Creek Road Looking Southwest

## 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 sites range in size from 1.052 up to 2.401 acres. All of the sites include residential improvements. The subject properties are in the Grant Creek area of greater Missoula and are approximately 7 miles northwest of the central business district of Missoula.

#### Area Land Use Trends

The subject neighborhood is best described as rural/residential. The area consists of a combination of platted residential subdivision lots, privately owned acreage tracts, and land available for public use. Most residences are occupied by full time residents of Missoula.

### Potential Users of Subject Property

The potential users of the subject properties would be market participants seeking to own year-round residences in the greater Missoula area but in a rural/residential neighborhood.

### 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) similar to the subject properties. While we located sales of similar vacant sites, there were not a sufficient number of sales of similar vacant sites to prepare a market analysis.

The subject properties as improved would appeal to market participants seeking single family residences on parcels with 1.00 to 3.00 acres in Missoula. We did locate a sufficient number of improved residential properties on such parcels to prepare to prepare a credible analysis.

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

Missoula Residential Improved Properties - Market Activity			
Homes on Lots 1.0 to 3.0 Acres in Size			
Year	# of Sales	Median Sales Price	DOM
2013	40	\$331,950	97
2014	64	\$354,750	133
2015	56	\$380,000	141
2016 YTD	20	\$352,450	164
<b>ACTIVES</b>	<b>21</b>	<b>\$375,000</b>	<b>94</b>

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

### **Competitive Supply**

There were 21 active listings of homes on sites with 1.0 to 3.0 acres in the Missoula area as of the report effective date.

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

Based upon the average sales volume from 2013 through 2015, there is an approximately 5 month supply of homes for sale on lots with 1.0 to 3.0 acres or less in Missoula.

### **Subject Marketability Conclusion**

There are typically a limited number of properties available for sale each in the subject neighborhood. The subject properties are considered to have superior marketability compared to much of the competitive properties.

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

The 56 homes sales in Missoula that closed in 2015 using the defined search parameters were marketed for an average of 141 days. The 64 home sales in Missoula that closed in 2016 Year-to-Date were marketed for 94 days. **Marketing times** between 3 to 6 months are appropriate for the subject properties as improved. If the subject properties as improved had sold on the effective date of this report, at the appraised values indicated in this report, 3 to 6 month **exposure times** would have been reasonable.

## HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

## **AS IF VACANT**

### *Legally Permissible*

The subject lots are in the CA-3, Residential zoning district of Missoula County. Legally permissible uses are; single family dwelling, mobile homes, accessory buildings, and agriculture (for lots with 5 acres or more).

### *Physically Possible*

There is sufficient space on each subject site for a single family residence and/or a manufactured home, and related outbuildings. There is not sufficient space on each site for agricultural use.

### *Financially Feasible*

Most lots in the subject neighborhood include single family residences. Use of the subject lots for construction of single family residences is financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED**

All of the subject properties are improved with single family residences. The subject residences are considered to have similar marketability compared to other improved properties in the neighborhood. Alteration of the subject residences for any use other than as single family homes would require large capital expenditures. Continued use as single family residences for the subject properties 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 properties. To arrive at estimates of market values for the subject properties, it is necessary to collect and analyze all available data in the market which might tend to indicate the values of the subject properties. The subject properties 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 each 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 properties as improved. Most market participants interested in purchasing single family residences 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 properties are 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 properties 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 sites and improvements are valued for each property.

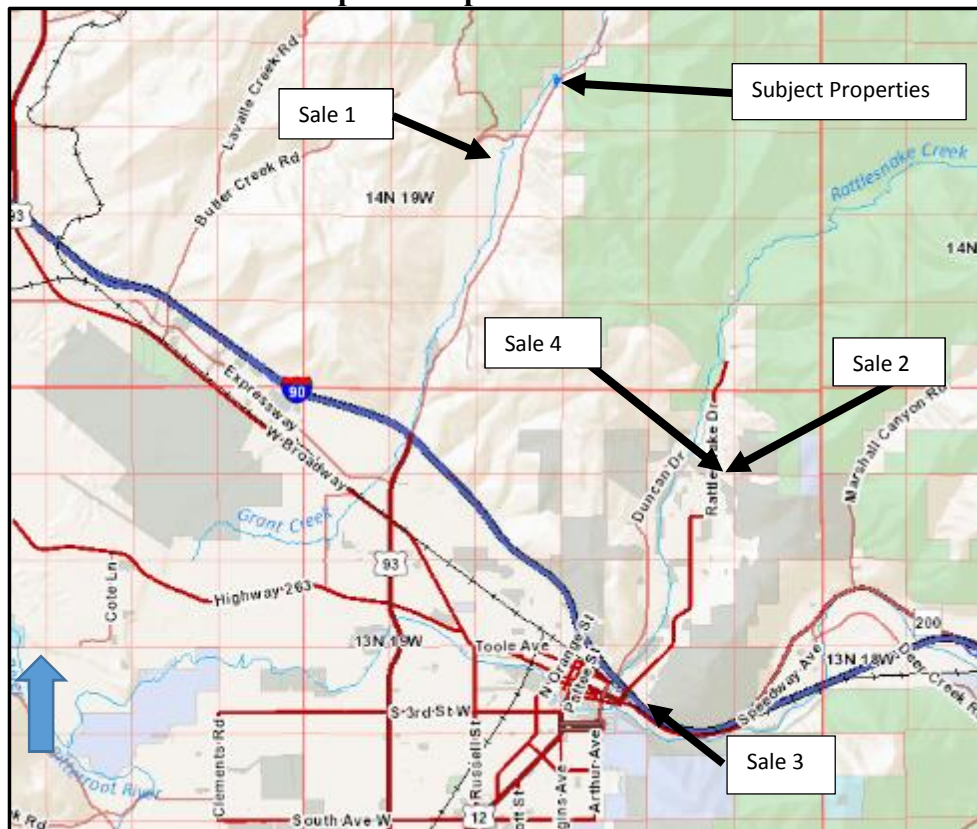
## COMPARABLE LOT SALES

We conducted a search for sales of sites in the size ranges of the subject sites and in the Grant Creek area or similar neighborhoods in Missoula. We selected the most recent and/or most similar of these sales as comparables for the subject lots. The recognized unit of comparison is price per lot. These comparables are described on the table below;


Sale #	Address	City	Neighborhood	Front Feet	Sale Date	Sales Price	Value of Improvements	Sales Price Less Improvements
1	9560 Keegan Trails	Missoula	Grant Creek	1.53	2015	\$220,000	\$0	\$220,000
2	5114 Elk Ridge Rd	Missoula	Rattlesnake	2.97	2015	\$250,000	\$10,000	\$240,000
3	NHN Polk St	Missoula	Rattlesnake	0.93	2015	\$159,900	\$0	\$159,900
4	Lot 15, Elk Ridge Rd	Missoula	Rattlesnake	1.29	2015	\$165,000	\$5,000	\$160,000

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 properties in relation to the comparable sales is below;


**Map of Comparable Lot Sales**



## LAND SALE 1

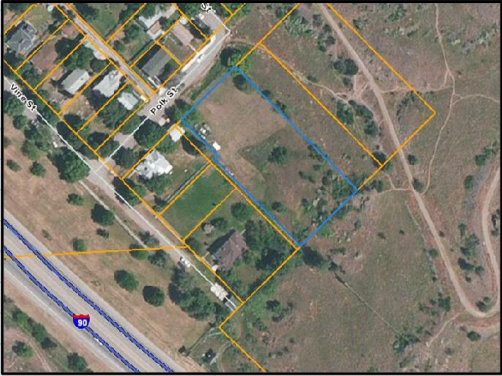
COMPARABLE SALE INFORMATION				
	<b>Location</b>		9560 Keegan Trail	
	<b>City/State</b>		Missoula, MT	
	<b>County</b>		Missoula	
	<b>Assessor Number</b>		0001358200	
	<b>Zoning</b>		Missoula Co. C-RR1 Residential	
	<b>Site Size: Acres</b>		1.530	
	<b>Square Feet</b>		66,647	
	<b>Date of Sale</b>		October 23, 2015	
	<b>Sales Price</b>		\$220,000	
	<b>Less Cost of Improvements*</b>		\$0	
<b>Sales Price Adjusted</b>		\$220,000		
<b>MLS #</b>		20141616		
ANALYSIS OF SALE				
<b>Price per Acre</b>		\$143,791	<b>Price per Square Foot</b>	\$3.30
		<b>Price Per Front Foot</b>	#VALUE!	
TRANSFER INFORMATION				
<b>Grantor</b>	Bruce Fuglei & Bridget Bymes		<b>Grantee</b>	Steven W. Timmons & Barbara L. Anderton
<b>Type of Instrument</b>	Warranty Deed		<b>Document #</b>	201520090
<b>Financing/Conditions</b>	Conventional/Market		<b>Marketing Time</b>	569 Days on Market
			<b>Verified By</b>	Patsy Plaggemeyer, Listing Agent
<b>Legal Description</b>	Lot 36A of Grantland Five Lot 36 & Grantland 6 Lot 39		<b>Intended Use/Comments</b>	Purchased for Residential Use
<b>Section/Township/Range</b>	S21/T14N/R19W			
PROPERTY DETAILS				
<b>Access</b>	Paved Road		<b>View</b>	Creek, Woods
<b>Topography</b>	Level, Sloped		<b>Lot Dimensions</b>	144.62' x 388.05' x 205.52' x 368.28'
<b>Flood Plain</b>	According to Flood Map # 30063C1185E, the property is not in an area of Elevated Flood Risk.		<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	Approximately 150' of Dark Horse Creek runs though lot.		<b>Value of Improvements</b>	\$0
<b>Utilities</b>	Power and Telephone to Lot.		<b>Miscellaneous</b>	According to the Listing Agent, the lot is the last available in the area. Dark Horse Creek runs through the property which is bordered by a 20 acre common area. This common area includes a portion of Grant Creek.
Report File # 16-013ec				

## LAND SALE 2

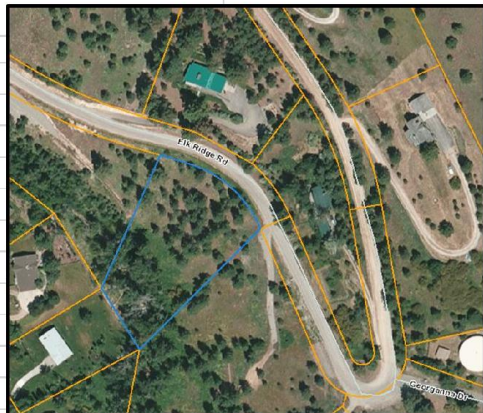
COMPARABLE SALE INFORMATION			
	<b>Location</b>		5114 Elk Ridge Rd.
	<b>City/State</b>		Missoula, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0001970200
	<b>Zoning</b>		Missoula Co. C-RR1 Residential
	<b>Site Size: Acres</b>		2.970
	<b>Square Feet</b>		129,373
	<b>Date of Sale</b>		October 15, 2015
	<b>Sales Price</b>		\$250,000
	<b>Less Cost of Improvements*</b>		\$10,000
	<b>Sales Price Adjusted</b>		\$240,000
	<b>MLS #</b>		20156074
ANALYSIS OF SALE			
<b>Price per Acre</b>		\$80,808	
<b>Price per Square Foot</b>			\$1.86
<b>Price Per Front Foot</b>			N/A
TRANSFER INFORMATION			
<b>Grantor</b>		John Lents & Sally Lentz	<b>Grantee</b>
			Susan Carol Colyer & Kenneth Edward Colyer
<b>Type of Instrument</b>		Warranty Deed	<b>Document #</b>
			201519575
<b>Financing/Conditions</b>		Cash/Market	<b>Marketing Time</b>
			24 Days on Market
<b>Legal Description</b>		Lot 14 of Elk Ridge Addition No. 3	<b>Verified By</b>
			Lewis Matelich, Listing Agent
<b>Section/Township/Range</b>		S1/13N/R19W	<b>Intended Use/Comments</b>
			Purchased for Residential Use
PROPERTY DETAILS			
<b>Access</b>		Paved Road	<b>View</b>
			Mountains, City Skyline
<b>Topography</b>		Sloped with level building areas.	<b>Lot Dimensions</b>
			Various
<b>Flood Plain</b>		According to Flood Map # 30063C1215E, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>
			Connection to City Water, Drain Field, Driveway
<b>Feet of Water Frontage</b>		None	<b>Value of Improvements</b>
			\$10,000
<b>Utilities</b>		Electricity, Phone, City Water, Natural Gas at Road.	<b>Miscellaneous</b>
			Lot located in the Upper Rattlesnake area of Missoula and is adjacent to City of Missoula recreation lands. Easy access to Rattlesnake Trail System.
<b>Report File #</b> 16-013ec			



## LAND SALE 3

COMPARABLE SALE INFORMATION			
	<b>Location</b>		NHN Polk Street
	<b>City/State</b>		Missoula, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0003382509
	<b>Zoning</b>		City of Missoula R5.4
	<b>Site Size: Acres</b>		0.930
	<b>Square Feet</b>		40,511
	<b>Date of Sale</b>		July 31, 2015
	<b>Sales Price</b>		\$159,900
	<b>Less Cost of Improvements*</b>		\$0
<b>Sales Price Adjusted</b>		\$159,900	
<b>MLS #</b>		20153688	
ANALYSIS OF SALE			
<b>Price per Acre</b>		\$171,935	
<b>Price per Square Foot</b>			\$3.95
<b>Price Per Front Foot</b>			N/A
TRANSFER INFORMATION			
<b>Grantor</b>	Mary A. Kinney	<b>Grantee</b>	Elden L. Inabnit & Ione C. Inabnit
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201513634
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	56 Days on Market
		<b>Verified By</b>	Tex Cates, Buyers Agent
<b>Legal Description</b>	Tract 1 of Certificate of Survey #6397	<b>Intended Use/Comments</b>	Purchased for Residential Use
<b>Section/Township/Range</b>	S23/13N/R19W		
PROPERTY DETAILS			
<b>Access</b>	Paved Road	<b>View</b>	Mountains, City Skyline
<b>Topography</b>	Sloped with level building areas.	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>	According to Flood Map # 30063C1480E, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	None	<b>Value of Improvements</b>	\$0
<b>Utilities</b>	Electricity, Phone, City Water, Natural Gas at Road.	<b>Miscellaneous</b>	Lot located in the Rattlesnake area of Missoula and is adjacent to City of Missoula recreation lands.
<b>Report File #</b> 16-013ec			

## LAND SALE 4

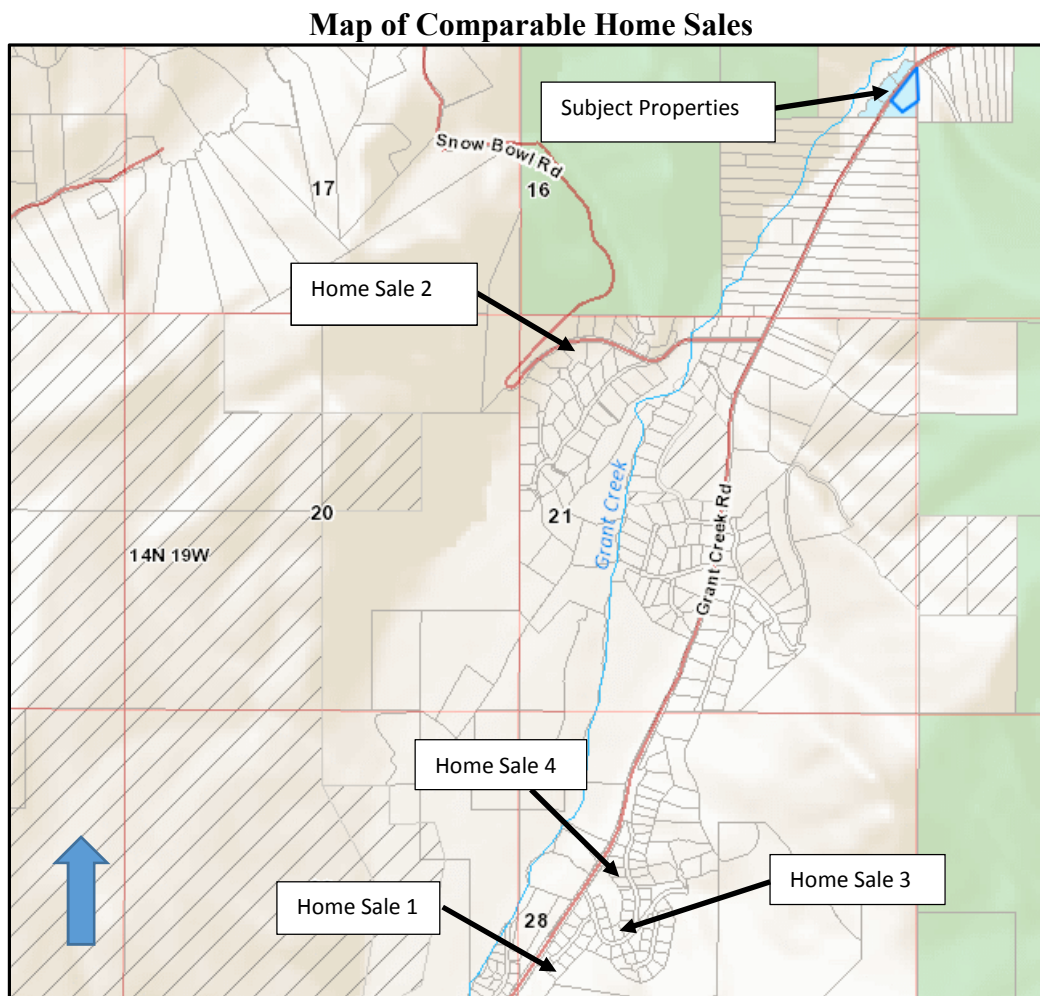
COMPARABLE SALE INFORMATION				
	<b>Location</b>		Lot 15 Elk Ridge Rd.	
	<b>City/State</b>		Missoula, MT	
	<b>County</b>		Missoula	
	<b>Assessor Number</b>		0000016107	
	<b>Zoning</b>		Missoula Co. C-RR1 Residential	
	<b>Site Size: Acres</b>		1.290	
	<b>Square Feet</b>		56,192	
	<b>Date of Sale</b>		March 2, 2015	
	<b>Sales Price</b>		\$165,000	
	<b>Less Cost of Improvements*</b>		\$5,000	
	<b>Sales Price Adjusted</b>		\$160,000	
	<b>MLS #</b>		20141124	
ANALYSIS OF SALE				
<b>Price per Acre</b>		\$124,031		
		<b>Price per Square Foot</b>	\$2.85	
		<b>Price Per Front Foot</b>	N/A	
TRANSFER INFORMATION				
<b>Grantor</b>		Cristian W. Goss & Kelly D. Goss	<b>Grantee</b>	Krista C. Hellem & Russel J. Hellem
<b>Type of Instrument</b>		Warranty Deed	<b>Document #</b>	201503620
			<b>Marketing Time</b>	357 Days on Market
<b>Financing/Conditions</b>		Cash/Market	<b>Verified By</b>	Lewis Matelich, Listing Agent
<b>Legal Description</b>		Lot 15 of Elk Ridge Addition No. 3	<b>Intended Use/Comments</b>	Purchased for Residential Use
<b>Section/Township/Range</b>		S2/13N/R19W		
PROPERTY DETAILS				
<b>Access</b>		Paved Road	<b>View</b>	Mountains, City Skyline
<b>Topography</b>		Sloped with level building areas.	<b>Lot Dimensions</b>	Various
<b>Flood Plain</b>		According to Flood Map # 30063C1215E, the property is not in an area of Elevated Flood Risk.	<b>Improvements</b>	City Water and Septic Drain Field installed.
<b>Feet of Water Frontage</b>		None	<b>Value of Improvements</b>	\$5,000
<b>Utilities</b>		Electricity, Phone, City Water, Natural Gas at Road.	<b>Miscellaneous</b>	Lot located in the Upper Rattlesnake area of Missoula and very near City of Missoula Recreation Lands. Listing agent indicated that this lot required some excavating costs to put in the driveway.
<b>Report File # 16-013ec</b>				

## COMPARABLE HOME SALES

We conducted a search for sales of homes on sites similar in size to the subject sites and in similar neighborhoods in Missoula. The most applicable and recent four home sales located are described on the table below;



Comparable Home Sales							
Sale #	Address	City	Neighborhood	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
1	7305 Rosewood Ct	Missoula	Grant Creek	2016	\$465,000	\$160,000	\$305,000
2	9600 Old Mill Trail	Missoula	Grant Creek	2015	\$405,000	\$160,000	\$245,000
3	1320 Starwood Dr	Missoula	Grant Creek	2015	\$489,000	\$160,000	\$329,000
4	7700 Parkwood Dr	Missoula	Grant Creek	2015	\$450,000	\$160,000	\$290,000

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







# HOME SALE 1


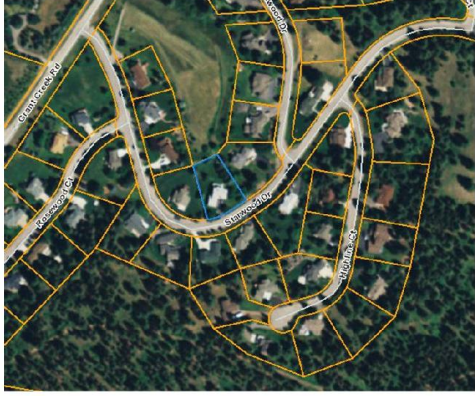
COMPARABLE SALE INFORMATION			
	<b>Location</b>		7305 Rosewood Court
	<b>City/State</b>		Missoula, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		0005850936
	<b>Zoning</b>		City of Missoula PUD/Grantland
	<b>Site Size: Acres</b>		0.751
	<b>Square Feet</b>		32,714
	<b>Date of Sale</b>		January 29, 2016
	<b>Sales Price</b>		\$465,000
	<b>Adjustment to Sales Price</b>		\$0
	<b>Adjusted Sales Price</b>		\$465,000
	<b>MLS #</b>		20156405
TRANSFER INFORMATION			
<b>Grantor</b>	Aleagha Nasim	<b>Grantee</b>	Shane D. Chapman & Deborah L. Chapman
<b>Recording Data</b>	Warranty Deed #201601397	<b>Marketing Time</b>	108 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Kris Hawkins, Listing Agent
<b>Legal Description</b>	Lot 40 of Grantland #13	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S28/T14N/R19W		
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Water Frontage</b>	N/A	<b>Sales Price</b>	\$465,000
<b>Access</b>	Paved Road	<b>Estimated Site Value</b>	\$160,000
<b>House Square Feet</b>	2,620	<b>Sales Price of Improvements</b>	\$305,000
<b>Bedroom/Bathrooms</b>	3BR/3BA	<b>Improvement Price/SF</b>	\$116
<b>Year Built or Renovated</b>	1985 *Recently Renovated		
<b>Basement</b>	1,372 SF Basement. Finished but lower quality than Main and Upper Level		
<b>Construction</b>	Wood Frame		
<b>Quality</b>	Good		
<b>Condition</b>	Good		
<b>Water/Sewer</b>	Community Water/City Sewer		
<b>Utilities</b>	Electricity/Telephone/Gas		
<b>Topography</b>	Level/Rolling		
<b>Garage</b>	3-Car Attached		
<b>Outbuildings</b>	None		
<b>Miscellaneous</b>	Recently Renovated home in Grant Creek area of Missoula. Located at end of cul-de-sac, borders 28 private wooded acres and is very near National Wildlife Federation Land.		
		<b>Report File # 16-013ec</b>	

## HOME SALE 2

COMPARABLE SALE INFORMATION			
		<b>Location</b> 9600 Old Mill Trail	
		<b>City/State</b> Missoula, MT	
		<b>County</b> Missoula	
		<b>Assessor Number</b> 0001398200	
		<b>Zoning</b> Missoula Co. C-RR1 Residential	
		<b>Site Size: Acres</b> 1.767	
		<b>Square Feet</b> 76,971	
		<b>Date of Sale</b> November 25, 2015	
		<b>Sales Price</b> \$405,000	
		<b>Adjustment to Sales Price</b> \$0	
		<b>Adjusted Sales Price</b> \$405,000	
		<b>MLS #</b> 20155611	
TRANSFER INFORMATION			
<b>Grantor</b> David L. Wilson & Lea Ann Wilson		<b>Grantee</b> Barton E. Norton & Jaime L. Oeberst	
<b>Recording Data</b> Warranty Deed #201522250		<b>Marketing Time</b> 97 Days on Market	
<b>Financing/Conditions</b> VA/Conventional		<b>Verified By</b> Michael Warren, Listing Agent	
<b>Legal Description</b> Lot 45 of Grantland #8		<b>Intended Use</b> Residential	
<b>Section/Township/Range</b> S21/T14N/R19W			
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
<b>Water Frontage</b> N/A		<b>Sales Price</b> \$405,000	
<b>Access</b> Gravel road		<b>Estimated Site Value</b> \$160,000	
<b>House Square Feet</b> 2,084		<b>Sales Price of Improvements</b> \$245,000	
<b>Bedroom/Bathrooms</b> 3BR/2BA		<b>Improvement Price/SF</b> \$118	
<b>Year Built or Renovated</b> 1996 *Kitchen recently updated			
<b>Basement</b> 1,200 SF, 300 SF Finished			
<b>Construction</b> Wood Frame			
<b>Quality</b> Good			
<b>Condition</b> Good			
<b>Water/Sewer</b> Well/Septic			
<b>Utilities</b> Electricity/Telephone/Gas			
<b>Topography</b> Gentle Slope w / Level Bldg Area			
<b>Garage</b> 2-Car Attached			
<b>Outbuildings</b> None			
<b>Miscellaneous</b> Home on 1.76 wooded acres across the road from subdivision common area and National Forest Lands. Easy access to hiking and biking trails and close to Snowbowl Ski Area.			
		<b>Report File #</b> 16-013ec	



## HOME SALE 3

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td><b>Location</b></td><td>1320 Starwood Drive</td></tr> <tr><td><b>City/State</b></td><td>Missoula, MT</td></tr> <tr><td><b>County</b></td><td>Missoula</td></tr> <tr><td><b>Assessor Number</b></td><td>0005851047</td></tr> <tr><td><b>Zoning</b></td><td>City of Missoula PUD/Grantland</td></tr> <tr><td><b>Site Size: Acres</b></td><td>0.571</td></tr> <tr><td><b>Square Feet</b></td><td>24,873</td></tr> <tr><td><b>Date of Sale</b></td><td>November 10, 2015</td></tr> <tr><td><b>Sales Price</b></td><td>\$489,000</td></tr> <tr><td><b>Adjustment to Sales Price</b></td><td>\$0</td></tr> <tr><td><b>Adjusted Sales Price</b></td><td>\$489,000</td></tr> <tr><td><b>MLS #</b></td><td>20152676</td></tr> </table>		<b>Location</b>	1320 Starwood Drive	<b>City/State</b>	Missoula, MT	<b>County</b>	Missoula	<b>Assessor Number</b>	0005851047	<b>Zoning</b>	City of Missoula PUD/Grantland	<b>Site Size: Acres</b>	0.571	<b>Square Feet</b>	24,873	<b>Date of Sale</b>	November 10, 2015	<b>Sales Price</b>	\$489,000	<b>Adjustment to Sales Price</b>	\$0	<b>Adjusted Sales Price</b>	\$489,000	<b>MLS #</b>	20152676
<b>Location</b>	1320 Starwood Drive																										
<b>City/State</b>	Missoula, MT																										
<b>County</b>	Missoula																										
<b>Assessor Number</b>	0005851047																										
<b>Zoning</b>	City of Missoula PUD/Grantland																										
<b>Site Size: Acres</b>	0.571																										
<b>Square Feet</b>	24,873																										
<b>Date of Sale</b>	November 10, 2015																										
<b>Sales Price</b>	\$489,000																										
<b>Adjustment to Sales Price</b>	\$0																										
<b>Adjusted Sales Price</b>	\$489,000																										
<b>MLS #</b>	20152676																										
TRANSFER INFORMATION																											
<b>Grantor</b>	Thomas L. Russell & Irma S. Russell	<b>Grantee</b>	Marta Amelia Timmons & Dennis Bernard Sparrow																								
<b>Recording Data</b>	Warranty Deed #201521347	<b>Marketing Time</b>	194 Days on Market																								
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Susan Liane, Listing Agent																								
<b>Legal Description</b>	Lot 51 of Grantland #13	<b>Intended Use</b>	Residential																								
<b>Section/Township/Range</b>	S28/T14N/R19W																										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																									
<b>Water Frontage</b>	N/A	<b>Sales Price</b>	\$489,000																								
<b>Access</b>	Paved Road	<b>Estimated Site Value</b>	\$160,000																								
<b>House Square Feet</b>	1,971	<b>Sales Price of Improvements</b>	\$329,000																								
<b>Bedroom/Bathrooms</b>	4BR/3BA	<b>Improvement Price/SF</b>	\$167																								
<b>Year Built or Renovated</b>	1987 *Recently Renovated																										
<b>Basement</b>	1,493 Finished but lower quality than Main and Upper Levels																										
<b>Construction</b>	Wood Frame																										
<b>Quality</b>	Very Good																										
<b>Condition</b>	Good																										
<b>Water/Sewer</b>	City Water & Sewer																										
<b>Utilities</b>	Electricity/Telephone/Gas																										
<b>Topography</b>	Rolling																										
<b>Garage</b>	3-Car Attached																										
<b>Outbuildings</b>	None																										
<b>Miscellaneous</b>	Home in Grant Creek Hills on 0.57 acres and adjacent to 4.5 acre subdivision common area. House had been recently remodelled with high end finishes.																										

**Report File # 16-013ec**

# HOME SALE 4

COMPARABLE SALE INFORMATION

<b>Location</b>	7700 Parkwood Drive
<b>City/State</b>	Missoula, MT
<b>County</b>	Missoula
<b>Assessor Number</b>	0005851092
<b>Zoning</b>	City of Missoula PUD/Grantland
<b>Site Size: Acres</b>	0.544
<b>Square Feet</b>	23,697
<b>Date of Sale</b>	March 20, 2015
<b>Sales Price</b>	\$455,000
<b>Adjustment to Sales Price</b>	(\$5,000)
<b>Adjusted Sales Price</b>	\$450,000
<b>MLS #</b>	20147058

TRANSFER INFORMATION

<b>Grantor</b>	Home Savers of Montana, LLC	<b>Grantee</b>	Dennis Kelly Gregory & Lisa C. Gregory
<b>Recording Data</b>	Warranty Deed #201504640	<b>Marketing Time</b>	122 Days on Market
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	K.C. Hart, Listing Agent
<b>Legal Description</b>	Lot 56 of Grantland #13	<b>Intended Use</b>	Residential
<b>Section/Township/Range</b>	S28/T14N/R19W		

DESCRIPTION OF IMPROVEMENTS

ANALYSIS OF SALE

<b>Water Frontage</b>	N/A
<b>Access</b>	Paved Road
<b>House Square Feet</b>	2,656
<b>Bedroom/Bathrooms</b>	4BR/3BA
<b>Year Built or Renovated</b>	1986 *Recently Renovated
<b>Basement</b>	1,958 Finished but lower quality than Main and Upper Levels
<b>Construction</b>	Wood Frame
<b>Quality</b>	Good
<b>Condition</b>	Very Good but Unusual Layout
<b>Water/Sewer</b>	City Water & Sewer
<b>Utilities</b>	Electricity/Telephone/Gas
<b>Topography</b>	Rolling
<b>Garage</b>	2-Car Attached
<b>Outbuildings</b>	None
<b>Miscellaneous</b>	Home in Grant Creek Hills on 0.54 acres and adjacent to 4.5 acre subdivision common area. House had been recently remodelled with high end finishes. *Listing Agent indicated the the floorplan was off-putting to many prospective buyers and with a more traditional layout the property would have sold for significantly more. *5K Seller Concession for Closing Costs.

<b>Sales Price</b>	\$450,000
<b>Estimated Site Value</b>	\$160,000
<b>Sales Price of Improvements</b>	\$290,000
<b>Improvement Price/SF</b>	\$109

Report File # 16-013ec

## **PROPERTY VALUATIONS**



## LOT 2

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 2, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		9560 Keegan Trail	5114 Elk Ridge Rd	NHN Polk St	Lot 15, Elk Ridge Rd
CITY		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$220,000	\$250,000	\$159,900	\$165,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$10,000	\$0	-\$5,000
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
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
DATE OF SALE		10/23/15	10/15/15	07/31/15	03/02/15
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
SITE SIZE/ACRES	2.401	1.530	2.970	0.930	1.290
ADJUSTMENT FOR:					
LOCATION	Grant Creek	Grant Creek	Rattlesnake	Rattlesnake	Rattlesnake
		-25%	-25%	-25%	0%
SHAPE	Irregular	Irregular	Irregular	Rectangular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Some Slope	Some Slope	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	CA-3, Residential	C-RR1	C-RR1	R5.4	C-RR1
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	None	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	2.401	1.530	2.970	0.930	1.290
		0%	0%	20%	0%
TOTAL PERCENTAGE ADJUSTMENT		-25%	-25%	-5%	0%
TOTAL ADJUSTMENT		-\$55,000	-\$60,000	-\$7,995	\$0
ADJUSTED PRICE PER SF		\$165,000	\$180,000	\$151,905	\$160,000

## Discussion of Adjustments

*Adjustment for List Price:* The comparables are all closed sales. No adjustments was necessary in this category.

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

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

*Financing:* The sales were all purchased with cash or market financing. No adjustment was necessary in this category.

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

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

*Market Conditions:* The closed comparable sold in 2015. The available data indicates that market conditions for properties like the subject site have not changed appreciably since the beginning of 2015. For this reason, no adjustment was necessary in this category.

*Location:* The subject property and Land Sale 1 are in the Grant Creek area of Missoula. Land Sales 2, 3, and 4 are in the Rattlesnake area of Missoula. According to our interviews with knowledgeable area realtors, most market participants consider these areas to be similar. Both offer somewhat rural living with proximity to Missoula. No adjustment was considered necessary for neighborhood differences.

While no adjustment was considered necessary for neighborhood differences, some adjustment was considered appropriate for proximity to open space. The subject property abuts one privately owned parcel and one privately leased parcel. It does not have direct access to open space. Land Sales 1, 2, and 3 all abut open space. Land Sale 4 is near open space but abuts privately owned parcels. Land Sales 2 and 4 are in the same subdivision and are adjacent to each other. We have paired these sales for determination of an appropriate adjustment for proximity to open space. This analysis is below;

Location Adjacent to Green Space - Paired Sale Set	
Address 1	5114 Elk Ridge Rd
Sale Date	October 2015
Sales Price/SF*	\$216,000
Address 2	Lot 15, Elk Ridge Rd
Sale Date	March 2015
Sales Price/SF	\$160,000
Suggested Downward Adjustment for Proximity to Green Space	-25.93%
*Sales price reduced by 10% for size difference.	

Downward adjustments of 25% were considered necessary and appropriate for Land Sales 1, 2, and 3 in this category.

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

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

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

*Zoning:* The subject property and the comparables are in residential zoning districts. No adjustments were necessary in this category.

*Easements Affecting Value:* The subject site and comparables do not include easements that affect value. No adjustment was necessary in this category. There are some encroachments (a well and portions of buildings) on the subject property from an adjacent property. Due to the overall size and shape of the subject site, location of the subject improvements, and the location of these encroachments, it is our opinion that the encroachments have little impact on the value of the subject property. For this reason, no adjustment was made for the encroachments on the subject site.

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

*Size/Acres:* The comparables bracket the subject site in acreage. Land Sale 3 is considered sufficiently dissimilar in size compared to the subject site and other comparables that some adjustment was necessary in this category. We paired this sale with the adjusted indications from the other comparable land sales. An upward adjustment of approximately 20% is reasonable appropriate in this category for this Land Sale 3.

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

The comparables provide adjusted indications of value for the subject site of \$165,000, \$180,000, \$151,905, and \$160,000. All weight is accorded Land Sale 1 as it is the only comparable located in the subject neighborhood. The indications from the remaining sales bracket and generally support this value conclusion. A value of \$165,000 is well supported by this analysis for the subject site as if vacant.

**Site Value as if Vacant**

**\$165,000**

## Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 2, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		7605 Rosewood Ct	9600 Overland Trail	1320 Starwood Dr	7700 Parkwood Dr
LOCATION		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$465,000	\$405,000	\$489,000	\$455,000
SALE CONCESSIONS					-\$5,000
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		01/29/16	11/25/15	11/10/15	03/20/15
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$465,000	\$405,000	\$489,000	\$450,000
LESS SITE VALUE		(\$160,000)	(\$160,000)	(\$160,000)	(\$160,000)
ADJUSTED IMPROVEMENT PRICE		\$305,000	\$245,000	\$329,000	\$290,000
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Very Good</b>	<b>Good</b>
		\$0	\$0	-\$32,900	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0	\$0
<b>AGE/YEARS</b>	<b>6</b>	<b>5</b>	<b>20</b>	<b>5</b>	<b>5</b>
		-\$1,525	\$17,150	-\$1,645	-\$1,450
<b>BATHROOMS</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
		\$5,000	\$10,000	\$5,000	\$5,000
<b>HOUSE SIZE/SF</b>	<b>3,460</b>	<b>2,620</b>	<b>2,084</b>	<b>1,971</b>	<b>2,656</b>
		\$50,400	\$82,560	\$89,340	\$48,240
<b>FINISHED BASEMENT/SF</b>	<b>0</b>	<b>1,372</b>	<b>300</b>	<b>1,493</b>	<b>1,958</b>
		-\$41,160	-\$9,000	-\$44,790	-\$58,740
<b>OUTBUILDINGS</b>	<b>Various</b>	<b>Similar</b>	<b>Inferior</b>	<b>Similar</b>	<b>Inferior</b>
		\$0	\$6,000	\$0	\$6,000
<b>TOTAL ADJUSTMENT</b>		<b>\$12,715</b>	<b>\$106,710</b>	<b>\$15,005</b>	<b>-\$950</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>4%</b>	<b>44%</b>	<b>5%</b>	<b>0%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$317,715</b>	<b>\$351,710</b>	<b>\$344,005</b>	<b>\$289,050</b>



## Discussion of Adjustments

*Concessions, Property Rights, Financing, Conditions of Sale, & Adjustments for Buyer Expenditures:* Home Sale 4 required a downward adjustment of \$5,000 for atypical closing costs paid by the seller. Based upon the information we verified, no additional adjustments were necessary in these categories for the comparables.

*Market Conditions:* The comparable sales closed in 2015 and 2016. The available data indicates that market conditions for homes on similar sized sites in the Missoula area have not changed appreciably since 2015. For this reason, no adjustment is necessary in this category.

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

*Quality:* The subject and Home Sales 1, 2, and 4 were all rated as good in overall construction quality. No adjustments were necessary for these comparables in this category. Home Sale 3 was rated as very good in overall construction quality. A downward adjustment of 10% was made to this sale as it is considered to be of superior construction quality than the subject residence. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

*Condition:* The subject and comparables were considered to be similar conditions. No adjustment was necessary in this category.

*Age:* Adjustments were considered necessary for differences in age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences. Improved Sales 1, 3, and 4 were recently extensively renovated. For that reason we used an effective age of 5 years for these sales.

*Bathrooms:* The subject residence includes 4 bathrooms. We utilized an adjustment amount of \$5,000 per full bathroom. There is not sufficient market data available on which to base credible adjustments in this category; however, the adjustments made are considered indicative of the actions of market participants.

*House Size:* Based upon the average sales prices per square foot for the residence associated with each sale, an adjustment for size differences between the comparables and the subject of \$60 per square foot is considered reasonable and appropriate.

*Finished Basement Size:* The subject residence does not include finished basement area. All of the comparables included finished basement area and required adjustment in this category. The finished basement areas for the comparables are considered inferior to the above grade square footage. For this reason, we used a lower adjustment of \$30 per square foot for finished basement area for each sale.

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

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

The comparables provided adjusted indications of market value for the subject improvements of \$317,715, \$351,710, \$344,005, and \$289,050. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. The disparity between the value indications is due to the limited availability of comparable market data. A value of \$330,000 is reasonable and well supported for the subject improvements.

### **Total Value Conclusion**

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

Subject Site Value	\$165,000
Subject Improvements Value	<u>\$330,000</u>
<b>Total Value Indication</b>	<b>\$495,000</b>

## LOT 3

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 3, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		9560 Keegan Trail	514 Elk Ridge Rd	NHN Polk St	Lot 15, Elk Ridge Rd
CITY		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$220,000	\$250,000	\$159,900	\$165,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$10,000	\$0	-\$5,000
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
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
DATE OF SALE		10/23/15	10/15/15	07/31/15	03/02/15
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
SITE SIZE/ACRES	1.052	1.530	2.970	0.930	1.290
ADJUSTMENT FOR:					
LOCATION	Grant Creek	Grant Creek	Rattlesnake	Rattlesnake	Rattlesnake
		0%	0%	0%	35%
SHAPE	Irregular	Irregular	Irregular	Rectangular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Some Slope	Some Slope	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	CA-3, Residential	C-RR1	C-RR1	R5.4	C-RR1
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	Yes	No	No	No	No
		-5%	-5%	-5%	-5%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.052	1.530	2.970	0.930	1.290
		0%	0%	20%	0%
TOTAL PERCENTAGE ADJUSTMENT		-5%	-5%	15%	30%
TOTAL ADJUSTMENT		-\$11,000	-\$12,000	\$23,985	\$48,000
ADJUSTED PRICE PER SF		\$209,000	\$228,000	\$183,885	\$208,000

## Discussion of Adjustments

*Adjustment for List Price:* The comparables are all closed sales. No adjustments was necessary in this category.

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

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

*Financing:* The sales were all purchased with cash or market financing. No adjustment was necessary in this category.

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

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

*Market Conditions:* The closed comparable sold in 2015. The available data indicates that market conditions for properties like the subject site have not changed appreciably since the beginning of 2015. For this reason, no adjustment was necessary in this category.

*Location:* The subject property and Land Sale 1 are in the Grant Creek area of Missoula. Land Sales 2, 3, and 4 are in the Rattlesnake area of Missoula. According to our interviews with knowledgeable area realtors, most market participants consider these areas to be similar. Both offer somewhat rural living with proximity to Missoula. No adjustment was considered necessary for neighborhood differences.

While no adjustment was considered necessary for neighborhood differences, some adjustment was considered appropriate for proximity to open space. The subject property and Land Sales 1, 2, and 3 all abut open space. Land Sales 1, 2, and 3 did not require adjustment for this characteristic. Land Sale 4 is near open space but abuts privately owned parcels. Land Sales 2 and 4 are in the same subdivision and are adjacent to each other. We have paired these sales for determination of an appropriate adjustment for proximity to open space. This analysis is below;

Location Adjacent to Green Space - Paired Sale Set	
Address 1	Lot 15, Elk Ridge Rd
Sale Date	March 2015
Sales Price/SF	\$160,000
Address 2	5114 Elk Ridge Rd
Sale Date	October 2015
Sales Price/SF*	\$216,000
Suggested Upward Adjustment for Proximity to Green Space	35.00%
*Sales price reduced by 10% for size difference.	

An upward adjustment of 35% were considered necessary and appropriate for Land Sale 4 in this category.

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

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

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

*Zoning:* The subject property and the comparables are in residential zoning districts. No adjustments were necessary in this category.

*Easements Affecting Value:* The value for the subject site concluded in this report is based on the Hypothetical Condition that there is a 3,600 square foot access easement recorded within the subject boundaries. The comparables do not include easements that affect value. There is not sufficient market data available to support a specific adjustment in this category; however, this easement does affect the usable site area and privacy of this subject lot. Downward adjustments of 5% were considered reasonable and appropriate to the comparables in this category.

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

*Size/Acres:* The comparables bracket the subject site in acreage. Land Sale 3 is considered sufficiently dissimilar in size compared to the subject site and other comparables that some adjustment was necessary in this category. We paired this sale with the adjusted indications from the other comparable land sales. An upward adjustment of approximately 20% is reasonable appropriate in this category for this Land Sale 3.

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

The comparables provide adjusted indications of value for the subject site of \$209,000, \$228,000, \$183,885, and \$208,000. All weight is accorded Land Sale 1 as it is the only comparable located in the subject neighborhood. The indications from the remaining sales bracket and generally supports this value conclusion. A value of \$210,000 is well supported by this analysis for the subject site as if vacant.

**Site Value as if Vacant**

**\$210,000**



## Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 3, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		7605 Rosewood Ct	9600 Overland Trail	1320 Starwood Dr	7700 Parkwood Dr
LOCATION		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$465,000	\$405,000	\$489,000	\$455,000
SALE CONCESSIONS					-\$5,000
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		01/29/16	11/25/15	11/10/15	03/20/15
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$465,000	\$405,000	\$489,000	\$450,000
LESS SITE VALUE		(\$160,000)	(\$160,000)	(\$160,000)	(\$160,000)
ADJUSTED IMPROVEMENT PRICE		\$305,000	\$245,000	\$329,000	\$290,000
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Good</b>	<b>Good</b>	<b>Very Good</b>	<b>Good</b>
		-\$30,500	-\$24,500	-\$65,800	-\$29,000
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0	\$0
<b>AGE/YEARS</b>	<b>17</b>	<b>5</b>	<b>20</b>	<b>5</b>	<b>5</b>
		-\$18,300	\$3,675	-\$19,740	-\$17,400
<b>BATHROOMS</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
		\$0	\$5,000	\$0	\$0
<b>HOUSE SIZE/SF</b>	<b>1,866</b>	<b>2,620</b>	<b>2,084</b>	<b>1,971</b>	<b>2,656</b>
		-\$45,240	-\$13,080	-\$6,300	-\$47,400
<b>FINISHED BASEMENT/SF</b>	<b>0</b>	<b>1,372</b>	<b>300</b>	<b>1,493</b>	<b>1,958</b>
		-\$41,160	-\$9,000	-\$44,790	-\$58,740
<b>OUTBUILDINGS</b>	<b>Various</b>	<b>Superior</b>	<b>Similar</b>	<b>Superior</b>	<b>Similar</b>
		-\$6,000	\$0	-\$6,000	\$0
<b>TOTAL ADJUSTMENT</b>		<b>-\$141,200</b>	<b>-\$37,905</b>	<b>-\$142,630</b>	<b>-\$152,540</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-46%</b>	<b>-15%</b>	<b>-43%</b>	<b>-53%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$163,800</b>	<b>\$207,095</b>	<b>\$186,370</b>	<b>\$137,460</b>

## Discussion of Adjustments

*Concessions, Property Rights, Financing, Conditions of Sale, & Adjustments for Buyer Expenditures:* Home Sale 4 required a downward adjustment of \$5,000 for atypical closing costs paid by the seller. Based upon the information we verified, no additional adjustments were necessary in these categories for the comparables.

*Market Conditions:* The comparable sales closed in 2015 and 2016. The available data indicates that market conditions for homes on similar sized sites in the Missoula area have not changed appreciably since 2015. For this reason, no adjustment is necessary in this category.

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

*Quality:* The subject property is rated as average in overall quality of constructions. Home Sales 1, 2, and 4 were all rated as good in overall construction quality and Home Sale 3 was rated as very good. Downward adjustment of 10% per difference in category (average, good, or very good) were made to the comparables in this category. This adjustment percentage per category is subjective but is considered reasonable and indicative of the actions of market participants.

*Condition:* The subject and comparables were considered to be similar conditions. No adjustment was necessary in this category.

*Age:* Adjustments were considered necessary for differences in age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences. Improved Sales 1, 3, and 4 were recently extensively renovated. For that reason we used an effective age of 5 years for these sales.

*Bathrooms:* The subject residence includes 3 bathrooms. We utilized an adjustment amount of \$5,000 per full bathroom. There is not sufficient market data available on which to base credible adjustments in this category; however, the adjustments made are considered indicative of the actions of market participants.

*House Size:* Based upon the average sales prices per square foot for the residence associated with each sale, an adjustment for size differences between the comparables and the subject of \$60 per square foot is considered reasonable and appropriate.

*Finished Basement Size:* The subject residence does not include finished basement area. All of the comparables included finished basement area and required adjustment in this category. The finished basement areas for the comparables are considered inferior to the above grade square footage. For this reason, we used a lower adjustment of \$30 per square foot for finished basement area for each sale.

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

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

The comparables provided adjusted indications of market value for the subject improvements of \$163,800, \$207,095, \$186,370, and \$137,460. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. The disparity between the value indications is due to the limited availability of comparable market data. A value of \$170,000 is reasonable and well supported for the subject improvements.

### **Total Value Conclusion**

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

Subject Site Value	\$210,000
Subject Improvements Value	<u>\$170,000</u>
<b>Total Value Indication</b>	<b>\$380,000</b>

## LOT 4

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 4, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		9560 Keegan Trail	514 Elk Ridge Rd	NHN Polk St	Lot 15, Elk Ridge Rd
CITY		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$220,000	\$250,000	\$159,900	\$165,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$10,000	\$0	-\$5,000
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
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
DATE OF SALE		10/23/15	10/15/15	07/31/15	03/02/15
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
SITE SIZE/ACRES	1.284	1.530	2.970	0.930	1.290
ADJUSTMENT FOR:					
LOCATION	Grant Creek	Grant Creek	Rattlesnake	Rattlesnake	Rattlesnake
		0%	0%	0%	35%
SHAPE	Irregular	Irregular	Irregular	Rectangular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Some Slope	Some Slope	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	CA-3, Residential	C-RR1	C-RR1	R5.4	C-RR1
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.284	1.530	2.970	0.930	1.290
		0%	0%	20%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	20%	35%
TOTAL ADJUSTMENT		\$0	\$0	\$31,980	\$56,000
ADJUSTED PRICE PER SF		\$220,000	\$240,000	\$191,880	\$216,000

## Discussion of Adjustments

*Adjustment for List Price:* The comparables are all closed sales. No adjustments was necessary in this category.

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

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

*Financing:* The sales were all purchased with cash or market financing. No adjustment was necessary in this category.

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

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

*Market Conditions:* The closed comparable sold in 2015. The available data indicates that market conditions for properties like the subject site have not changed appreciably since the beginning of 2015. For this reason, no adjustment was necessary in this category.

*Location:* The subject property and Land Sale 1 are in the Grant Creek area of Missoula. Land Sales 2, 3, and 4 are in the Rattlesnake area of Missoula. According to our interviews with knowledgeable area realtors, most market participants consider these areas to be similar. Both offer somewhat rural living with proximity to Missoula. No adjustment was considered necessary for neighborhood differences.

While no adjustment was considered necessary for neighborhood differences, some adjustment was considered appropriate for proximity to open space. The subject property and Land Sales 1, 2, and 3 all abut open space. Land Sales 1, 2, and 3 did not require adjustment for this characteristic. Land Sale 4 is near open space but abuts privately owned parcels. Land Sales 2 and 4 are in the same subdivision and are adjacent to each other. We have paired these sales for determination of an appropriate adjustment for proximity to open space. This analysis is below;

Location Adjacent to Green Space - Paired Sale Set	
Address 1	Lot 15, Elk Ridge Rd
Sale Date	March 2015
Sales Price/SF	\$160,000
Address 2	5114 Elk Ridge Rd
Sale Date	October 2015
Sales Price/SF*	\$216,000
Suggested Upward Adjustment for Proximity to Green Space	35.00%
*Sales price reduced by 10% for size difference.	



An upward adjustment of 35% were considered necessary and appropriate for Land Sale 4 in this category.

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

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

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

*Zoning:* The subject property and the comparables are in residential zoning districts. No adjustments were necessary in this category.

*Easements Affecting Value:* The subject site and comparables do not include easements that affect value. No adjustment was necessary in this category.

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

*Size/Acres:* The comparables bracket the subject site in acreage. Land Sale 3 is considered sufficiently dissimilar in size compared to the subject site and other comparables that some adjustment was necessary in this category. We paired this sale with the adjusted indications from the other comparable land sales. An upward adjustment of approximately 20% is reasonable appropriate in this category for this Land Sale 3.

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

The comparables provide adjusted indications of value for the subject site of \$220,000, \$240,000, \$191,880, and \$216,000. All weight is accorded Land Sale 1 as it is the only comparable located in the subject neighborhood. The indications from the remaining sales bracket and generally supports this value conclusion. A value of \$220,000 is well supported by this analysis for the subject site as if vacant.

**Site Value as if Vacant**

**\$220,000**

## Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 4, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		7605 Rosewood Ct	9600 Overland Trail	1320 Starwood Dr	7700 Parkwood Dr
LOCATION		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$465,000	\$405,000	\$489,000	\$455,000
SALE CONCESSIONS					-\$5,000
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		01/29/16	11/25/15	11/10/15	03/20/15
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$465,000	\$405,000	\$489,000	\$450,000
LESS SITE VALUE		(\$160,000)	(\$160,000)	(\$160,000)	(\$160,000)
ADJUSTED IMPROVEMENT PRICE		\$305,000	\$245,000	\$329,000	\$290,000
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Very Good</b>	<b>Good</b>
		\$0	\$0	-\$32,900	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0	\$0
<b>AGE/YEARS</b>	<b>10</b>	<b>5</b>	<b>20</b>	<b>5</b>	<b>5</b>
		-\$7,625	\$12,250	-\$8,225	-\$7,250
<b>BATHROOMS</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
		-\$5,000	\$0	-\$5,000	-\$5,000
<b>HOUSE SIZE/SF</b>	<b>2,504</b>	<b>2,620</b>	<b>2,084</b>	<b>1,971</b>	<b>2,656</b>
		-\$6,960	\$25,200	\$31,980	-\$9,120
<b>FINISHED BASEMENT/SF</b>	<b>392</b>	<b>1,372</b>	<b>300</b>	<b>1,493</b>	<b>1,958</b>
		-\$29,400	\$2,760	-\$33,030	-\$46,980
<b>OUTBUILDINGS</b>	<b>Various</b>	<b>Superior</b>	<b>Inferior</b>	<b>Superior</b>	<b>Inferior</b>
		-\$4,000	\$2,000	-\$4,000	\$2,000
<b>TOTAL ADJUSTMENT</b>		<b>-\$52,985</b>	<b>\$42,210</b>	<b>-\$51,175</b>	<b>-\$66,350</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-17%</b>	<b>17%</b>	<b>-16%</b>	<b>-23%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$252,015</b>	<b>\$287,210</b>	<b>\$277,825</b>	<b>\$223,650</b>

## Discussion of Adjustments

*Concessions, Property Rights, Financing, Conditions of Sale, & Adjustments for Buyer Expenditures:* Home Sale 4 required a downward adjustment of \$5,000 for atypical closing costs paid by the seller. Based upon the information we verified, no additional adjustments were necessary in these categories for the comparables.

*Market Conditions:* The comparable sales closed in 2015 and 2016. The available data indicates that market conditions for homes on similar sized sites in the Missoula area have not changed appreciably since 2015. For this reason, no adjustment is necessary in this category.

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

*Quality:* The subject and Home Sales 1, 2, and 4 were all rated as good in overall construction quality. No adjustments were necessary for these comparables in this category. Home Sale 3 was rated as very good in overall construction quality. A downward adjustment of 10% was made to this sale as it is considered to be of superior construction quality than the subject residence. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

*Condition:* The subject and comparables were considered to be similar conditions. No adjustment was necessary in this category.

*Age:* The subject residence is 29 years old but has been updated to some degree and well maintained. We have utilized an effective age of 10 years for the subject residence for age adjustment purposes. Adjustments were considered necessary for differences in effective age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences. Improved Sales 1, 3, and 4 were recently extensively renovated. For that reason we used an effective age of 5 years for these sales.

*Bathrooms:* The subject residence includes 2 bathrooms. We utilized an adjustment amount of \$5,000 per full bathroom. There is not sufficient market data available on which to base credible adjustments in this category; however, the adjustments made are considered indicative of the actions of market participants.

*House Size:* Based upon the average sales prices per square foot for the residence associated with each sale, an adjustment for size differences between the comparables and the subject of \$60 per square foot is considered reasonable and appropriate.

*Finished Basement Size:* The subject residence includes approximately 392 square feet of finished basement area. All of the comparables included finished basement area; however, the square footages were all different compared to the subject residence. The finished basement areas for the comparables are considered inferior to the above grade square footage. For this reason, we used a lower adjustment of \$30 per square foot differences in finished basement area in comparison to the subject residence for each sale.

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

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

The comparables provided adjusted indications of market value for the subject improvements of \$252,015, \$287,210, \$277,825, and \$223,650. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. The disparity between the value indications is due to the limited availability of comparable market data. A value of \$260,000 is reasonable and well supported for the subject improvements.

### **Total Value Conclusion**

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

Subject Site Value	\$220,000
Subject Improvements Value	<u>\$260,000</u>
<b>Total Value Indication</b>	<b>\$480,000</b>



## LOT 5

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 5, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		9560 Keegan Trail	514 Elk Ridge Rd	NHN Polk St	Lot 5, Elk Ridge Rd
CITY		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$220,000	\$250,000	\$159,900	\$165,000
ADJUSTMENT FOR LIST PRICE		\$0	\$0	\$0	\$0
ADJUSTMENT FOR IMPROVEMENTS		\$0	-\$10,000	\$0	-\$5,000
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
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
DATE OF SALE		10/23/15	10/15/15	07/31/15	03/02/15
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$220,000	\$240,000	\$159,900	\$160,000
SITE SIZE/ACRES	1.305	1.530	2.970	0.930	1.290
ADJUSTMENT FOR:					
LOCATION	Grant Creek	Grant Creek	Rattlesnake	Rattlesnake	Rattlesnake
		0%	0%	0%	35%
SHAPE	Irregular	Irregular	Irregular	Rectangular	Irregular
		0%	0%	0%	0%
TOPOGRAPHY	Some Slope	Level	Some Slope	Some Slope	Some Slope
		0%	0%	0%	0%
FRONTAGE/ACCESS	Public Road	Public Road	Public Road	Public Road	Public Road
		0%	0%	0%	0%
ZONING	CA-3, Residential	C-RR1	C-RR1	R5.4	C-RR1
		0%	0%	0%	0%
EASEMENTS AFFECTING USE	No	No	No	No	No
		0%	0%	0%	0%
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		0%	0%	0%	0%
SITE SIZE/ACRES	1.305	1.530	2.970	0.930	1.290
		0%	0%	20%	0%
TOTAL PERCENTAGE ADJUSTMENT		0%	0%	20%	35%
TOTAL ADJUSTMENT		\$0	\$0	\$31,980	\$56,000
ADJUSTED PRICE PER SF		\$220,000	\$240,000	\$191,880	\$216,000

## Discussion of Adjustments

*Adjustment for List Price:* The comparables are all closed sales. No adjustments was necessary in this category.

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

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

*Financing:* The sales were all purchased with cash or market financing. No adjustment was necessary in this category.

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

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

*Market Conditions:* The closed comparable sold in 2015. The available data indicates that market conditions for properties like the subject site have not changed appreciably since the beginning of 2015. For this reason, no adjustment was necessary in this category.

*Location:* The subject property and Land Sale 1 are in the Grant Creek area of Missoula. Land Sales 2, 3, and 4 are in the Rattlesnake area of Missoula. According to our interviews with knowledgeable area realtors, most market participants consider these areas to be similar. Both offer somewhat rural living with proximity to Missoula. No adjustment was considered necessary for neighborhood differences.

While no adjustment was considered necessary for neighborhood differences, some adjustment was considered appropriate for proximity to open space. The subject property and Land Sales 1, 2, and 3 all abut open space. Land Sales 1, 2, and 3 did not require adjustment for this characteristic. Land Sale 4 is near open space but abuts privately owned parcels. Land Sales 2 and 4 are in the same subdivision and are adjacent to each other. We have paired these sales for determination of an appropriate adjustment for proximity to open space. This analysis is below;

Location Adjacent to Green Space - Paired Sale Set	
Address 1	Lot 15, Elk Ridge Rd
Sale Date	March 2015
Sales Price/SF	\$160,000
Address 2	5114 Elk Ridge Rd
Sale Date	October 2015
Sales Price/SF*	\$216,000
Suggested Upward Adjustment for Proximity to Green Space	35.00%
*Sales price reduced by 10% for size difference.	

An upward adjustment of 35% were considered necessary and appropriate for Land Sale 4 in this category.

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

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

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

*Zoning:* The subject property and the comparables are in residential zoning districts. No adjustments were necessary in this category.

*Easements Affecting Value:* The subject site and comparables do not include easements that affect value. No adjustment was necessary in this category.

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

*Size/Acres:* The comparables bracket the subject site in acreage. Land Sale 3 is considered sufficiently dissimilar in size compared to the subject site and other comparables that some adjustment was necessary in this category. We paired this sale with the adjusted indications from the other comparable land sales. An upward adjustment of approximately 20% is reasonable appropriate in this category for this Land Sale 3.

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

The comparables provide adjusted indications of value for the subject site of \$220,000, \$240,000, \$191,880, and \$216,000. All weight is accorded Land Sale 1 as it is the only comparable located in the subject neighborhood. The indications from the remaining sales bracket and generally support this value conclusion. A value of \$220,000 is well supported by this analysis for the subject site as if vacant.

**Site Value as if Vacant**

**\$220,000**

## Improvement Value Estimate

A sales comparison analysis for the subject property utilizing the comparables selected is below;

SALES COMPARISON ANALYSIS FOR LOT 5, COS #5747, GRANT CREEK AREA, MISSOULA, MT					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION		7605 Rosewood Ct	9600 Overland Trail	1320 Starwood Dr	7700 Parkwood Dr
LOCATION		Missoula, MT	Missoula, MT	Missoula, MT	Missoula, MT
SALES PRICE		\$465,000	\$405,000	\$489,000	\$455,000
SALE CONCESSIONS					-\$5,000
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		01/29/16	11/25/15	11/10/15	03/20/15
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$465,000	\$405,000	\$489,000	\$450,000
LESS SITE VALUE		(\$160,000)	(\$160,000)	(\$160,000)	(\$160,000)
ADJUSTED IMPROVEMENT PRICE		\$305,000	\$245,000	\$329,000	\$290,000
<b>ADJUSTMENT FOR:</b>					
<b>LOCATION/SITE</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>	<b>Grant Creek</b>
		\$0	\$0	\$0	\$0
<b>QUALITY</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Very Good</b>	<b>Good</b>
		\$0	\$0	-\$32,900	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>	<b>Good</b>
		\$0	\$0	\$0	\$0
<b>AGE/YEARS</b>	<b>11</b>	<b>5</b>	<b>20</b>	<b>5</b>	<b>5</b>
		-\$9,150	\$11,025	-\$9,870	-\$8,700
<b>BATHROOMS</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>
		-\$5,000	\$0	-\$5,000	-\$5,000
<b>HOUSE SIZE/SF</b>	<b>2,880</b>	<b>2,620</b>	<b>2,084</b>	<b>1,971</b>	<b>2,656</b>
		\$15,600	\$47,760	\$54,540	\$13,440
<b>FINISHED BASEMENT/SF</b>	<b>0</b>	<b>1,372</b>	<b>300</b>	<b>1,493</b>	<b>1,958</b>
		-\$41,160	-\$9,000	-\$44,790	-\$58,740
<b>OUTBUILDINGS</b>	<b>Various</b>	<b>Superior</b>	<b>Similar</b>	<b>Superior</b>	<b>Similar</b>
		-\$6,000	\$0	-\$6,000	\$0
<b>TOTAL ADJUSTMENT</b>		<b>-\$45,710</b>	<b>\$49,785</b>	<b>-\$44,020</b>	<b>-\$59,000</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>-15%</b>	<b>20%</b>	<b>-13%</b>	<b>-20%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$259,290</b>	<b>\$294,785</b>	<b>\$284,980</b>	<b>\$231,000</b>

## Discussion of Adjustments

*Concessions, Property Rights, Financing, Conditions of Sale, & Adjustments for Buyer Expenditures:* Home Sale 4 required a downward adjustment of \$5,000 for atypical closing costs paid by the seller. Based upon the information we verified, no additional adjustments were necessary in these categories for the comparables.

*Market Conditions:* The comparable sales closed in 2015 and 2016. The available data indicates that market conditions for homes on similar sized sites in the Missoula area have not changed appreciably since 2015. For this reason, no adjustment is necessary in this category.

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

*Quality:* The subject and Home Sales 1, 2, and 4 were all rated as good in overall construction quality. No adjustments were necessary for these comparables in this category. Home Sale 3 was rated as very good in overall construction quality. A downward adjustment of 10% was made to this sale as it is considered to be of superior construction quality than the subject residence. This adjustment percentage is subjective but is considered reasonable and indicative of the actions of market participants.

*Condition:* The subject and comparables were considered to be similar conditions. No adjustment was necessary in this category.

*Age:* Adjustments were considered necessary for differences in age between the subject and the comparables. The comparables were adjusted by 0.5% per year of age difference between the subject residences. This adjustment is reasonable based upon our analysis of annual physical depreciation typically found in single family residences. Improved Sales 1, 3, and 4 were recently extensively renovated. For that reason we used an effective age of 5 years for these sales.

*Bathrooms:* The subject residence includes 2 bathrooms. We utilized an adjustment amount of \$5,000 per full bathroom. There is not sufficient market data available on which to base credible adjustments in this category; however, the adjustments made are considered indicative of the actions of market participants.

*House Size:* Based upon the average sales prices per square foot for the residence associated with each sale, an adjustment for size differences between the comparables and the subject of \$60 per square foot is considered reasonable and appropriate.



*Finished Basement Size:* The subject residence include does not include a finished basement. All of the comparables included finished basement area. The finished basement areas for the comparables are considered inferior to the above grade square footage. For this reason, we used a lower adjustment of \$30 per square foot differences in finished basement area in comparison to the subject residence for each sale.

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

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

The comparables provided adjusted indications of market value for the subject improvements of \$259,290, \$294,785, \$284,980, and \$231,000. Approximately equal weight is accorded the indications from all three comparables. Considered together, the comparables provide a reasonable estimate of market value for the subject residence. The disparity between the value indications is due to the limited availability of comparable market data. A value of \$270,000 is reasonable and well supported for the subject improvements.

### **Total Value Conclusion**

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

Subject Site Value	\$220,000
Subject Improvements Value	<u>\$270,000</u>
<b>Total Value Indication</b>	<b>\$490,000</b>

## RECAPITULATION OF VALUE INDICATIONS

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

Lot #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
2	\$165,000	\$330,000	\$495,000	5/9/2015
3	\$210,000	\$170,000	\$380,000	5/9/2015
4	\$220,000	\$260,000	\$480,000	5/9/2015
5	\$220,000	\$270,000	\$490,000	5/9/2015

# **QUALIFICATIONS OF THE APPRAISERS**

## **ELLIOTT (ELLIE) M. CLARK, MAI**

### **PROFESSIONAL DESIGNATIONS**

MAI Designated Member of the Appraisal Institute (2004)

### **FORMAL EDUCATION**

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

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

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

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

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

#### **IAAO**

1991 - Standards of Practice and Professional Ethics

#### **Citadel Evening College**

1993 - Residential Appraisal Reports Using URAR Form

**William H. Sharp & Associates**

1995 - The Home Inspection

**Trident Technical College**

1997 - Uniform Standards of Appraisal

**Historic Preservation Consulting**

1998 - Appraising Historic Property

**The Beckman Company**

2004 - The Technical Inspection of Real Estate

**WORK EXPERIENCE**

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

**STATE LICENSES/CERTIFICATIONS**

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

**APPRAISAL SEMINARS ATTENDED**

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

**PARTIAL LIST OF CLIENTS**

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

## **CHRISTOPHER D. CLARK**

### **FORMAL EDUCATION**

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

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

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

### **WORK EXPERIENCE**

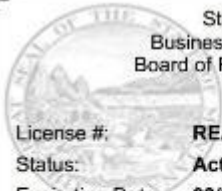

2005 - Present	Clark Real Estate Appraisal, Inc. – Real Estate Appraiser
2003 - 2005	IKON Office Solutions – Technology Marketing
2002 - 2003	Relational Technology Services – Technology Marketing
1998 - 2003	IKON Office Solutions – Technology Marketing
1988 – 1998	CMS Automation (Formerly Entré Computer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

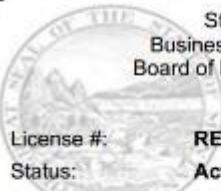

### **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Appraiser # REA-RAL-LIC-841



## APPRAISERS LICENSES

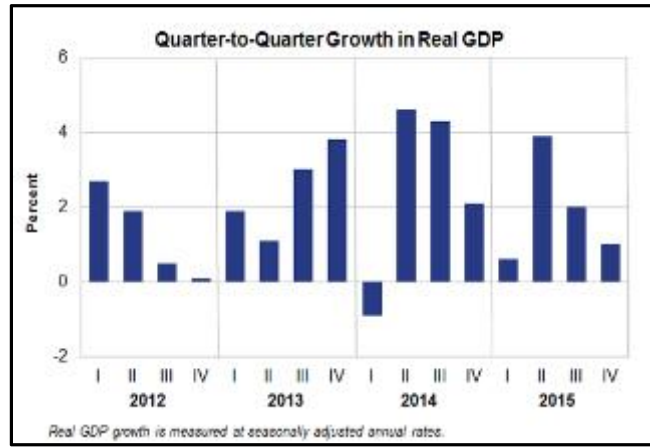
	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>CERTIFIED GENERAL APPRAISER</b> With endorsements of: REAL ESTATE APPRAISER MENTOR
License #:	<b>REA-RAG-LIC-683</b>	
Status:	<b>Active</b>	
Expiration Date:	<b>03/31/2017</b>	
<b>ELLIOTT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

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

## **ADDENDUM**

## NATIONAL ECONOMIC DATA

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



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

## STATE ECONOMIC DATA

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

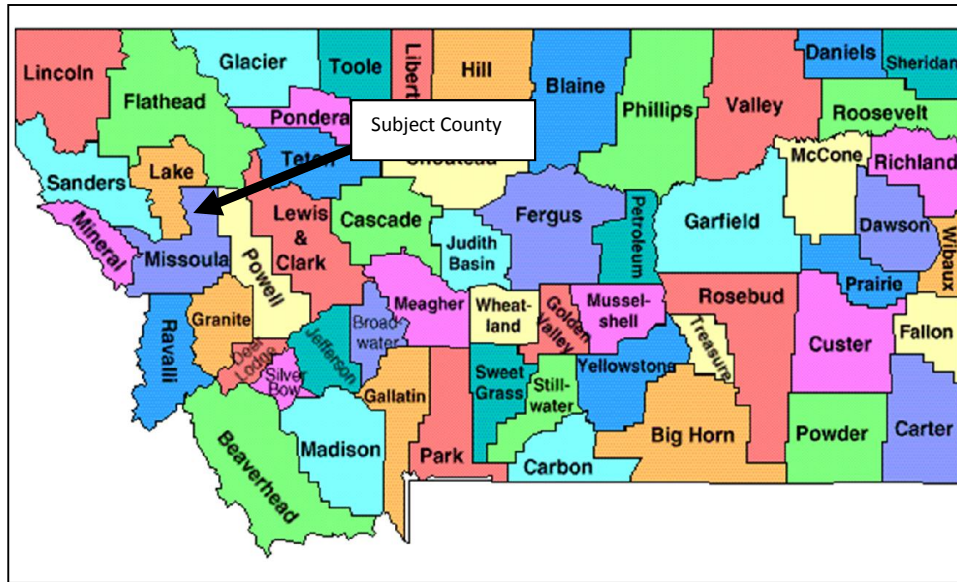
- Trade, Transportation, and Utilities
- Government (Federal, State, & Local)
- Education & Health Services
- Healthcare & Social Assistance
- Leisure & Hospitality

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

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

## MISSOULA COUNTY DATA

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



### Geographical Information

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

### City and Communities

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

### Population

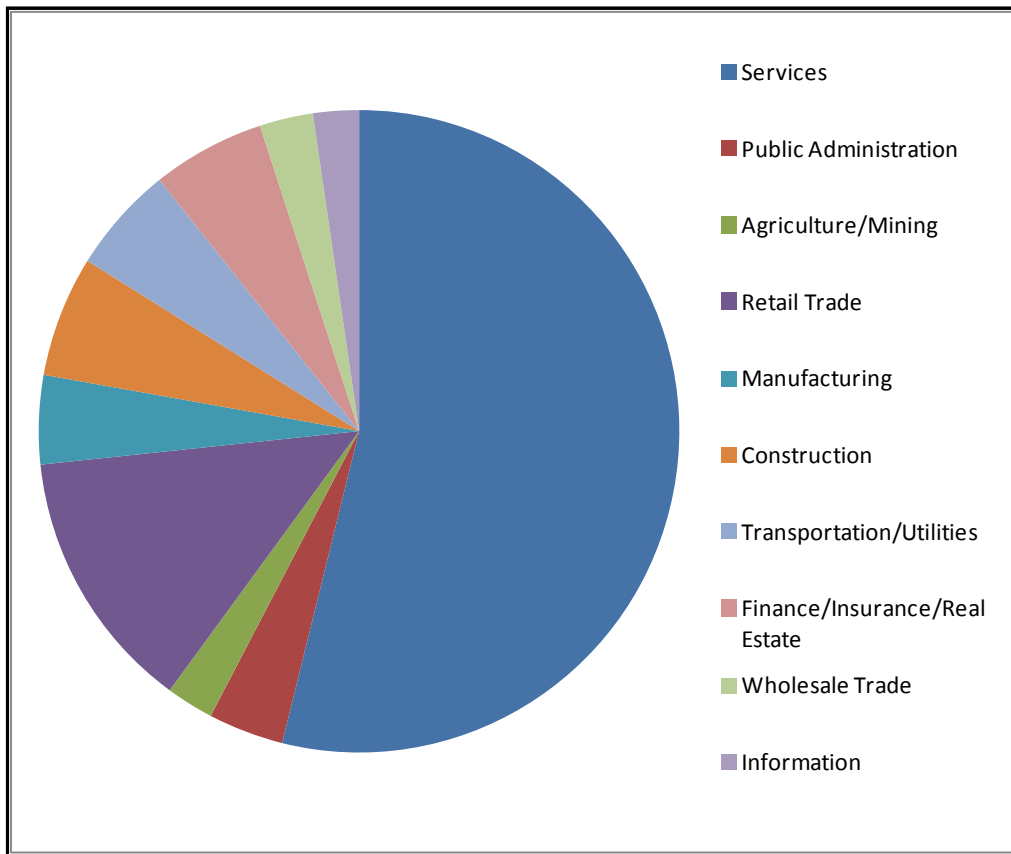
Missoula County is the 2nd most populous county in Montana. The 2015 county population estimate from ESRI based upon US Census Bureau data was 113,665. The population is projected to increase to 118,223 by 2020 or 0.8% per year.

## Income

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

## Employment

According to ESRI there were 56,415 people over 16 years of age in the workforce in Missoula County in 2010. The workforce percentages by industry are included on the chart below;



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

## Real Estate

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

**Education & Healthcare**

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

**Linkages & Transportation**

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

**County Data Conclusion**

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



## CITY OF MISSOULA DATA

Missoula is the only incorporated city in Missoula County. It is also the county seat. It is located along the Clark Fork and Bitterroot Rivers and at the convergence of five mountain ranges. The University of Montana is located in Missoula.

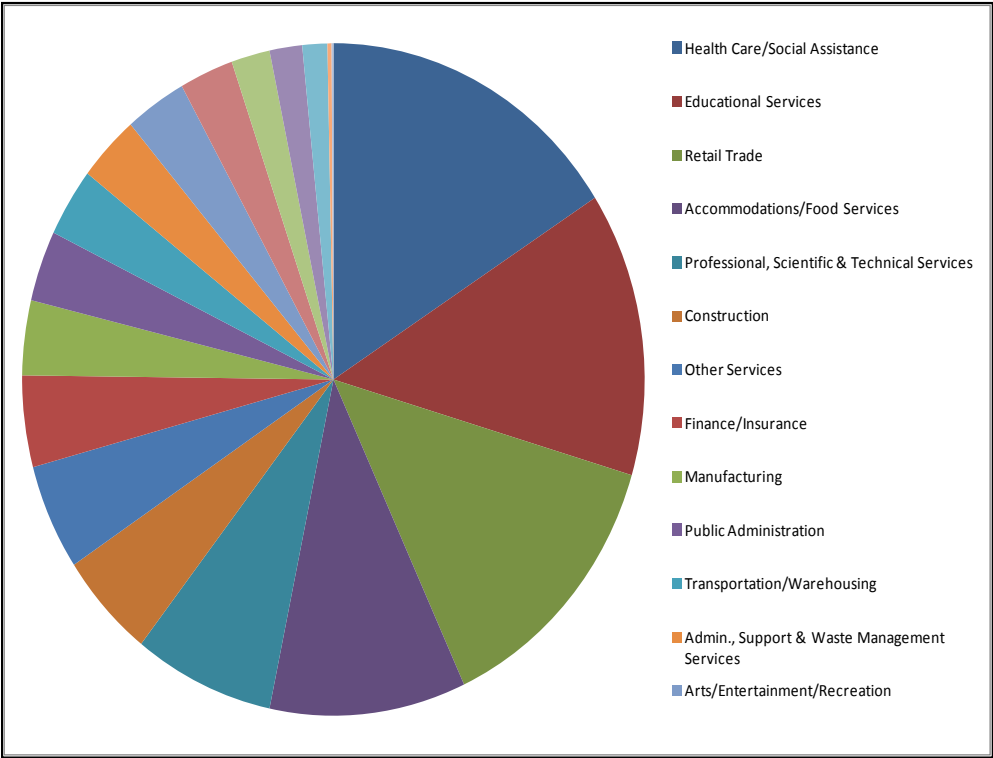
### Population and Income

According to the 2015 US Census estimates, the population of the City of Missoula was approximately 69,396. Missoula has been the second largest city in Montana since 2000. According to ESRI forecasts, the population of the City of Missoula is projected to increase approximately 3.94% by 2020. The median household income was indicated to be \$39,082 in 2015. Approximately 20% of the population were below the poverty line.

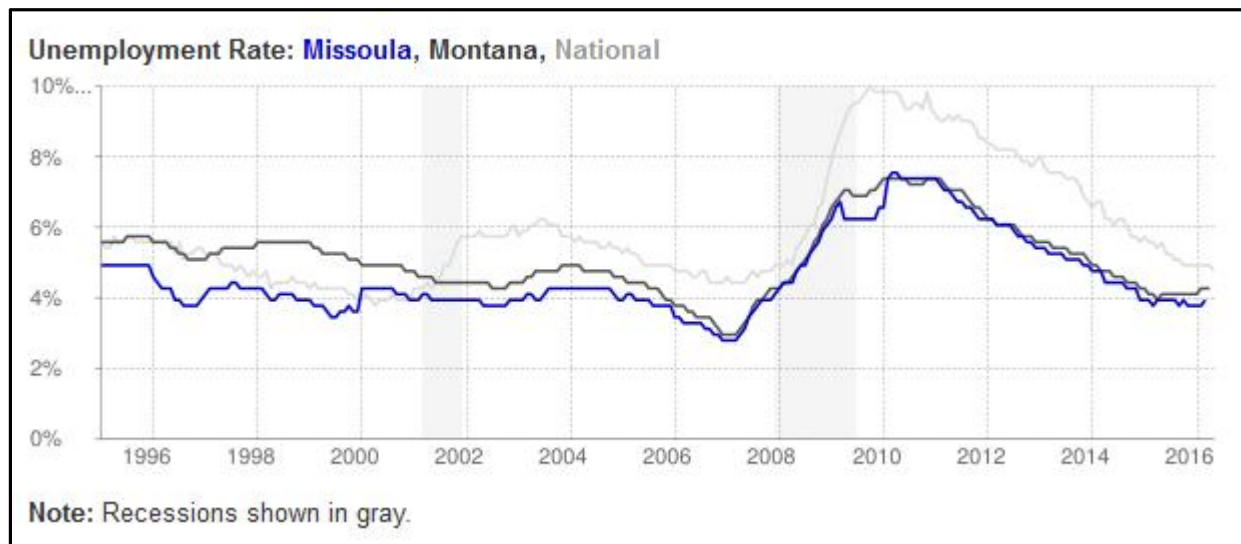
### Employment

According to data from ESRI there were 38,258 people 16 years or older in the workforce in the City of Missoula. The workforce percentages by industry are included on the chart on the following page.

The industries which include 3% or more of the workforce are identified on the right side of the graph below. The categories of healthcare, education, retail trade, and accommodations/food service make up approximately half of the workforce. The location of the University of Montana in Missoula has a significant impact on employment in the area.



According to the United States Department of Labor Bureau of Labor and Statistics, the unemployment rate for Missoula as of March 2016 was 3.9%. Historical unemployment for Missoula, the state of Montana, and the United State are included on the graph below;



The unemployment rate in Missoula increased significantly during the national recession. The employment for Missoula generally fluctuates seasonally.

### Linkages & Transportation

US Interstate 90 runs west and east along the northern edge of Missoula. The interstate connects with US Highway 93, US Highway 12, and Montana Highway 200 in Missoula. US Highway 93 serves as a major economic corridor for western Montana. It connects the Flathead Valley to the north to the Bitterroot Valley to the south.

Air travel to and from Missoula is served by Missoula International Airport. It is the largest airport in western Montana. According to the FAA, there were 350,361 enplanements in 2015 which is 5% above the previous high number in 2014. There is no passenger rail service currently in Missoula; however, there are rail lines that provide cargo service to and from other portions of Montana and national destinations.

### Residential Real Estate

According 2015 US Census data estimates, there were 30,607 households in Missoula and approximately 32,233 housing units. Approximately 42.9% were owner occupied, 52.0% were rented, and 5.0% were vacant. According the 2009-2013 ACS Housing Summary, 51.5% of the housing units were single family detached type, 44.0% were multi- family type units and 4.3% were mobile homes. The location of the University of Montana in Missoula has a significant impact on housing demand in Missoula.

Residential building permits issued by the City of Missoula through 2014 are included on the table below;



The number of residential permits of all types has increased since 2012.

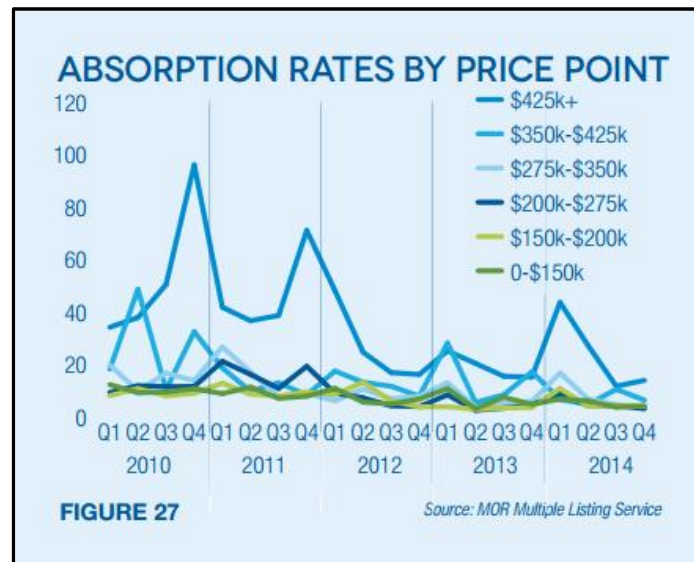
Median home sales prices for Missoula urban areas from 2005 through 2014 are included on the table below;

Year	Annual Number of Sales	Median Price	% Change in Median Price
2014	1265	\$225,000	4.7%
2013	1322	\$215,000	2.5%
2012	1068	\$209,700	2.3%
2011	878	\$205,000	2.2%
2010	903	\$200,500	-4.0%
2009	1033	\$208,775	-2.9%
2008	996	\$215,000	-2.1%
2007	1392	\$219,500	6.2%
2006	1586	\$206,600	7.7%
2005	1558	\$191,900	7.2%

**TABLE 4** Source: MOR Multiple Listing Service

Overall the residential real estate market in Missoula has continued to improve since the national recession. The number of annual home sales have increased in recent years. There was an increase in the number of foreclosure sales during the national recession; however, the number of such sales in 2014 was near pre-recession levels.

Absorption per price category is included on the table below;



According to this data, absorption for homes in most price ranges is below 10 months. The exception is the \$350,000 or greater price range.

The median household income of \$39,082 is not sufficient to afford the median home price. There is a significant need for affordable housing in Missoula. As of 2014, the waiting list for Montana Housing Authority Section 8 Vouchers totaled approximate 1,600. There were 37 people on the waiting list for the Montana Housing Authority Homeless Project in 2014.

## Commercial Real Estate

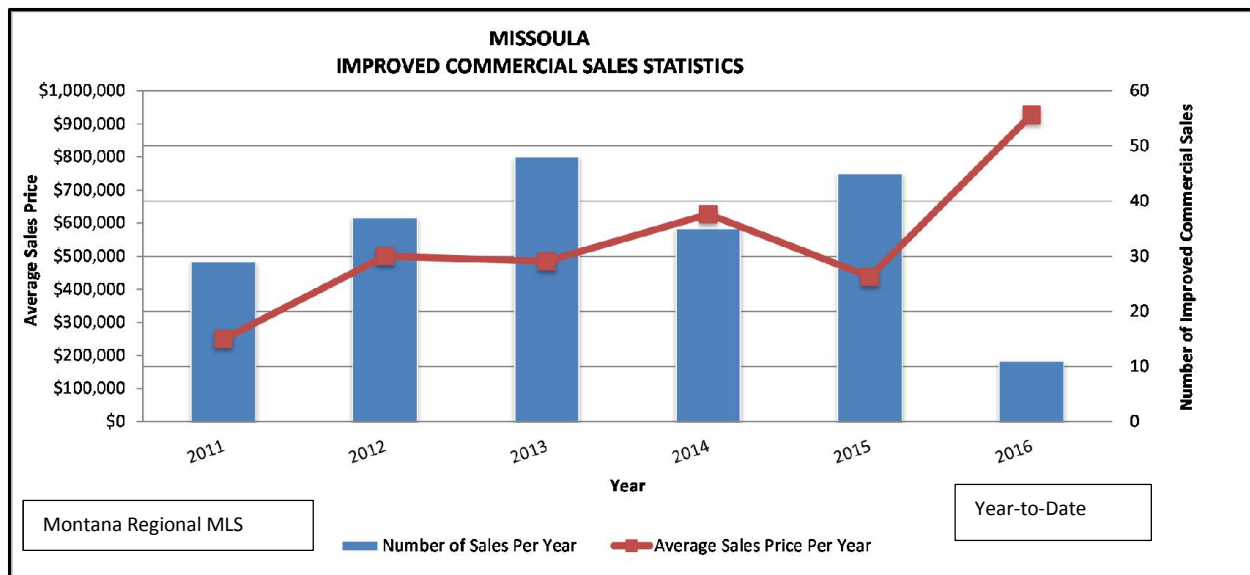
Historical commercial building permits issued by the City of Missoula are included on the table below;

Commercial Building Permits - Source: City of Missoula Development Services												
Fiscal Year	2010		2011		2012		2013		2014		2015	
Type	# of Permits	Valuation	# of Permits	Valuation	# of Permits	Valuation	# of Permits	Valuation	# of Permits	Valuation	# of Permits	Valuation
Assembly	1	\$1,964,620	1	\$844,862	1	\$278,853	2	\$2,559,355	5	\$3,824,431	5	\$3,824,431
Business	7	\$8,180,771	15	\$15,701,820	9	\$2,811,140	8	\$6,815,035	12	\$8,068,324	12	\$8,068,324
Educational			1	\$1,215,000	2	\$217,408						
Hazardous												
Institutional												
Total Construction	8	\$10,145,391	17	\$17,761,682	12	\$3,307,401	10	\$9,374,390	17	\$11,892,755	17	\$11,892,755
Commercial - Addition or Remodel	254	\$19,689,427	305	\$34,414,821	246	\$21,166,784	268	\$22,160,993	269	\$22,767,311	269	\$22,767,311
Table depicts City of Missoula Fiscal Years - July 1 - June 31												

Table depicts City of Missoula Fiscal Years - July 1 - June 31

Money spent on commercial addition or remodel typically far outpaces spending on new construction each year.

Historical sales of improved commercial properties in Missoula are included on the graph below;



According to the area MLS data presented above, demand and pricing have fluctuated during the period studied. The 2016 data indicates an average high price for the period studied; however, this data is incomplete and will likely change during the remainder of the year.

Also according to the area MLS data, there were an average of 39 sales per year from 2011 through 2015. There are currently 58 active listings which represents an approximately 1.5 year supply. Supply exceeds typical annual demand. The average list price for the active listings is \$1,294,650. The average active list price is above the highest average price received during the period studied. There will likely be downward price pressure on the active listings due the current oversupply.

## Recreation

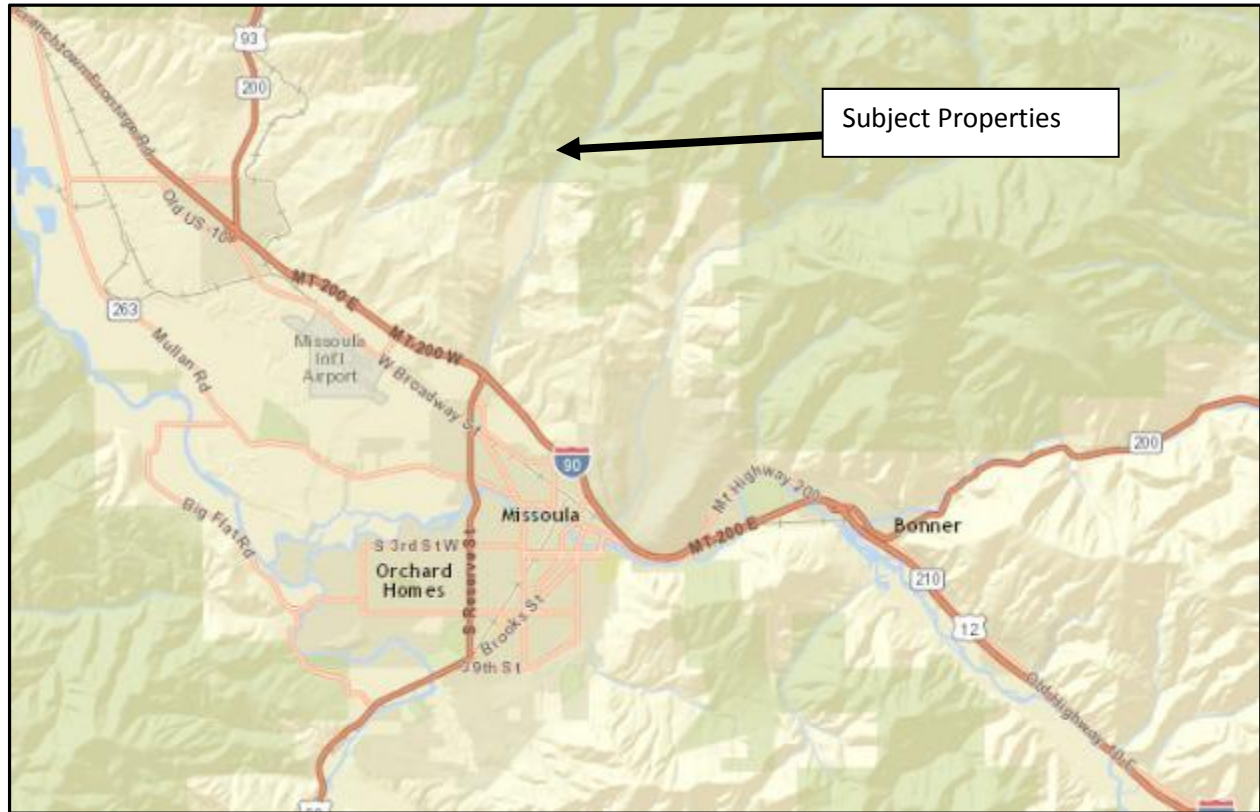
There are over 400 acres of parkland and 22 miles of trails and approximately 5,000 acres of open space in conservation land in Missoula. The Clark Fork and Bitterroot Rivers provide additional recreational opportunities.

## City of Missoula Conclusion

Missoula is the second most populated city in Montana. The population was projected to increase by approximately 3.9% between 2010 and 2015 and is projected to continue to increase at approximately the same rate through 2020. Missoula did experience the real estate “bubble” seen in other cities of Montana between 2005 and 2007; however the location of the University of Montana has been a stabilizing force. The outlook for general commercial properties is guarded; for the short term. As the population increases, demand for commercial properties will increase as well. There is a need for affordable housing in the city. The overall economy in Missoula is forecasted to continue improving.



## Missoula Area Map





# SCOPE OF WORK

(Page 1 of 3)

## ATTACHMENT B

### MONTANA DNRC TRUST LAND MANAGEMENT DIVISION Supplemental Appraisal Instructions

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

#### Subject Properties:

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

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

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

DNRC Contact Information:

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

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

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

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

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

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