

**APPRAISAL REPORT
2023 LINCOLN FLATS APPRAISALS
LINCOLN, LEWIS AND CLARK COUNTY, MT
FOR
THE STATE OF MONTANA,
THE MONTANA BOARD OF LAND COMMISSIONERS (LAND BOARD),
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
(DNRC)**



PREPARED BY:
NICHOLAS J. HOGAN, MAI
HOGAN REAL ESTATE APPRAISAL GROUP
7901 SADDLEBOW TRAIL
MISSOULA, MT 59808

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7901 Saddlebow Trail
Missoula MT 59808
Ph. 406-239-6425
nickhogan@gmail.com
kellih.mt@gmail.com

Nicholas J Hogan, MAI
MT, ID & WY General Certified

June 21, 2023

Deidra Kloberdanz, Lands Section Supervisor
PO Box 201601
Helena, Montana 59620-1601

RE: Summary appraisal report, 2023 Lincoln Flats appraisals

Dear Ms. Kloberdanz:

This letter of transmittal is an introduction to the report that follows, which includes the market information as well as the individual valuations of the subject properties. The following report, defined by the Scope of Work, is hereby presented in the requested narrative report format containing **85** pages plus addenda. Under general requirements, the appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

In addition, this report is intended to be in full compliance with all applicable laws & regulations affecting this service & report in which jurisdiction the subject property is located. The report also complies with Scope of Work for Appraisals of Potential Property Sales through the Cabin/Homesite Sale Program. The Scope of Work is key to understanding this appraisal service and the report option requested. Please read that section carefully as it most clearly defines the service rendered.

Specific reference to the issue of competency is required. I have adequate current, practical experience in the appraisal of single-family residential/recreational property. I was involved with two separate appraisals of in excess of 300 properties on Priest Lake for Idaho Department of lands in 2013. I also have been involved in appraisals of properties on Flathead Lake, the Seeley Chain of Lakes, as well as residential/recreational and commercial properties in Lincoln, MT. I also completed the appraisals for the Lincoln Airport expansion. As such, it is my opinion I have both technical as well as geographic competence to provide this sales catalog and the subsequent individual site appraisals.

The subject properties are Lincoln Flats lots, each improved with a single-family residence. The appraisal for each improved home site will include a total market value of the property, with the hypothetical condition that land and improvements are fee simple ownership, with one owner

and that a lease does not exist. It will also include a separate market value for the state-owned cabin site (land), under the hypothetical condition of it being vacant raw land exclusive of site improvements, utilities, or buildings. The third value will be an allocated or separate market value of the non-state-owned improvements, derived from the total market value determined.

Based upon my investigations, studies and analyses, my opinion of the as is fee simple market values of the subject properties, considering the specific hypothetical conditions, assumptions and limiting conditions as of April 24, 2023, is listed below.

Sale No	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2041	3.244	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 47, ACRES 3.244, COS #3242262 Scott & Catherine Joyner (LEASE 3062785)	3890 4x4 Road	\$190,000	\$150,000	\$40,000
2042	1.014	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 25, ACRES 1.014, COS #3242262 Kenneth & Jeanette Kranz (LEASE #3062389)	3337 Chokecherry Rd	\$250,000	\$130,000	\$120,000

Pursuant to USPAP, it is necessary for this appraisal to consider and analyze exposure time when developing an opinion of market value. Please refer to the Exposure Time section of this report for discussion of both exposure time and marketing time.

If there is anything further, please don't hesitate to contact me.

Professionally yours,

HOGAN REAL ESTATE APPRAISAL GROUP, LLC



NICHOLAS J. HOGAN, MAI
MT General Certificate No. REA-REG-LIC-370
Expires 3/31/24

SCOPE OF WORK

The Scope of Work was previously defined as the Scope of the Appraisal. Based on the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) 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, this has become the primary element defining the appraisal conducted here. USPAP involves binding requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, an analysis or opinion and with the reporting or communication of that appraisal opinion defined as Standards 1 & 2. The appraisal service & reporting option must be consistent with the Scope of Work defining the appraisal/consulting service and how it is to be communicated. This service complies with the regulatory requirements of the State of Montana administered by the Montana Board of Appraisers based on compliance with Standards & Ethics defined within USPAP.

The scope of work must be sufficient to result in conclusions that are credible within context of the client/intended user Scope of Work Description. For each appraisal and appraisal review assignment, the appraiser must:

- 1.) *identify the problem,*
- 2.) *determine and perform the work necessary to develop credible assignment results and*
- 3.) *disclose the scope of work in the report.*

Identify the problem to be solved:

Client and any other intended users:

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board), and the Department of Natural Resources and Conservation (DNRC).

Intended use of the appraiser's opinions and conclusions:

The intended users include the clients as well as the lessees Scott and Catherine Joyner and Kenneth and Jeanette Kranz. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision-making process concerning the potential sale of said subject property (individual properties).

Type and definition of value:

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

consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Effective date of the appraiser's opinions and conclusions:

The effective date of the appraiser's opinions and conclusions for the as is date of value, is the date of inspection on April 24, 2023. I met with a representative of the State of Montana as well as a representative for each individual tenant.

Subject of the assignment and its relevant characteristics:

The subject properties consist of two individual cabin sites located roughly less than 3 miles east of Lincoln, Montana. The relevant characteristics deal with the extent of the subject property such as legal description, inspection, analysis of property rights appraised, etc. The extent of the property identification involves both physical characteristics of the property such as the physical land and structural/site improvements as well as legal characteristics such as the fee simple estate limited by easement, covenants, restrictions, and other encumbrances relevant to the valuation problem. The physical inspection of the property included a viewing of the property. Please refer to the relevant sections of the report for detailed description involving the subject's description and relevant characteristics.

Assignment conditions:

The following Assignment Conditions were provided by the client:

- The appraiser must be a Montana certified general appraiser and be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible. The appraiser is to physically inspect the subject properties at a level that will allow the appraiser to render a credible opinion of value about the properties. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable and must have at least viewed the comparables.

- The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)
- Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.
- The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions, and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 2 (two) cabin sites identified in the Supplemental Appraisal Instructions.
- The subject property must be valued with the actual or hypothetical condition that the site has legal access.
- All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparable sales used should be the most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably with the same county or a neighboring county. Use comparable sales of like properties.
- The cabin site (land) should be valued under the hypothetical condition that it is vacant raw land without any site improvements, utilities, or buildings.
- The appraisal report must list all real property improvements that were considered when arriving at the appraised value for the improvements. Improvements means a home or residence, outbuildings, and structures, sleeping cabins, utilities, water systems, septic systems, docks, landscaping, or any other improvements to the raw land.
- The appraised value of state-owned land added to the allocated market value of the non-state-owned improvements value will not be greater than total market value of the property, with the hypothetical condition that land and improvements are in a fee simple ownership, with one owner.

For the reader's edification, I have incorporated definitions for *Hypothetical Conditions* and *Extraordinary Assumptions*. These definitions are taken from the latest edition of USPAP.

HYPOTHETICAL CONDITION: 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 the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

EXTRAORDINARY ASSUMPTION: 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.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

It should be noted that the use of extraordinary assumptions and hypothetical conditions within the report should be viewed within the context that their use might affected the assignment results.

Extraordinary Assumptions:

- None.

-Hypothetical Conditions

- The cabin site (land) is valued under the hypothetical condition that it is vacant raw land, without any site improvements, utilities, or buildings. Each of the individual subject properties has non-state-owned structural and site improvements. Therefore, in that portion of the analysis I have used the hypothetical condition that the subject property is vacant raw land, without any site improvements, utilities, or buildings.
- Based on scope of work, for purposes of valuation and analysis I have assumed each of the subject properties has physical and legal access.
- The land is currently state-owned, however; I used the hypothetical condition that the property rights are in private ownership and could be sold on the open market and appraised in Fee Simple Interest. For analysis purposes, properties that have leases or licenses are appraised with the hypothetical condition the leases/licenses do not exist.

-Jurisdictional Exceptions:

- None.

Determine and perform the scope of work necessary to develop credible appraisal assignment results:

The extent of the property identification involves both physical characteristics of the property land size, shape, access, frontage, special features, detrimental conditions, utilities, etc. There is also the need to fully identify legal characteristics such as the fee simple estate limited by easement, covenants, restrictions, and other encumbrances relevant to the valuation problem. For this appraisal, the extent of the subject inspection involved a complete viewing of the subject property. It is my opinion that I am qualified to provide this appraisal service.

Qualifications have been included within the addendum of the report and these identify or serve as evidence of the experience and expertise (competency) to provide this service. Specific to the property and location of the subject of this appraisal, it is recognized that I routinely provide appraisal services within this classification of real property & within this market area. As such, the conclusion is expressed that sufficient knowledge and experience combined with my professional qualifications are adequate to comply with competency requirements of USPAP.

As requested by the client, the problem to be solved is a traditional valuation assignment that requests an opinion of the market value of the real property interest identified. This specifies the condition of the property, unless otherwise very specifically stated, the appraisal is based on the “as is” condition of the subject property, as of the effective date of the appraisal.

In terms of the appraisal service requested, this is defined as residential/recreational tracts pursuant to the hypothetical conditions noted above reflecting vacant and unimproved land tracts as well as the total fee simple value and the value of the lessee owned improvements. The property type and the age/condition of the property suggest that not all three valuation methodologies are relevant and peer review would only expect to see the sales approach. On occasion, there are seasonal leases with this type of property, but in general, income and expenses as well as capitalization rates are not common in this market, so the income approach was not used. For the most part, the subject properties are older single-family residences, and the cost approach is not a reliable indication of value. Replacement cost new and depreciation estimates are difficult to analyze for older improvements. Therefore, the cost approach has not been included within this analysis.

Relevant to the preceding paragraph, factual market data gathered or researched for this appraisal will include sales of single-family residences as well as sales of vacant land. The primary market area and primary search area included sales within 10 miles of Lincoln, Montana. It is recognized that Montana is a non-disclosure State and verification of sales is commonly handled through real estate agent confirmation as well as buyer and/or seller verification. There are times when the confirming party does not wish to be identified or where the price is not to be

divulged. All of these elements are considered appropriate and common under peer review. I have relied upon the NW Montana MLS service to assist in the appraisal research for the Lincoln, Montana area. All of this research of data is utilized in arriving at the Highest and Best Use for the subject and to estimate the market value of the property based on that conclusion of highest and best use.

It is acknowledged that I lack special expertise or knowledge regarding the detection and measurement of hazardous substances. I was not provided with a Phase I, or Phase II environmental audit completed relating to this topic. I have assumed there to be no environmental concerns relating to the subject property and this is a more typical assumption & limiting condition. There are no known cultural resource issues affecting the subject. For “popcorn” ceilings, it is assumed this is asbestos containing material. I have assumed there is a marginal health hazard when left “in-situ”, but removal can be an expensive process. This type of ceiling is viewed by the market as a negative feature and will be discussed and adjusted for where appropriate.

The following identifies the individuals, companies and governmental agencies that have been contacted during this investigation. It should be noted that this is not considered to be an all-inclusive list although it does identify the primary contacts made.

Lewis and Clark County Appraiser/Assessor
Lewis and Clark County Treasurer
Lewis and Clark County Clerk and Recorder
Northwest Montana Realtors MLS
Amy Peterson
Robin Matthews-Barnes
Jennifer Slayden
Rebecca Garland
Joetta Snow

Lewis and Clark County Planning
Lewis and Clark County Sanitarian
Kevin Wetherell
Lorin Peterson
Clint Roberts
Scott Kennedy
Brenda Stark
Jason Westmore
Audrey Lazzarini

Disclose the scope of work in the report:

The discussion above outlines the problem to be solved and the appropriate scope of work to solve that problem.

Report Option - Standard Rule 2-2:

The 2020/2021 USPAP edition has the following reporting options. These are Appraisal Report or Restricted Appraisal Report. The rule states the report option must be prominently stated which option is used.

Further, the rule states “An appraiser may use any other label in addition to, but not in place of, the label set forth in this Standard for the type of report provided. It is my opinion this allows an appraiser to include the descriptive phrase of Summary Appraisal Report, Narrative Appraisal Report or Self-Contained Appraisal Report. These terms clearly form around the core description

which is “Appraisal Report”. For this appraisal, the reporting option is an Appraisal Report. The client made no specific requested relative to the format. In this instance, the reporting option is simply defined as a Summary Report Format.

Rights to be Appraised:

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

In terms of the appraisal service requested, the properties to be appraised are defined as recreational tracts pursuant to the hypothetical condition noted above reflecting vacant & unimproved land tracts as well as the total fee simple value and the value of the lessee owned improvements. The property type suggests that only the sales comparison approach is relevant and peer review would expect to see.

PURPOSE OF APPRAISAL

The purpose of the appraisal is to provide an opinion of the fee simple *Current Fair Market Value* of the individual cabin and home sites as described in the respective appraisal reports. The valuations are to:

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

The Appraisal Foundation requires an appraiser to conclude the value is “in terms of cash” or “of financing terms equivalent to cash”. I believe that is well beyond the public perception of the definition and what is a practical form of measurement. Some buyers have sufficient capital to pay cash. Other buyers choose to finance part or most of their purchase. Where financing terms did not specifically alter or impact price, I believe the requirement of identifying cash or equivalent is adequate. To clarify, it is my opinion the sales best relate to the term “or financing terms equivalent to cash”. I do not believe there is a market distinction between “in terms of cash or of financing terms equivalent to cash”.

DEFINITIONS

There are a few specific definitions that are believed to be critical for proper understanding. As such, this report will provide the USPAP definition for the terms used in this appraisal assignment and report.

APPRAISAL:	(noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. <u>Comment:</u> An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g. not more than, not less than) to a previous value opinion or numerical benchmark (e.g. assessed value, collateral value).
ASSIGNMENT:	a valuation service that is provided by an appraiser as a consequence of an agreement with a client.
ASSIGNMENT CONDITIONS:	Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work
EXTRAORDINARY ASSUMPTION:	See definition included under Scope of Work.
HYPOTHETICAL CONDITION:	See definition included under Scope of Work.
CLIENT:	the party or parties who engage, by employment or contract an appraiser in a specific assignment. <u>Comment:</u> The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent.
CREDIBLE:	worthy of belief. <u>Comment:</u> Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.
INTENDED USER:	the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.
INTENDED USE:	the use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.
MARKET VALUE:	a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories. (more of this definition exists but not shown in this appraisal report).

REAL ESTATE: an identified parcel or tract of land, including improvements, if any.

REAL PROPERTY: the interests, benefits, and rights inherent in the ownership of real estate.

Comment: In some jurisdictions, the terms *real estate* and *real property* have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory.

SCOPE OF WORK: See the definition under Scope of Work

VALUE: the monetary relationship between properties and those who buy, sell, or use those properties.

Comment: *Value* expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified - for example, market value, liquidation value, or investment value.

Additional definitions taken from The Dictionary of Real Estate Appraisal, Sixth Edition, are presented below and which have critical relevance to the appraisal of real estate and real property:

FEE SIMPLE ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

ENCUMBRANCE: Any claim or liability that affects or limits the title to property. An encumbrance can affect the title such as a mortgage or other lien, or it can affect the physical condition of the property such as an easement. An encumbrance cannot prevent the transfer of possession, but it does remain after the transfer.

ENCROACHMENT: 1. Trespassing on the domain of another. 2. Partial or gradual displacement of an existing use by another use, e.g., locating commercial or industrial improvements in a residential district.

EASEMENT:

The right to use another's land for a stated purpose. See also affirmative easement; conservation easement; easement appurtenant; easement by prescription; easement in gross; historic preservation easement; negative easement.

EASEMENT APPURTENANT:

An easement that is attached to, benefits, and passes with the transfer of the dominant estate; runs with the land for the benefit of the dominant estate and continues to burden the servient estate, although such an estate may be transferred to new owners. See Also easement in gross.

EXPOSURE TIME

It is a requirement of the Uniform Standards of Professional Appraisal Practice (USPAP) to incorporate discussion & analysis of *Exposure Time* within a market value analysis of the subject property. As previously defined by the Appraisal Standards Board of the Appraisal Foundation, the term states:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

It is often assumed that this is consistent with the concept of *Marketing Time*. This has been defined within The Dictionary of Real Estate Appraisal, Sixth Edition, published by The Appraisal Institute as follows:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal (Advisory Opinion 7 or the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and market time.)

The simple issue between these two definitions is one of historical evidence Exposure time is always presumed to precede the effective date of the appraisal and prospective or future occurrence is marketing time. These may be the same in a stable market or opposite trends in a changing market. The situation could be a relatively weak or soft market noted by historical evidence, yet current trends reflect a strong demand and investor expectations for continued strong demand. That could present opposite exposure time and marketing time discussions/conclusions.

Vacant Land Days on Market

Land Sale #1	46
Land Sale #2	32
Land Sale #3	116
Land Sale #4	66
Minimum	32
Maximum	116

SFR Days on Market		MH Days on Market	
Sale No. 1	33	MH Sale No. 7	69
Sale No. 2	46	MH Sale No. 8	44
Sale No. 3	26	MH Sale No. 9	49
Sale No. 4	42	MH Sale No. 10	145
Sale No. 5	116		
Sale No. 6	59		
Minimum	26	Minimum	44
Maximum	116	Maximum	145

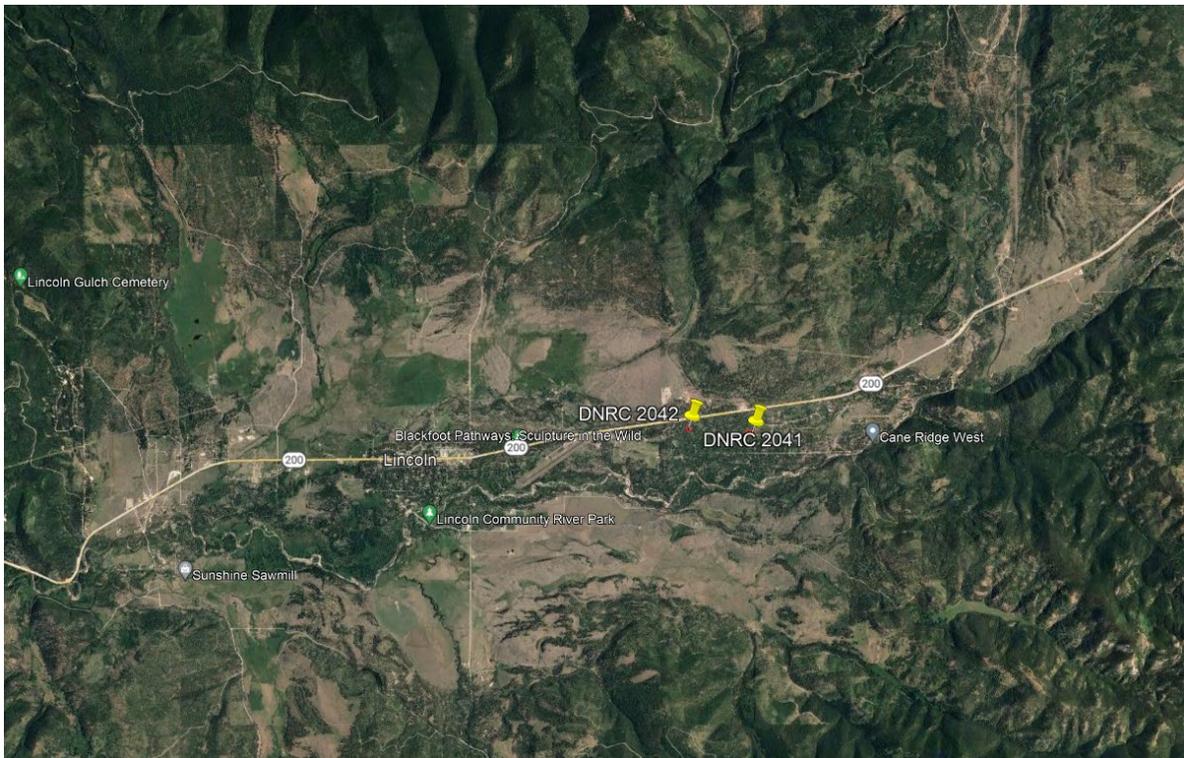
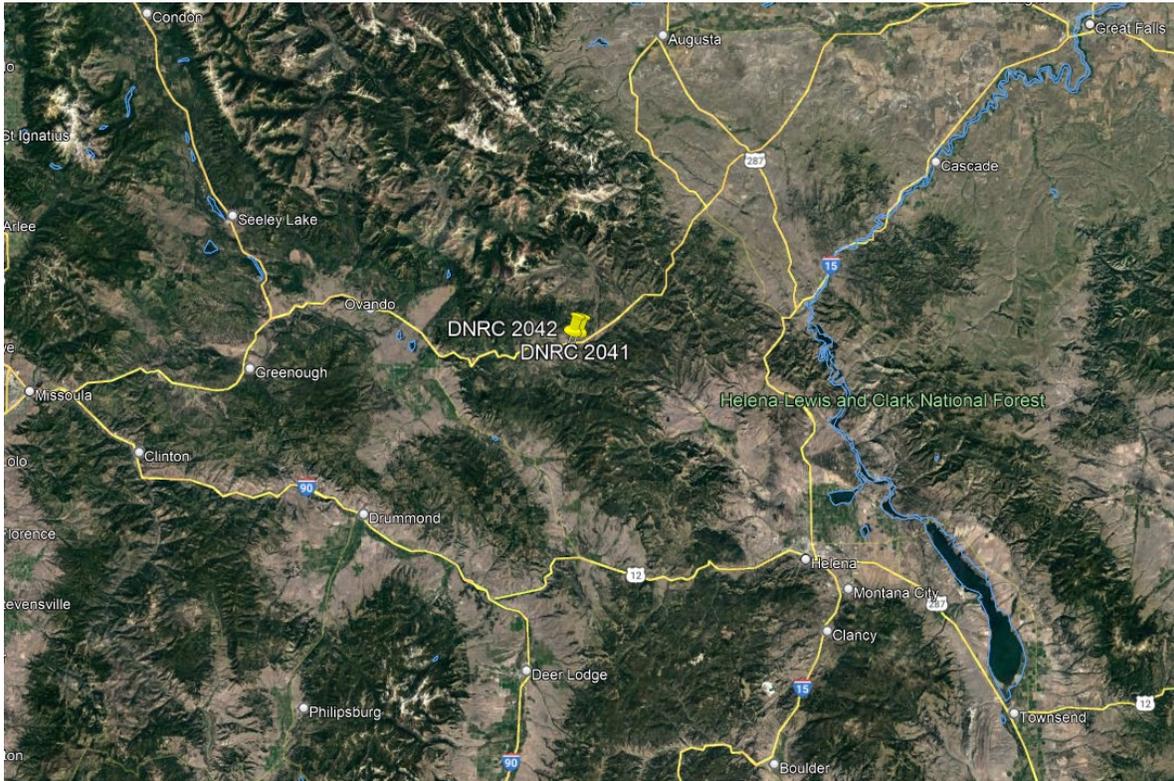
The number of days on the market for the vacant land sales analyzed ranged from 32 days to 116 days. The single-family residential sales analyzed ranged from 26 days up to 116 days and the manufactured home sales ranged from 44 days to 145 days on the market. All of the improved properties, as well as vacant land properties sold in less than 6 months. Overall, there is a reasonable expectation that both vacant land and an improved single-family residential property would have an exposure time of 3 to 6 months in this market.

REAL ESTATE TAXES

Sale No.	Legal Description Lessee	Address	2023 Taxes	2023 Markt Value (county)
2041	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 47, ACRES 3.244, COS #3242262 Scott & Catherine Joyner (LEASE 3062785)	3890 4x4 Road	\$182.11	\$10,790
2042	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 25, ACRES 1.014, COS #3242262 Kenneth & Jeanette Kranz (LEASE #3062389)	3337 Chokecherry Rd	\$497.64	\$52,360

There are no taxes due on the underlying land given the state ownership. Taxes for the improvements for each subject property are noted in the tabulation above.

GENERAL AREA & NEIGHBORHOOD MAPS



GENERAL AREA & NEIGHBORHOOD DATA & TRENDS

The subject property is located in the Lincoln area of Lewis & Clark County which is an unincorporated community with a census designated place that extends 6 miles east up the Blackfoot River valley and 3 miles west down the valley, for a total area of approximately 18 square miles. Lincoln is located approximately 77 miles east of Missoula, 87 miles southwest of Great Falls and 65 miles northwest of the county seat of Lewis & Clark County, which is Helena.

The Town of Lincoln provides basic services, including K – 12 school administered by the Lincoln Public School District #38 as well as a public library which is a branch of the Lewis & Clark Library. There are also bank services, fuel and grocery sales, restaurants, bars, and lodging facilities in Lincoln as well as church services. All other social, shopping, and medical services are found in the 3 metropolitan areas identified in the general area. Lincoln does have an airport which provides FBO services but no commercial air service.

Population statistics for Lincoln, Helena, Missoula, Great Falls as well as each respective county are shown below. This is the basic data necessary to understand the demographics of the area, but the Lincoln area is most noted for the direct proximity to the Bob Marshall Wilderness Area as well as all the other recreational aspects of this sub-market between these 3 metropolitan areas in Montana.

City/County	2010 Census	2020 Census
Lincoln	1,013	1,017
Helena	28,190	32,091
Lewis & Clark County	63,395	70,973
Missoula	66,788	73,489
Missoula County	109,299	117,922
Great Falls	58,505	60,442
Cascade County	81,327	84,414

The subject neighborhood is identified as either a physically delineated area or one set aside by a grouping of complimentary land uses. In this situation, the neighborhood boundaries are the Town of Lincoln and all areas within 30 miles of this town. The Rogers Pass area helps to establish the northeastern boundary and Flesher Pass sets the southeastern boundary. The Town of Ovando helps establish the western boundary and the Bob Marshall Wilderness Area establishes the northern boundary.

Land uses found within this area typically represent rural lands with a mix of agricultural, recreational and residential uses. With the exception of the Town of Lincoln where some basic commercial services exist, there are no commercial and industrial uses found in the

neighborhood. There is a post and pole facility on MT Highway 200 between Lincoln and the subject but few other such uses.

Traffic connection is primarily Montana Highway 200 which connects Missoula to Great Falls and Montana Highway 279 which connects Helena to Montana Hwy 200. These are paved roadways that are considered well maintained and serviced year-round.

Topography in this area varies tremendously and which is typical of this part of Montana with valley bottoms having river influence and steep, timbered mountainous terrain in most areas, within 50 miles of the Town of Lincoln. The Bob Marshall Wilderness Area is a key point to the recreational attraction of the area but the Blackfoot River and its notoriety surrounding the quality of the fishery is also a key attraction. Lincoln lies 4,536 feet above sea level and has a humid continental climate bordering on subarctic climate with the average high temperature in the winter months of 32.3 degrees Fahrenheit and the average high summer temperature of 75.9 degrees.

Market Analysis:

The Appraisal of Real Estate, Thirteenth Edition, published by the Appraisal Institute deals with the term *Market Analysis* and defines it as “*A process for examining the demand for and supply of a property type and the geographic market area for that property type. This process is sometimes referred to as a use in search of a site.*” In addition, there is a *Marketability Analysis*. This is defined as “*A process that investigates how a particular piece of property will be absorbed, sold, or leased under current or anticipated market conditions; includes a market study or analysis of the general class of property being studied. This process is sometimes referred to as a site in search of a use.*” The latter includes market analysis and an opinion of capture (sometimes referred to as fair share). As part of this analysis, the appraiser is required to analyze the two types of real estate markets: capital markets (buyers and sellers) and fundamental markets (user market).

The basics of marketability (measure of market support) tend to rely on an equilibrium between supply and demand; particularly as these terms apply to economic models. Therefore, if the subject is priced according to its location (land value) and physical attributes (improvements) where it will capture its share (fair share) of the market, there would be market support for the real estate. This is both a consideration of current and existing supply as well as the incorporation of future growth in competition (supply).

There are very clear issues involved in all three valuation approaches that deal with market/marketability analysis. The market analysis presented here is not intended to be a fundamental market analysis. Rather, it is a recognition of the appraisal analysis that identifies the subject property as to a particular real estate product (type) and the real estate market in which this property competes (location, Montana). The reader is instructed that under a scope of work analysis, it is my opinion that a brief inferred market analysis is adequate to allow for a credible appraisal result. *Inferred Market Analysis*, is defined in The Appraisal of Real Estate, Fifteenth Edition as “*Demand projected on the basis of historic trends, current market conditions, rates of change, and absorption patterns.*”

Location/Product Analysis:

The subject property consists of two individual cabin sites situated roughly 3 miles east of Lincoln, Montana and less than a mile south of MT Highway 200 in the Lincoln Flats Development. The subject location is a rural and residential/recreational location that represents a mix of seasonal and year-round residences.

Demand/Supply Analysis:

Single-Family Residential Sales

Year	Average Sales Price	Median Sales Price	High Price	Low Price	DOM	# of Sales
1st Quarter 2023	\$195,000	\$250,000	\$255,000	\$80,000	82	3
2022	\$596,130	\$292,500	\$5,000,000	\$135,000	123	20
2021	\$332,665	\$265,000	\$1,168,500	\$75,000	86	35
2020	\$259,770	\$207,500	\$1,100,000	\$40,000	207	38
2019	\$307,063	\$252,000	\$995,000	\$55,000	241	24
	Average List	Median List	High Price	Low Price	DOM	Listings
Active	\$1,293,286	\$650,000	\$3,750,000	\$300,000	112	7

Vacant Land Sales

Year	Average Sales Price	Median Sales Price	High Price	Low Price	DOM	# of Sales
1st Quarter 2023	\$171,250	\$122,500	\$325,000	\$115,000	96	4
2022	\$157,820	\$135,000	\$365,000	\$25,000	74	15
2021	\$104,215	\$62,500	\$395,000	\$13,000	166	20
2020	\$84,036	\$62,750	\$225,000	\$35,000	177	14
2019	\$56,278	\$43,500	\$130,000	\$17,500	253	9
	Average List	Median List	High Price	Low Price	DOM	Listings
Active	\$600,000	\$600,000	\$600,000	\$600,000	284	1

The tabulation above outlines single-family residential sales and vacant land sales in the 10 mile radius area around Lincoln over the past four years as well as the first quarter of 2023. The last row for each category shows active listings for each. When looking at the total number of sales, the data shows there was a significant influx in buyers in this market for both single-family residential and vacant land property since 2019, which is reflective of the overall market in western Montana, with buyers seeking residential and recreational properties.

Average and median prices can be severely impacted by the high and low pricing in the subject's immediate market area. Looking at the single-family residential sales in 2022, the low sales price was \$135,000 and the high sales price was \$5,000,000. The average sales price was \$596,130 in 2022 versus \$195,000 in the current year and \$332,665 in 2021. It appears the average price was influenced in 2022 by three upper end sales of \$5,000,000, \$1,050,000, \$949,000. Fourteen of

the twenty sales were under \$400,000. This wide range of prices makes the average sales price less meaningful for analysis with more consideration given to the median price as a better reflection of overall price trends in this market. The median sales price has mostly been in the mid-to-upper \$200,000 range over the last 4 ½ years for single-family residential properties and jumped to \$135,000 for vacant land in 2022 from \$62,500 in 2021. The trend so far in 2023 looks to be near the 2022 median sales price. Days on market have fluctuated a bit but has consistently been under 9 months for both single-family residential and vacant land since 2019 and less than 6 months since 2021.

Currently there is only one vacant land property available in the market and is listed for \$600,000. There are only 7 single-family residential properties available with the lowest listing price of \$300,000 and the highest at \$3,750,000, and median price of \$650,000. The land has been on the market for 284 days and the average days on market for the single-family residential properties is 112 days.

Subject Marketability:

Overall, the marketability of the subject properties would be considered good. There simply are very few listings of either vacant land or single-family residential properties in the Lincoln area and the market is showing a demand for these types of properties. The demand/supply analysis shows that more properties of this nature are selling than historically and they are staying on the market for less than a year and less than a few months in the most recent year or so. Buyers are still showing an interest in properties in western Montana of a residential/recreational nature.

Demographics:

Population by Year

Year	Population	Growth	Rate
2021	1,096	79	7.70%
2020	1,017	160	18.67%
2019	857	-	-

As noted above, the community of Lincoln is a very small area. The Census Bureau’s ACS 5-year estimate data is tabulated above showing a population increase in 2021 of 7.7% and 18.67% growth rate in 2020 persons.

Households

Household Type	Count	Average Size	Home Owner	Home Renter	Median Income
All	463	2.2	81.2	18.2	\$36,271
Married	250	3.07	92.4	7.6	\$47,679
Non Family	207	1.11	70	30	\$21,823
Other	6	3.17	0	100	-

There are currently 463 households in Lincoln with a median household income of \$36,271. Of those households, 250, which is more than half, are married families with an average household income of \$47,679. A large majority of households are owned with only 18.2% occupied by renters. The average size of households in the area is 2.2 persons.

Employment

Category	# of Persons	% of Persons	Median Income
Food Prep & Service	89	18.40%	\$9,950
Building & Grounds Cleaning & Maintenance	72	14.90%	\$6,815
Office & Admin Support	62	12.80%	\$17,279
Construction/Extraction	47	9.71%	\$20,486
Management	46	9.50%	\$16,534
Sales	34	7.02%	\$20,556
Transportation	26	5.37%	\$46,923
Other	108	22.31%	-
Total	484		

There are 484 people in the workforce living in Lincoln with the highest number of workers in the food and service industry, making up 18.4% of the workforce. This category has the second median income of \$9,950. Maintenance and office administration has the lowest median income of \$6,815 and 14.9% of the workforce is occupied in that field. Transportation jobs represent the highest paid category recorded in the statistics and account for 5.37% of the workforce. This information is based off the Census Bureau's ACS 5-year estimate data.

HIGHEST AND BEST USE

The following definition of Highest and Best Use is taken from The Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition.

1. *The reasonably probable use of a property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity.*
2. *The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)*
3. *[The]the highest and most profitable use for which a property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)*

I have also included the previous definition from the Fifth Edition.

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 four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternately, the probable use of land or improved property-specific with respect to the user and timing of the use - that is adequately supported and results in the highest present value.

As taken from this same source, the definitions of *highest and best use of land or a site as though vacant* and the definition of *highest and best use of property as improved* are presented for the clarity of discussion.

As vacant:

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

As improved:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Implied within this determination of Highest and Best Use is that the result is formed by the appraisers' interpretation of market evidence, e.g., that the use determined from analysis represents an interpretative opinion and not a fact to be found.

In appraisal practice, the concept of Highest and Best Use requires that the appraiser considers any and all uses to which the property was capable of being adapted. Consideration must be given to these uses, recognizing the limitations imposed first by governmental regulations such as zoning ordinances, building codes and health standards and secondly, by the attitudes of the typical investors in real property of this type in the area encompassing the subject property.

The land value is based on a premise of the Highest and Best Use of the property as though vacant. There are four tests which are considered in developing an opinion as to the Highest and Best Use of the property. These four tests include an examination of uses that are physically possible, legally permissible, financially feasible, and maximally productive. Within the Montana markets I have found it more prudent to begin the analysis with legally possible since this helps refine the analysis quickly and to the point.

There are five general uses which are considered. These include residential, commercial, industrial, agricultural, and recreational.

Legally Possible:

The subject property is located within Lewis and Clark County. There is no zoning on the subject property.

Physically Possible:

Both properties have physical and legal access. Both subject properties have utilities consisting of electrical power and telephone service. There is no natural gas service in the immediate area.

DNRC Sale No. 2041 has a high speed internet connection a private well with a hand pump, but no septic system. The property has no known physical limitations for on-site septic, given the size of the site and location.

DNRC Sale No. 2042 has a private well and septic system installed and connected to the improvement, as well as additional hook-ups to an RV site. Lewis & Clark County Sanitation Department confirmed they do not have a permit for the septic on record, which doesn't mean it is not legal, only that it was installed prior to when they began permitting them in 1973. The cabin was built in 1965, so it is assumed the septic was installed around that time, which makes it approximately 60 years old.

Financial Feasibility:

Each site can be used for either or both recreational utility and/or residential use. The key points to be discussed in each site appraisal will be the suitability and adaptability for on-site sewer, for

access, for topographic issues including slope, and overall usability. Both sites have adequate year-round access, as well as suitable building areas for improvements.

Maximum Productivity:

The maximum productivity of each site will be the ability to incorporate both residential & recreational (to a lesser extent) aspects of land use. Each site supports a single dwelling unit in a rural location. There are a variety of year-round residences as well as recreational, seasonal cabin sites in the subject's immediate neighborhood. Each site has electricity & telephone to the lot line, without consideration of how those utilities were brought to the lot line.

The individual appraisals will discuss and detail the maximal productivity of each site based on the physical characteristics of each. In broad categorization, these are both single residential/recreational lots capable of supporting a single dwelling unit with some ancillary buildings such as a garage and storage shed. Generally, these are single-family residential sites, with some recreational overtones which is more of an impact of the location.

Who is the Most Likely Buyer:

The most likely buyer would be a recreational or possibly full-time user of the property. The subject properties have a close proximity to Lincoln which is a smaller community. For purposes of highest and best use the primary expectation is for an integrated highest and best use between residential (primary) and recreational.

THE APPRAISAL PROCESS

The appraisal process is an orderly procedure wherein the problem is defined, the work necessary to solve the problem is planned, and the data involved is acquired, classified, analyzed, and interpreted into an estimate of value requested.

There are three traditional approaches utilized by the appraisal professional which render a preliminary indication of value. They are generally referred to as the *Cost Approach*, the *Income Approach*, and the *Sales Comparison Approach*.

The Cost Approach is an estimation of the value of the land, as if vacant, by market comparisons, and then the depreciated or contributory value of the improvements is added. The Income Capitalization Approach produces a value indication by capitalizing the net income or earnings power of the property by a rate reflected by market transactions or behaviors. The Sales Comparison Approach is a technique that produces an indication of value by a direct comparison of similar property types that have recently sold in the market to the subject property; appropriate adjustments made when and where necessary.

The three approaches to value do not necessarily apply to all types of property as the appraiser must decide whether a particular approach is applicable in each instance. The key to this decision is whether or not the approach is practical as a yardstick of market performance or merely a theoretical application.

These observations are particularly pertinent in the appraisal of properties in transition to a higher and better use as well as special use properties where value-in-use is more applicable than market value.

The individual appraisals of the sites are based on the overall value of the property as well as segregated values for the underlying land and non-state-owned structural and site improvements. In this instance the income approach is not something that would allow for a reliable and credible opinion of current market value. In addition, the overall age of the structural improvements as well as the value of the underlying land makes the cost approach unreliable and non-credible. The most suitable approach for the appraisals of the sites is the Sales Comparison Approach.

SALES COMPARISON APPROACH

A definition of this approach taken from The Dictionary of Real Estate Appraisal, Sixth Edition published by The Appraisal Institute has shown the following:

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Generally, in applying this approach, the comparable sales are reviewed in terms of physical similarities or dissimilarities, market condition differences, terms of sale, motivation factors involved, etc. When sufficient data is available, the approach takes on added dimension or credence. When there are very few comparable sales with only a relative degree of similarity, the approach is considered to be less applicable and therefore less reliable as an indication of value for the subject property.

As noted in the Fourteenth Edition of The Appraisal of Real Estate published by The Appraisal Institute dated 2013, the following is the identified systematic procedure employed within this technique:

1. *Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Information on agreements of sale, options, listings and bona fide offers may be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.*
2. *Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property such as buyer motivation, economic characteristics (if the property is income-producing), value component allocations, and other significant factors such as information about the market to ensure that comparisons are credible.*
3. *Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit)) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.*
4. *Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that*

property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.

5. *Reconcile the various value indications produced from the analysis of comparables to a value conclusion. A value opinion can be expressed as a single point estimate, as a range of values, or in terms of a relations (e.g. more or less than a given amount).*

In terms of direct comparison, there are ten basic elements that should be factored into the technique. These consist of:

1. *Real property rights conveyed*
2. *Financing terms (i.e., cash equivalency)*
3. *Conditions of sale (i.e. motivation)*
4. *Expenditures made immediately after purchase*
5. *Market conditions (i.e., time)*
6. *Location*
7. *Physical characteristics (e.g., size, soils, access, construction quality, condition)*
8. *Economic characteristics (e.g., expense ratios, lease provisions, management, tenant mix)*
9. *Use (e.g., zoning, water and riparian rights, environmental, building codes, flood zones)*
10. *Non-realty components of value (e.g., business value, chattel, franchises, trademarks)*

The sales comparison approach is reflective of the basic principles of Anticipation, Balance, Change, Competition, Contribution, Externalities, Opportunity Costs, Substitution, and Supply/Demand. The essence of comparison is direct similarity and that focuses on similarity of highest and best use and then physical characteristics.

SALES COMPARISON APPROACH – LAND VALUE



Land Sale No. 1
4157 Snowdrift Lane



Land Sale No. 2
4060 4x4 Road



Land Sale No. 3
4173 Abe Lincoln Road



Land Sale No. 4
4472 Abe Lincoln Road

Categories	Land Sale #1	Land Sale #2	Land Sale #3	Land Sale #4
Address	4157 Snowdrift Ln	4060 4x4 Rd	4173 Abe Lincoln Rd	4472 Abe Lincoln Rd
Sale Price	\$60,000	\$135,000	\$130,000	\$159,000
Price/Acre	\$81,081	\$151,685	\$62,802	\$20,703
Price/SF	\$1.86	\$3.48	\$1.44	\$0.48
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash	Cash	Cash	Cash
Conditions of Sale	Market	Market	Market	Market
Expenditures Made Immediate to Sale	None	None	None	None
Improvement Value				
Sale Date/Market Conditions	12/16/2021	6/21/2022	3/3/2023	8/3/2021
Time Lapse	16	10	2	21
Location	E of Lincoln	E of Lincoln	E of Lincoln	E of Lincoln
Size (SF)	32,234	38,768	90,169	334,541
Size (Ac)	0.74	0.89	2.07	7.68
Access	County/gravel-year round	County/gravel-year round access	County/gravel-year round	County/gravel-year round
Topography	Mostly level	Mostly Level	Mostly level	Mostly level
Utilities	Electric & telephone	Electric & telephone	Electric & telephone	Electric & telephone
Improvements	None	Septic & well	None	Septic permit
Zoning/Land Use	None	None	No zoning/covenants apply	No zoning/covenants apply
Vegetation/Tree Cover	Mostly open with a few trees	Good	Good	Good mix
Water Resource	None	None	None	None
Corner Lot	No	No	Yes	No

Property Rights Conveyed:

The sales represent a fee simple conveyance where the transactions do not reflect unusual limitations to the private property rights associated with real estate ownership. The sales typically include utility easements where the easement is along a boundary line. There are no sales where an adjustment for property rights conveyed is necessary.

Financing Terms:

The definition of market value requires the conclusion to represent a cash sale price *or its' equivalent*. There are many interpretations of what constitutes a cash sale, but emphasis should be on cash equivalency. In simple terms, consideration must be given to determine if the financing conditions affected the price paid. If the terms did not influence price, then the sale is regarded as cash equivalent. There are times a seller does not, nor would they accept a full cash sale due to tax consequences. As such, the fact the property sold on contract is not a significant element to the price paid as long as the terms of the contract sale did not influence the price paid. In full review of the sales, I have found no transaction to require a cash equivalent adjustment. Where terms are questionable, I will discuss the possible effect within that particular analysis.

Conditions of Sale:

This relates to the motivational influences of each sale. Specific to discussion are sales that had been influenced by an atypical condition reflected by either the seller or the buyer. Such examples are classified as either a distressed sale where the seller was required to sell because of unusual circumstances.

Most of these examples are lender sales shown as a "short sale" or an "REO" (Real Estate Owned) which is most often where a bank received the property back from the borrower under a deed-in-lieu-of-foreclosure. The bank then puts the property on the market as an REO. There are motivational issues typically influencing the listing price and that results in a lower-than-market sale price. There are no sales included within the analysis that have an impact from conditions of sale.

Expenditures Made Immediately After Sale

Land Sale No. 1 included several older residential improvements that needed to be demolished. The listing realtor stated the estimated cost of removal was \$12,000 and that amount was factored in when pricing the property on the market. I applied the estimated cost of demolition as an adjustment to that sale under expenditures made after purchase. Emphasis is to the listing agent estimate for demolition costs.

Market Conditions (Time of Sale):

This measurement reflects the change in price levels over time. A sale/resale of this type of property is the best determination of a time of sale adjustment. This is because there are quality and location issues that cannot be quantified when looking at paired sales. Interviews with brokers, agents, and other market participants have brought forth a consensus there has been some market conditions adjustment in this market over the past couple years. Most local real estate agents and brokers I interviewed indicated the market is steady to slightly improving.

These sales are indications of a rise in general market conditions and not a result of remodels or improvements, as the pairing used were examined and eliminated if significant changes were made to the properties.

Sale Address City	Date New Price	Sale Address City	Date Old Price	Months	Monthly Compound
4342 Snow Fleury Lane Lincoln	04/05/22 \$135,000	4342 Snow Fleury Lane Lincoln	07/22/21 \$125,000	8	0.92%
50 Aspen Way Marysville	03/13/23 \$296,000	50 Aspen Way Marysville	08/12/21 \$275,000	19	0.39%
284 Attwood Place Marysville	08/27/21 \$242,500	284 Attwood Place Marysville	10/09/19 \$180,000	23	1.33%
210 Braziel Lake Loop Helmville	08/21/20 \$447,788	210 Braziel Lake Loop Helmville	08/26/19 \$424,900	12	0.44%
10647 Creektop Drive Canyon Creek	01/24/23 \$879,000	10647 Creektop Drive Canyon Creek	07/15/20 \$474,000	30	2.06%
13621 Hoover Creek Road Helmville	4/5/2022 \$345,000	13621 Hoover Creek Road Helmville	12/21/2020 \$290,000	15	1.13%
3796 Little Wolf Creek Road Wolf Creek	1/20/2023 \$370,000	3796 Little Wolf Creek Road Wolf Creek	2/14/2020 \$218,000	35	1.51%

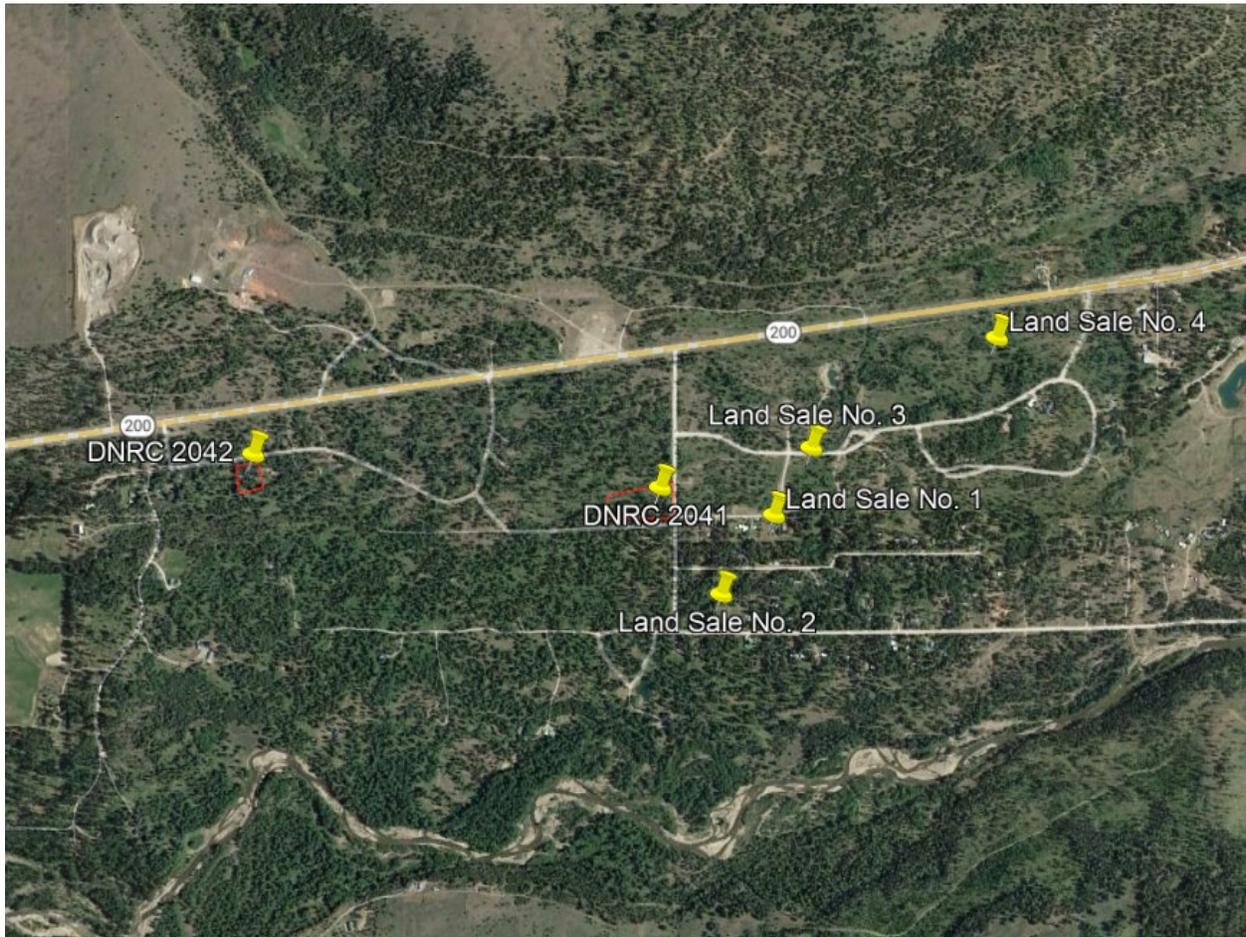
There was only one sale/resale of a single-family residential property in the immediate Lincoln area, so I expanded my search to a 30-mile radius of Lincoln to include other rural communities similar to Lincoln in terms of population, proximity to services and recreational opportunities. The tabulation above includes the one sale/resale in Lincoln, as well as six other sale/resales in the search area. The data set provides a good range of original sale dates in 2019, 2020 and 2022, with the resale dates occurring in 2020, 2021, 2022 and 2023. The range shows a monthly compound adjustment rate of 0.39% up to 2.06%. The one sale in Lincoln which was originally sold in 2021 and then resold in 2022 indicates a monthly compound adjustment of 0.92% and the average of all the sales indicates 1.11% monthly compound adjustment.

Sale Address City	Date New Price	Sale Address City	Date Old Price	Months	Monthly Compound
8480 Thunder Road Lincoln	12/02/22 \$150,000	8480 Thunder Road Lincoln	10/21/19 \$47,500	37	3.12%
Nhn Bear Gulch Lincoln	06/23/22 \$55,000	Nhn Bear Gulch Lincoln	04/25/22 \$52,500	2	2.43%
TBD Lincoln Road W Canyon Creek	03/02/23 \$99,900	TBD Lincoln Road W Canyon Creek	12/02/22 \$90,000	3	3.59%
Lot 28 Twin Peaks Road Helmville	06/30/21 \$65,000	Lot 28 Twin Peaks Road Helmville	10/10/19 \$37,500	21	2.70%
Lot 56 Beaverslide Road Helmville	11/17/22 \$70,000	Lot 56 Beaverslide Road Helmville	02/04/21 \$49,000	21	1.68%
Lot 57 Bison Hollow Road Helmville	3/25/2023 \$73,000	Lot 57 Bison Hollow Road Helmville	11/24/2020 \$43,500	28	1.87%
3 & 7 Little Wolf Creek Road Wolf Creek	11/10/2022 \$100,000	3 & 7 Little Wolf Creek Road Wolf Creek	2/5/2021 \$77,500	21	1.21%

I also analyzed sale/resale data for vacant land in the area. The tabulation above outlines pairings of two separate vacant land tracts in Lincoln, as well as five others from the same areas used previously for the single-family residential pairings. This data also includes original sales from 2019, 2020, 2021 and 2022 and resale dates from 2021, 2022 and 2023. The monthly compound adjustment for the vacant land ranges from a rate of 1.21% to 3.59%, which is slightly higher than the adjustment indications given for the improved residential properties. The arithmetic mean of all 14 pairings is 1.74% monthly compound adjustment rate.

My final conclusion is a rounded figure of 1.25% monthly compound adjustment. The amount will be applied to both the improved single-family residential sales as well as the vacant land sales.

Location:



Each of the four land sales are located east of the subject properties on the southerly side of Montana Highway 200 and each has a reasonable proximity to the community of Lincoln. All the sales are roughly within 1 mile of the subject properties. Overall, there is no significant difference in location between the two subject properties and the four land sales.

Size Adjustment:

The next issue of significance relates to a size adjustment. Theory holds that a smaller parcel should sell for a higher unit price and conversely a larger tract should sell for a lower unit price. It is somewhat difficult to extract an adjustment for size given the limited amount of primary sales data. In speaking with some of the local realtors in Lincoln, the consensus supports the contention that larger parcels are typically priced at a lesser unit price. In addition, more emphasis is to lot price vs. price per acre.

Land Sale No. 4 is the largest parcel at 7.68 acres and sold for the lowest adjusted price of \$26,767 per acre. Land Sale No. 3 is the next largest at 2.07 acres and sold for an adjusted price of \$64,150 per acre. Land Sale No. 1 is the smallest at 0.74 acres and sold for an adjusted

\$82,990 per acre. These indications tend to follow the theory; however, Land Sale No. 2 is similar in size to Land Sale No. 1, at 0.89 acres and sold for the highest adjusted price of \$171,948 per acre.

Land Sale No. 2 sold in June 2022 for \$135,000 and Land Sale No. 3 sold in March 2023 for \$130,000. Land Sale No. 2 is less than half the size of Land Sale No. 3, which supports an indication of lot pricing to a degree in this market in terms of motivation and overall pricing. The adjusted sales prices range from \$61,413 for the smallest parcel to \$205,572 for the largest parcel.

The analysis will be completed on both an overall lot price as well as a price per acre. However, emphasis is to an overall lot price and to the sales most similar in size to the subject property so there is less of a necessity to prove a size adjustment based on price per acre.

Road Access:

The road access is reasonably similar between the subject properties and all sales. All have physical access from secondary gravel, maintained county roads year-round and no adjustment is required.

Topography:

Topography is observed to determine the site's usability. The term involves much more than the lot being suitable for a single dwelling unit given slope characteristics that affect cost of developing a site for roads (driveway), excavation & foundation work as well as wetland issues, bedrock issues, heavy tree cover, etc. That is all part of the discussion of topography. All of the sales are reasonably similar to the subject properties in terms of topography and no adjustments is required.

Utilities / Improvements:

The utilities adjustment is based on the cost to extend utilities or a matched pairs analysis showing a similar site with utilities vs. a site without those utility services. For the most part, the individual sales have similar utilities or availability of utilities. The land valuation is based upon the subject properties only having telephone and electricity to the lot line.

Land Sale No. 2 did have a well and septic, however in speaking with the listing realtor, the system had been installed on the property 10+ years ago and then never used. Upon inspection, the tank was rated good, but all new lines needed to be installed due to damage from gophers. The seller paid an \$8,000 concession to the buyer to updated and replace the damaged septic lines. Since the analysis is to provide a value of the subject property as though vacant, I have made an adjustment for the existing well and partial septic system in place for that sale. No other adjustments for utilities are required.

Zoning/Land Use:

Zoning and land use is based on restrictions the owner may have on developing the land. There is no zoning on any of the sales or subject properties. It should be noted that Land Sale No. 3 and Land Sale No. 4 are in a subdivision with some covenants and also include an HOA fee of \$125/year; however, these sales are still at least reasonably comparable to the subject properties in terms of zoning and land use. Consideration was given to the covenants and HOA fees during the analysis, but a monetary adjustment has not been applied.

Water Resource:

Per conversations with realtors in the Lincoln market, water resources are one of the top features requested of buyers looking for property in the area. Properties that include frontage on lakes and rivers are highly sought after, but streams and creeks are also desired. None of the sales include a water resource. One of the subject properties does have a seasonal creek that runs during the spring and early summer months but is dry the rest of the year. Since the creek bed is dry the majority of the year and there is no evidence of how a limited water resource would affect the market price, I did not make any monetary adjustments for water resources.

No other adjustments have been factored into the grid analysis that will be used for comparative analysis reflecting the sales of vacant land to the individual subject properties. The reader should be aware there is seldom a direct uniformity of opinion expressed by sellers, buyers, brokers, and appraisers with regard to how each of these factors is or has been incorporated into the price that was paid. Simply, there is no absolute measurement that is accurate 100% of the time. Personal preferences & perceptions are often greatly affected by the choices (number of properties available for sale, at the time the buyer wants to buy). As such, the variability in market price can be measured reasonably but never to an absolute degree or dollar amount.

SALES COMPARISON APPROACH – IMPROVED PROPERTY

Below are details for each sale used in the sales comparison approach as well as exterior photos from my inspection. MLS data has provided interior and some exterior photographs of the sales which is invaluable in gaining a proper understanding of both quality features as well as support of the broker confirmations regarding condition of the property.

Due to the differences in the improvements between the two subject properties, the improved sales for this analysis have been broken out separately for properties with single-family residential homes and properties with manufactured homes.

Single-Family Residential Improved Properties:



SFR Sale No. 1

3138 Hi Sign Road



SFR Sale No. 2

3574 E Montana Highway 200



SFR Sale No. 3
4342 Snow Fleury Lane



SFR Sale No. 4
5208 E Montana Highway 200



SFR Sale No. 5
5648 7up Lane



SFR Sale No. 6

4342 Snow Fleury Lane

Sale #	SFR Sale No. 1	SFR Sale No. 2	SFR Sale No. 3	SFR Sale No. 4
Address/Location	3138 Hi Sign Rd	3574 EMT Hwy 200	4342 Snow Fleury Ln	5208 EMT Hwy 200
Sale/List Price	\$200,000	\$205,000	\$135,000	\$199,000
Overall \$/SF	\$245.10	\$177.64	\$383.52	\$246.90
Improvement Only \$/SF	\$91.91	\$69.32	\$85.23	\$110.42
Original List Price	\$200,000	\$205,000	\$175,000	\$225,000
DOM	33	46	26	42
Date of Sale	7/1/2021	8/9/2021	4/5/2022	6/21/2022
Concessions	None	None	None	None
Site Acres	1.56	1.72	0.91	1.00
Site Value	\$125,000	\$125,000	\$105,000	\$110,000
Quality	Average	Average	Average	Average
Design	Wood-frame cabin	Wood frame ranch	Log cabin	Log cabin
Year Built	1964	1963	1925	1979
Effective Age	15	20	25	20
Bathrooms	1.0	1.0	1.0	1.0
Above Grade SF	816	1,154	352	806
Below Grade SF	0	0	0	0
Below Grade Finish	0	0	0	0
Fireplaces	0	1	0	0
Woodstoves	1	1	1	1
Deck/Porch/Patio(s)	44	111	84	276
Garage (SF)	672	228	0	0
Other Living Area	288	0	0	0
Outbuildings	0	180	40	221
Site Utilities	Elec., phone, septic, well			
Onsite Improvements	None	None	None	None
Offsite Improvements	Gravel year-round access	Gravel year-round access	Gravel year-round access	Gravel road -year round access

Sale #	SFR Sale No. 5	SFR Sale No. 6
Address/Location	5648 7up Lane	4342 Snow Fleury Ln
Sale/List Price	\$265,000	\$210,000
Overall \$/SF	\$217.21	\$596.59
Improvement Only \$/SF	\$139.34	\$284.09
Original List Price	\$300,000	\$250,000
DOM	116	59
Date of Sale	11/8/2021	9/26/2022
Concessions	0	0
Site Acres	1.03	0.91
Site Value	\$95,000	\$110,000
Quality	Average	Average
Design	Log cabin	Log cabin
Year Built	1957	1925
Effective Age	17	10
Bathrooms	1.0	1.0
Above Grade SF	1,220	352
Below Grade SF	0	0
Below Grade Finish	0	0
Fireplaces	0	0
Woodstoves	2	1
Deck/Porch/Patio(s)	77	84
Garage (SF)	1,020	900
Other Living Area	0	0
Outbuildings	433	40
Site Utilities	Elec., phone, septic, well	Elec., phone, septic, well
Onsite Improvements	None	None
Offsite Improvements	Gravel road -year round access	Gravel/county road -year round access

Manufactured Home Improved Properties:



MH Sale No. 7
2134 Stone Campbell Drive



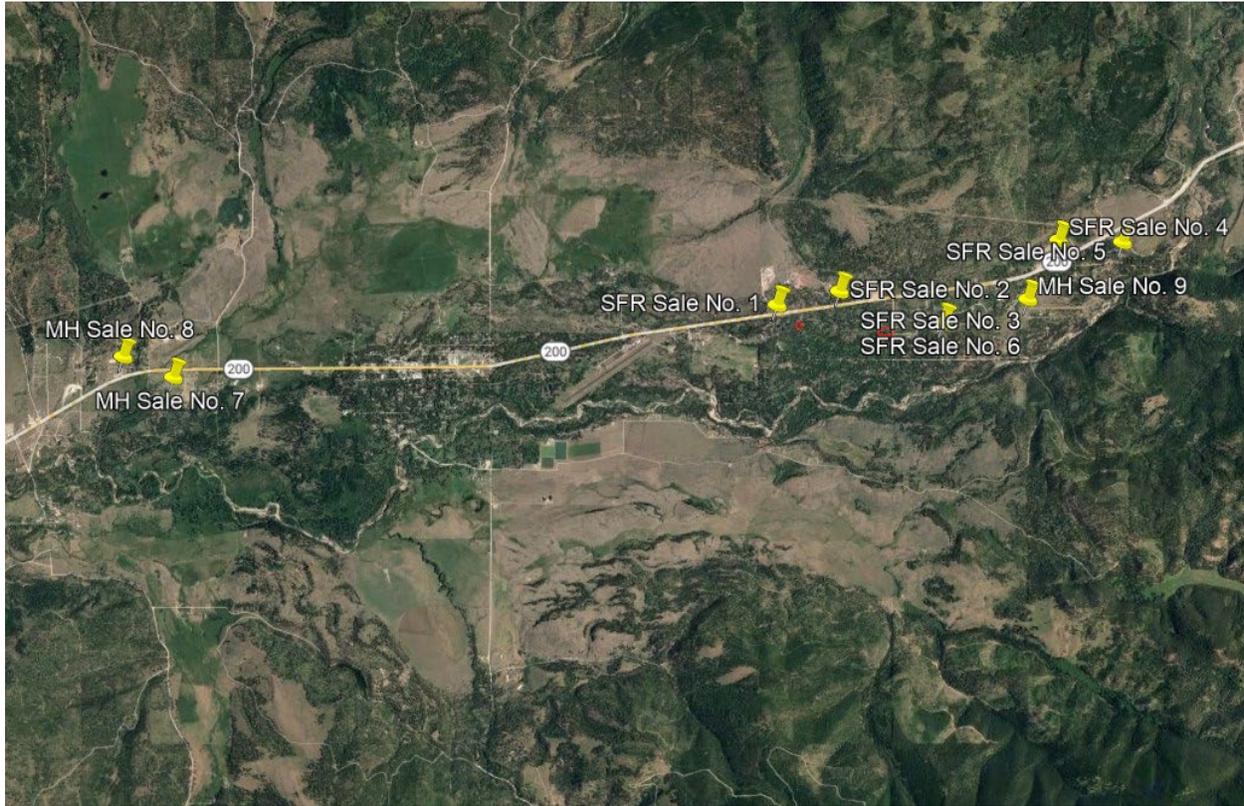
MH Sale No. 8
3720 Montana Highway 200



MH Sale No. 9
3348 Blackfoot Valley Ranch Road

Sale #	MH Sale No. 7	MH Sale No. 8	MH Sale No. 9
Address/Location	2134 Stone Campbell Dr	3720 MT Hwy 200	3348 Blackfoot Valley Ranch Rd
Sale/List Price	\$185,100	\$242,001	\$156,000
Overall \$/SF	\$230.22	\$144.05	\$155.07
Improvement Only \$/SF	\$68.53	\$69.64	\$65.61
Original List Price	\$185,000	\$199,900	\$155,000
DOM	69	44	145
Date of Sale	1/19/2022	6/24/2021	2/2/2021
Concessions	None	None	None
Site Acres	2.00	2.00	1.03
Site Value	\$130,000	\$125,000	\$90,000
Quality	Average	Average	Average
Design	Double-wide MH	Double-wide MH	Single-wide MH with addition
Year Built	1976	1973	1961
Effective Age	15	20	20
Bathrooms	1.0	2.0	1.0
Above Grade SF	804	1,680	1,006
Below Grade SF	0	0	0
Below Grade Finish	0	0	0
Fireplaces	0	0	0
Wood Stoves	1	1	1
Deck/Porch/Patio(s)	72	0	158
Garage (SF)	768	2,064	1,368
Other Living Area	0	0	0
Outbuildings	495	360	739
Site Utilities	Elec., phone, septic, well	Elec., phone, septic, well	Elec., phone, septic, well
Onsite Improvements	None	None	None
Offsite Improvements	Gravel -year round access	Gravel road -year round access	Gravel year round access

Location Map:



The sales data was gleaned from MLS in the Lincoln area and there was not a need to search outside the primary market. Overall, there is a reasonable comparability in the location of the sales and the subject properties.

Adjustment Process:

For the adjustment process, the emphasis for quality will be related to replacement cost which acknowledges market participants, as knowledgeable buyers, or sellers, would be aware of quality-and-cost correlations. Condition is based on observed condition of the subject property through inspection whereas the sale properties were verified as to condition through broker verification and through review of the interior photographs of the sales that are part of the MLS data. To some extent, the condition of the property is also observed by the personal inspection of the exterior of the sale. This combination of sources is the basis of direct comparison of property condition (sale to subject).

The adjustment process employed for site value differences has been accomplished through my personal analysis of each of the sales which was formed through a land residual analysis as well as a valuation of the underlying site with the site value deducted from sales price to compare to the replacement cost new, less depreciation (RCNLD) of each sale. The adjustment employed is the subject site value less the sale site value (conversely, if the sale has a higher site value, a negative adjustment will be shown).

For building size, above grade, an adjustment will be made on the basis of the subject quality rating with differences between the subject quality and the sale quality having already been handled in the quality adjustment. For size, the subject quality will establish the base adjustment using a price per square foot. For example, an average quality rating for the subject will result in the use of \$75/sq. ft. that is applied to the difference in above grade size. The extraction of this adjustment was accomplished through analysis. For manufactured homes, an adjustment will be made using RCNLD with an average quality rating, at \$40/sq. ft. The table below is a summary of the adjustment process used for quality differences in calculating the size adjustment.

Above Grade SF	\$40
Fair/Rustic	\$50
Average	\$75
Good	\$100
Very Good	\$175
Excellent	\$210
Average Manufactured Home	\$40

The subject property, nor any of the sales have below grade improvements, so no additional adjustments were required for below grade improvements.

Adjustments for fireplace & wood stove are generally based on RCNLD of this feature. Some fireplace value is simply part of the overall quality of the property but the variation between one fireplace and two fireplaces is held to be something less than RCNLD. I have adjusted fireplaces at \$5,000 to \$10,000 depending on the quality of the fireplaces. For an average quality cabin, a fireplace will contribute an estimated \$5,000 so the variation between subject and sale is adjusted on that dollar amount. For very good to excellent quality, the adjustment for fireplace is \$10,000. For good quality, the adjustment is \$7,500. For a wood stove, the adjustment is \$2,500 to \$3,500 depending on the quality of the wood stove. Some are parlor stoves with little ornamentation while others have masonry backdrops & hearth so some quality variation should be accommodated.

For other living areas, this is typically represented as a detached cabin, bunkhouse, area over a garage, etc. It is not considered part of the main home or cabin. As with the main cabin, quality is a very important variable. For other living areas, I will adjust on the basis of quality which is shown in the table below but also recognizes a critical point of what the other living area reflects as to overall qualities and the structure itself.

Other Living Area	Per Square Foot
Fair/Rustic	\$25
Average	\$45
Good	\$55
Very Good	\$75
Excellent	\$100

Decks will be adjusted using a factor of \$20/sq. ft. with some variation done when the deck/patio area contains plain concrete pad area. Where a patio is rock or brick and of a certain quality, that area will be the same as the open deck adjustment. Where a deck is covered, depending on the quality of that cover, the adjustment will be higher. If it is a covered deck but not a fully enclosed screened in porch, I will use \$30/sq. ft depending on the quality of the deck and the roof structure. For a fully enclosed screened in porch, I will use \$35/sq. ft for average & good quality while very good and excellent quality will use \$50/sq. ft.

Decks/Porches/Patios	Per Square Foot
Concrete Patio	\$10
Deck/Patio	\$20
Covered Deck	\$30
Screened Porch - Avg to Good	\$35
Screened Porch - V. Good to Excellent	\$50

For garage space, the adjustment will represent the various quality levels. The adjustments reflect an attached garage although I have not been able to extract market evidence that a detached garage has any different contribution, we know a detached garage costs more to build than an attached garage.

Garage	Per Square Foot
Fair/Rustic	\$30.00
Average	\$40.00
Good	\$50.00
Very Good	\$60.00
Excellent	\$75.00
Pole/Metal	\$20.00

DNRC SALE NO. 2041, LOT NO. 47

Land Description

Land GEO Code	05-2337-16-4-04-10-0000
Improvement GEO Code	05-2337-21-1-01-01-8001
Physical Address	3890 4x4 Road
Utility	Residential/Recreational
Soil Conditions	Typical
Location	Lincoln, Montana; approximately 2 miles east of the airport in the Lincoln Flats subdivision.
Street Improvements	County maintained, gravel/dirt improved roadway across State of Montana DNRC state lands.
Size Acres	3.244
Size SF	141,309
Corner Lot	Yes
Common Areas	None
Irrigation	None
Vegetation/Tree Cover	Good mix
Water Resource	Non-navigatable seasonal creek inside the northerly property line
Road to Building Site Topography	Mostly level
Overall Topography	Mostly level to rolling with sloping on either side of the creek bed.
Access	Gravel/county road -year round access
Road Frontage	Private dirt drive off of 4x4 Road.
Utilities	Elec., phone, hand pump well
Shape	Irregular

Zoning	None
Flood Hazard	None
Visibility	Minimal; property has visibility from access roadways.
Viewshed	Trees, mountains, seasonal creek
Wetlands	Seasonal creek
Environmental Issues	None known
Easements/Encroachments	None noted
Offsite Improvements	Gravel/county road -year round access
Onsite Improvements	None
Date of Value	4/24/23
Legal Description	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 47, ACRES 3.244, COS #3242262
DNRC Sale Number	2041
Lessee	Scott & Catherine Joyner (LEASE 3062785)

Improvement Description

Number of Units	1
Number Stories	1
Type	Detached
Quality	Average
Year Built	1959
Condition	Average
Design	Single-wide MH with addition

Expected Life	40
Effective Age	20
Number of Bathrooms	1
Finished Area Above Grade SF	670
Basement SF	0
Basement Finish SF	0
Attic SF	0
Foundation	Concrete piers
Exterior Walls	Metal and board siding
Roofing	Metal shed roof
Specialty Siding Elements	No
Gutters and Downspout	No
Window Type	Aluminum
Storm Sash	No
Number of Fireplaces	0
Number of Woodstoves	1
Refrigerator	Yes
Range/Oven	Yes
Microwave	No
Dishwasher	No
Disposal	No
Washer/Dryer	No
Room Count Total	6
Number of Above Grade Bedrooms	2
Number of Below Grade Bedrooms	0
Number of Above Grade Baths	1.0
Number of Below Grade Baths	0.0

Other Interior Living Area SF	0
Settlement	None noted
Sump Pump	No
Evidence of Infestation	None noted
Dampness	None noted
EBB	None
Electric Wall Heaters	None
Forced Air Furnace	Propane
Cooling System	None
Window Units	None
Central AC	No
Floors	Carpet & vinyl
Walls	Wood paneling
Trim/Finish	Wood molding
Ceiling Finish	Hardboard tiles
Bath Floor	Vinyl
Bath Wainscot	Fiberglass
Decks, Porches and Patios S.F	180
Garage SF	0
Other External Living Area SF	0
Outbuildings SF	0

Comments

The improvement is a 1959 single-wide trailer with an addition was added sometime in the 1980's. Current owner took over the lease approximately 15 years ago.

There is a metal shed roof over the trailer and the addition also has a metal roof. A new propane gas furnace was recently installed. The living room has newer wood paneling and custom wood trim. There is a wood stove with a rock surround. New carpet has been installed in the living, dining, hallway and master bedroom. Older carpet remains in the second bedroom and vinyl is in the kitchen and bathroom. The kitchen has a double sink, refrigerator and oven/range and original cabinets and laminate countertops. There is a full bath with original fixtures and cabinets.

On the exterior, there is a 200 square foot wood deck off the living room with a light pole directly off the deck for exterior lighting. Other onsite improvements include electricity, high speed internet, propane tank, hand-pump well, concrete block firepit, outhouse, established dirt parking area, tire swing. There is no septic system, but there is a 500 gallon tank for collecting gray water and a hand pump well for water.

2041 Value Indications:

Land Value	\$150,000
Sales Comparison Approach	\$190,000
Final Opinion of Value - Real Property	\$190,000
Final Opinion of Value - Personal Property	\$40,000
Effective Date	4/24/2023

2041 Record Owner:

The property is found to be under the ownership of the State of Montana, DNRC School Trust Land. The site is currently leased. The Lessee is identified below:

Lessee: Scott & Catherine Joyner.

2041 Sales History:

The improvements have been under the same family ownership for a period exceeding three years.

2041 Location of Property:

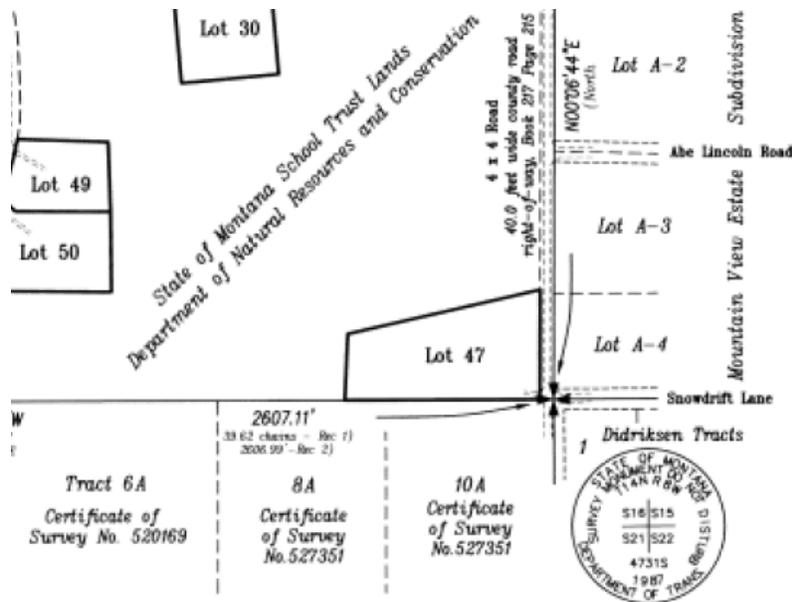
The subject property is situated on the northwesterly corner of 4x4 Road and Snow Drift Lane, south of Montana Highway 200, approximately 3 miles east of Lincoln, Montana.

2041 Legal Description:

The site is legally identified through client records as:

Lot 47, Lincoln Flats, COS 3242262, Section 16, T14N-R8W

2041 Plat Map:



CERTIFICATE OF EXAMINING LAND SURVEYOR

nservation Reviewed for errors and omissions in calculations and drafting this
23 day of MAY, 2013, pursuant to 76-3-611(2)(a), MCA.

2041 Subject Photographs:



Exterior view of the subject showing the main entrance.



Looking in a southeasterly direction along the driveway.



View of firepit area looking in a northeasterly direction.



Exterior view from the southwesterly elevation.



View of subject looking in a southwesterly direction.



View from the westerly boundary looking in a northerly direction towards the creek bed.



View from the main entrance looking into the living room.



Looking into the kitchen from the dining area. The living room and breakfast bar on to the right.

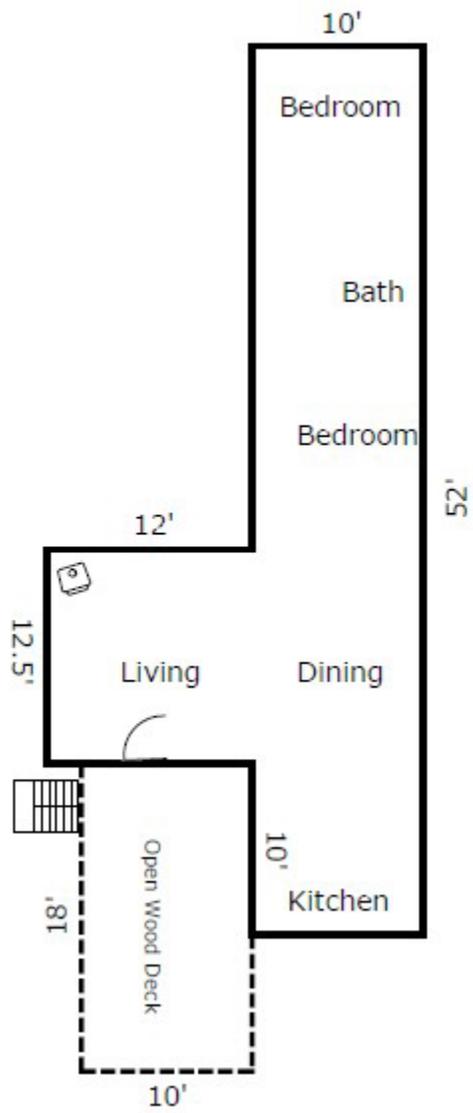


Looking into the master bedroom from the hallway.



View of the bathroom.

2041 Building Sketch:



2041 Land Valuation:

Categories	Subject Property	Land Sale No. 1	Adjustments	Land Sale No. 2	Adjustments
Address/Sale Price	3890 4x4 Road	4157 Snowdrift Ln	\$60,000	4060 4x4 Rd	\$135,000
Price Acre		\$81,081		\$151,685	
Per SF		\$1.86		\$3.48	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale		None	\$12,000	None	\$0
Improvement Value					
Sale Date/Market Conditions	4/24/2023	12/16/2021	\$1,413	6/21/2022	\$18,034
Time Lapse		16		10	
Adjusted Sale Price	N/A		\$61,413		\$153,034
Adjusted Price (\$/Ac)	N/A		\$82,990		\$171,948
Adjustments:					
Location	Lincoln, Montana; approximately 2 miles east of the airport in the Lincoln Flats subdivision.	E of Lincoln		E of Lincoln	
Size (SF)	141,309	32,234		38,768	
Size (Ac)	3.24	0.74		0.89	
Access	Gravel/county road -year round access	County/gravel -year round		County/gravel -year round	
Topography	Mostly level to rolling with sloping on either side of the creek bed.	Mostly level		Mostly level	
Utilities	Electric & telephone	Electric & telephone		Electric & telephone	
Improvements	None	None		Septic & well	-\$7,500
Zoning/Land Use	None	None		None	
Vegetation/Tree Cover	Good mix	Mostly open with a few trees		Good	
Water Resource	Non-navigatable seasonal creek inside the northerly property line	None		None	
Corner Lot	Yes	No		No	
Net Adjustments			\$0		-\$7,500
Indicated Value			\$61,413		\$145,534
Implied Subject Per Acre			\$18,931		\$44,862

Categories	Subject Property	Land Sale #3	Adjustments	Land Sale #4	Adjustments
Address/Sale Price	3890 4x4 Road	4173 Abe Lincoln Rd	\$130,000	4472 Abe Lincoln Rd	\$159,000
Price Acre		\$62,802		\$20,703	
Per SF		\$1.44		\$0.48	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale		None	\$0	None	\$0
Improvement Value					
Sale Date/Market Conditions	4/24/2023	3/3/2023	\$2,790	8/3/2021	\$46,572
Time Lapse		2		21	
Adjusted Sale Price	N/A		\$132,790		\$205,572
Adjusted Price (\$/Ac)	N/A		\$64,150		\$26,767
Adjustments:					
Location	Lincoln, Montana; approximately 2 miles east of the airport in the Lincoln Flats subdivision.	E of Lincoln		E of Lincoln	
Size (SF)	141,309	90,169		334,541	
Size (Ac)	3.24	2.07		7.68	
Access	Gravel/county road -year round access	County/gravel -year round		County/gravel -year round	
Topography	Mostly level to rolling with sloping on either side of the creek bed.	Mostly level		Mostly level	
Utilities	Electric & telephone	Electric & telephone		Electric & telephone	
Improvements	None	None		Septic permit	
Zoning/Land Use	None	No zoning/ covenants apply		No zoning/ covenants apply	
Vegetation/Tree Cover	Good mix	Good		Good mix	
Water Resource	Non-navigatable seasonal creek inside the northerly property line	None		None	
Corner Lot	Yes	Yes		No	
Net Adjustments			\$0		\$0
Indicated Value			\$132,790		\$205,572
Implied Subject Per Acre			\$40,934		\$63,370

2041 Reconciliation:

	Value Indication	Dollar Per Acre
Mean (Average)	\$136,327	\$42,024
Median	\$139,162	\$42,898
Minimum	\$61,413	\$18,931
Maximum	\$205,572	\$63,370

As discussed, each of the four land sales are located east of the subject property on the southerly side of Montana Highway 200. Each has a reasonable proximity to the community of Lincoln and all the sales are roughly within 1/2 mile of the subject property.

The subject property is 3.24 acres and Land Sale No. 3 is most similar in size at 2.07 acres. It is the most recent sale of the properties analyzed and was sold on 3/3/23 for \$130,000. This sale is in a subdivision that has covenants and an annual HOA fee that are not typical for the area. They do not have utilities installed; however, the septic is plotted with the needed requirements for development. The listing agent confirmed the HOA fee is \$125 per year and the covenants include restrictions to only allow one single-family residence that must be no less than 1,000 square feet in size and manufactured homes are not allowed. The market conditions adjusted overall indication is \$132,790 and \$40,934 per acre.

Land Sale No. 2 was sold on 6/21/22 for \$135,000 and is 0.89 acres. This property did have a well and septic included, however the listing agent confirmed that the septic had damaged lines due to it not being used for 10+ years. An adjustment of -\$7,500 for the approximate value of the utilities in place was applied for the analysis. This property gives a market conditions adjusted overall indication of \$145,534 and \$44,862 per acre.

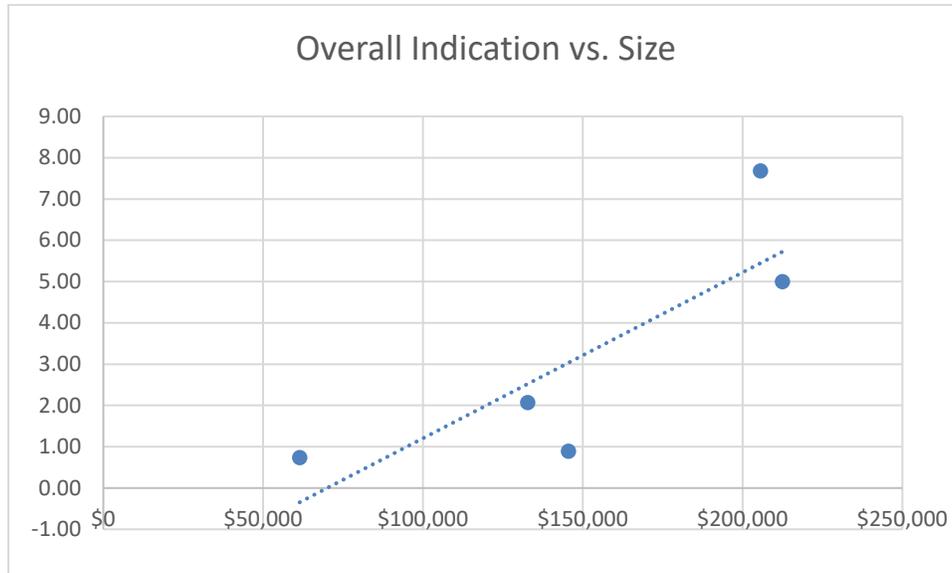
Land Sale No. 1 sold for the lowest overall price in 2021 and provides the lowest adjusted overall indication of \$61,413 and \$18,931 per acre. In speaking with the listing agent, the property had some older residential improvements that required removal upon purchase and the seller priced the property to sell quickly in the as is condition. An adjustment of \$12,000 was applied for the analysis to compensate for demolition costs under expenditures made after purchase. The eventual buyer was a construction company that factored in \$12,000. The subject property is considered somewhat superior to this property.

Land Sale No. 4 is in the same subdivision as Land Sale No. 3 and is the largest of the sales at 7.68 acres and sold for \$159,000 on 8/3/21. This sale gives the second highest overall indication and consideration of the overall size difference was given in the final conclusion of value for the subject.

Sale No.	Overall Indication	Size
Sale No. 1	\$61,413	0.74
Sale No. 2	\$145,534	0.89
Sale No. 3	\$132,790	2.07
Sale No. 4	\$205,572	7.68
4670 4 X 4 Road	\$212,500	5.00

A supplemental sale at 4670 4x4 Road was a 5-acre site that sold for \$260,000 on 6/25/21. This property included an older trailer house which the buyer removed and sold immediately after the sale to develop the land with a new single-family improvement. The site included a well and

septic system and also included a newer 640 square foot garage and 480 square foot open lean-to woodshed, both with metal roofs. Adjusting for the improvements, this property provides an indication of approximately \$212,500 for the land alone.



The four sales plus a supplemental sale at 4670 4x4 Road have an adjusted value indication range of \$61,413 to an upper end of \$212,500. The per unit indication of the primary sales ranges from \$18,931 to \$63,370 per acre. Emphasis is toward Land Sale No. 2, Land Sale No. 3, and Land Sale No. 4 as well as the supplemental sale.

There were issues with the existing improvements for Land Sale No. 1 and that sale is not emphasized in the final analysis. The overall range of adjusted indications is from a low of \$132,790 to an upper end of \$232,500. As can be seen from the tabulation above the market does not follow a strict size vs. price relationship and 4670 4x4 Road sold for a higher land price vs. Land Sale No. 4 which is a larger site. The same holds true for Land Sale No. 2 vs. Land Sale No. 3.

4670 4x4 Road, Land Sale No. 2 and Land Sale No. 3 compare better to the subject in terms of overall site area, but Land Sale No. 2 sets the lower end of the range at 0.89 acres. Emphasis is towards overall lot pricing with the final conclusion of land value rounded to \$150,000, which calculates to a rounded \$45,000 per acre.

Category	Per Acre	Acres	Indication
Conclusion	\$45,000	3.24	\$145,980
Land Value Transferred	\$46,239.21		\$150,000

2041 Improved Valuation:

Sale #	Subject	MH Sale No. 7	
Address/Location	3890 4x4 Road	2134 Stone Campbell Dr	Adjustment
Sale/List Price	N/A	\$185,100	
Overall \$/SF	N/A	\$230.22	
Improvement Only \$/SF	N/A	\$68.53	
Original List Price	N/A	\$185,000	
DOM	N/A	69	
Date of Sale	4/24/2023	1/19/2022	\$223,356
Concessions	N/A	None	\$0
Site Acres	3.24	2.00	In Site Value
Site Value	\$150,000	\$130,000	\$20,000
Quality	Average	Average	
Design	Single-wide MH with addition	Double-wide MH	
Year Built	1959	1976	See Eff. Age
Effective Age	20	15	-\$6,888
Bathrooms	1.0	1.0	\$0
Above Grade SF	670	804	-\$6,700
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0	0	\$0
Wood Stoves	1	1	\$0
Deck/Porch/Patio(s)	180	72	\$2,160
Garage (SF)	0	768	-\$30,720
Other Living Area	0	0	\$0
Outbuildings	0	495	-\$3,713
Site Utilities	Elec., phone, hand pump well	Elec., phone, septic, well	-\$7,500
Onsite Improvements	None	None	\$0
Offsite Improvements	Gravel/county road -year round access	Gravel -year round access	\$0
	Total Adjustments		-\$33,361
	Adjusted Indication-Overall		\$189,995
	Adjusted Indication-Improvements Only		\$39,995

Sale #	Subject		MH Sale No. 8
Address/Location	3890 4x4 Road	3720 MT Hwy 200	Adjustment
Sale/List Price	N/A	\$242,001	
Overall \$/SF	N/A	\$144.05	
Improvement Only \$/SF	N/A	\$69.64	
Original List Price	N/A	\$199,900	
DOM	N/A	44	
Date of Sale	4/24/2023	6/24/2021	\$318,037
Concessions	N/A	None	\$0
Site Acres	3.24	2.00	In Site Value
Site Value	\$150,000	\$125,000	\$25,000
Quality	Average	Average	
Design	Single-wide MH with addition	Double-wide MH	
Year Built	1959	1973	See Eff. Age
Effective Age	20	20	\$0
Bathrooms	1.0	2.0	-\$2,500
Above Grade SF	670	1,680	-\$50,500
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0	0	\$0
Wood Stoves	1	1	\$0
Deck/Porch/Patio(s)	180	0	\$3,600
Garage (SF)	0	2,064	-\$82,560
Other Living Area	0	0	\$0
Outbuildings	0	360	-\$2,700
Site Utilities	Elec., phone, hand pump well	Elec., phone, septic, well	-\$7,500
Onsite Improvements	None	None	\$0
Offsite Improvements	Gravel/county road -year round access	Gravel road -year round access	\$0
Total Adjustments			-\$117,160
Adjusted Indication-Overall			\$200,877
Adjusted Indication-Improvements Only			\$50,877

Sale #	Subject	MH Sale No. 9	
Address/Location	3890 4x4 Road	3348 Blackfoot Valley Ranch Rd	Adjustment
Sale/List Price	N/A	\$156,000	
Overall \$/SF	N/A	\$155.07	
Improvement Only \$/SF	N/A	\$65.61	
Original List Price	N/A	\$155,000	
DOM	N/A	145	
Date of Sale	4/24/2023	2/2/2021	\$217,256
Concessions	N/A	None	\$0
Site Acres	3.24	1.03	In Site Value
Site Value	\$150,000	\$90,000	\$60,000
Quality	Average	Average	
Design	Single-wide MH with addition	Single-wide MH with addition	
Year Built	1959	1961	See Eff. Age
Effective Age	20	20	\$0
Bathrooms	1.0	1.0	\$0
Above Grade SF	670	1,006	-\$16,800
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0	0	\$0
Wood Stoves	1	1	\$0
Deck/Porch/Patio(s)	180	158	-\$1,140
Garage (SF)	0	1,368	-\$54,720
Other Living Area	0	0	\$0
Outbuildings	0	739	-\$4,755
Site Utilities	Elec., phone, hand pump well	Elec., phone, septic, well	-\$7,500
Onsite Improvements	None	None	\$0
Offsite Improvements	Gravel/county road -year round access	Gravel year round access	\$0
Total Adjustments			-\$24,915
Adjusted Indication-Overall			\$192,341
Adjusted Indication-Improvements Only			\$42,341

Sale No.	Adjusted Indication - Overall	Adjusted Indication - Improvements Only	Per SF
MH Sale No. 7	\$189,995	\$39,995	\$59.69
MH Sale No. 8	\$200,877	\$50,877	\$75.94
MH Sale No. 9	\$192,341	\$42,341	\$63.20

	Overall	Improvement Only	Per SF
Minimum	\$189,995	\$39,995	\$59.69
Maximum	\$200,877	\$50,877	\$75.94
Mean	\$194,405	\$44,405	\$66.28
Median	\$191,168	\$41,168	\$61.45

All of the improved sales included garages and other outbuildings, which the subject property does not. Adjustments were applied based on square footage and quality of each garage and outbuilding, although it is unknown the full value those types of improvements factor into the overall price. Especially for properties with recreational overlays, garages and storage type buildings are highly desirable. Consideration was given to the size and quality of garage and storage space of each of the sales when developing the final opinion of value.

Each of the sales also included a septic system and well. The subject property has a hand pump well and does not have a septic system. It does have a 500 gallon collection tank used for gray water, so faucets and the shower are functional, however the toilet is not. And adjustment of \$7,500 was applied to each sale for site utilities.

The sales produced a range of adjusted overall indications of \$189,995 to an upper end of \$200,877. The arithmetic mean of the indications is \$194,405. For improvements only, the range of indications is \$39,995 to the upper end of \$50,877, which calculates to \$59.69 to \$75.94 per square foot for the manufactured home improvements. Emphasis is to an overall value of \$190,000.

Indicated Value	\$190,000
Land Value	\$150,000
Personal Property	\$40,000
Per SF	\$59.70

Pursuant to USPAP, it is necessary for this appraisal to consider & analyze exposure time when developing an opinion of market value. Please refer to the appropriate section of this report for discussion of both exposure time & marketing time.

DNRC SALE NO. 2042, LOT NO. 25

Land Description

Land GEO Code	05-2337-16-3-01-09-0000
Improvement GEO Code	05-2337-16-3-01-09-4002
Physical Address	3337 Chokecherry Rd
Utility	Residential/Recreational
Soil Conditions	Typical
Location	Lincoln, Montana; approximately 1.25 miles east of the airport in the Lincoln Flats subdivision.
Street Improvements	County maintained, gravel/dirt improved roadway across State of Montana DNRC state lands.
Size Acres	1.014
Size SF	44,170
Corner Lot	No
Common Areas	None
Irrigation	None
Vegetation/Tree Cover	Mix of good cover and thick along the northwesterly boundaries.
Water Resource	None
Road to Building Site Topography	Slightly sloping upwards from access road to building site.
Overall Topography	Mostly level
Access	Gravel/county road -year round access
Road Frontage	Private dirt drive off of Chokecherry Road.
Utilities	Elec., phone, septic & well, RV hookup
Shape	Irregular

Zoning	None
Flood Hazard	None
Visibility	Property has visibility from access roadways.
Viewshed	Trees, mountains
Wetlands	None
Environmental Issues	None known
Easements/Encroachments	None noted
Offsite Improvements	Gravel/county road -year round access
Onsite Improvements	None
Date of Value	4/24/23
Legal Description	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 25, ACRES 1.014, COS #3242262
DNRC Sale Number	2042
Lessee	Kenneth & Jeanette Kranz (LEASE #3062389)

Improvement Description

Number of Units	1
Number Stories	1
Type	Detached
Quality	Average
Year Built	1965
Condition	Average
Design	1-story cabin
Expected Life	55
Effective Age	13

Number of Bathrooms	1
Finished Area Above Grade SF	840
Basement SF	0
Basement Finish SF	0
Attic SF	0
Foundation	Wood pier with crawl space - access through kitchen floor.
Exterior Walls	Mix of batten board and metal
Roofing	Metal
Specialty Siding Elements	No
Gutters and Downspout	No
Window Type	Wood
Storm Sash	No
Number of Fireplaces	1
Number of Woodstoves	0
Refrigerator	Yes
Range/Oven	Yes
Microwave	No
Dishwasher	No
Disposal	No
Washer/Dryer	No
Room Count Total	6
Number of Above Grade Bedrooms	2
Number of Below Grade Bedrooms	0
Number of Above Grade Baths	1.0
Number of Below Grade Baths	0.0
Other Interior Living Area SF	0
Settlement	None noted

Sump Pump	No
Evidence of Infestation	None noted
Dampness	None noted
EBB	None
Electric Wall Heaters	None
Forced Air Furnace	None
Cooling System	None
Window Units	1
Central AC	No
Floors	Engineered wood throughout; carpet in bedrooms
Walls	Mix of painted drywall and tongue & groove wood.
Trim/Finish	Wood
Ceiling Finish	Textured
Bath Floor	Engineered wood
Bath Wainscot	Walk-in rock shower
Decks, Porches and Patios SF	366
Garage SF	0
Other External Living Area SF	0
Outbuildings SF	352

Comments

The current owner has had the land lease for approximately 6 years. The cabin has a fully enclosed, drywall finished mudroom with rock flooring that leads into the kitchen. It has hickory cabinets, laminate countertops and updated engineered wood flooring, which runs throughout the other areas. The bathroom has a single sink vanity, a custom walk-in stone waterfall shower and the same engineered wood flooring. Both bedrooms have newer carpet and no true closets.

There is a wall unit swamp cooler in one of the bedrooms, but otherwise no air conditioning. Heat is from a propane fireplace with a stone surround in the living room/dining area which has the same engineered wood flooring as the kitchen and bathroom. The window are all wood and the ceiling is textured throughout. The walls in the kitchen, bathroom and bedrooms are painted drywall and wood tongue and groove in the dining and living areas.

On the exterior there is a small covered concrete patio area off the entrance on the north side of the cabin and a larger one off the entrance with the mudroom on the southeast side of the cabin. That larger patio is enclosed on two sides by the cabin itself and has built in storage cabinets, a counter top and refrigerator for an outdoor kitchen area. There is a firepit with a concrete block ring near the wood shed.

The wood shed is approximately 10 feet tall with metal siding and a metal roof. The 288 square foot storage building has wood siding and a metal roof with 3 separate areas. The metal-sided outhouse also has a metal roof and is near the RV hook ups on the westerly area of the lot. The driveway from Chokecherry Road is well maintained gravel. Gravel also extends throughout the areas of the firepit, wood shed and storage building.

2042 Value Indications:

Sales Comparison Approach	\$250,000
Final Opinion of Total Market Value	\$250,000
Final Opinion of Land Value	\$130,000
Final Opinion of Improvement Value	\$120,000
Effective Date	4/24/2023

2042 Record Owner:

The property is found to be under the ownership of the State of Montana, DNRC School Trust Land. The site is currently leased. The Lessee is identified below:

Lessee: Kenneth & Jeanette Krantz

2042 Sales History:

The subject improvements have been under the same family ownership for a period exceeding three years.

2042 Location of Property:

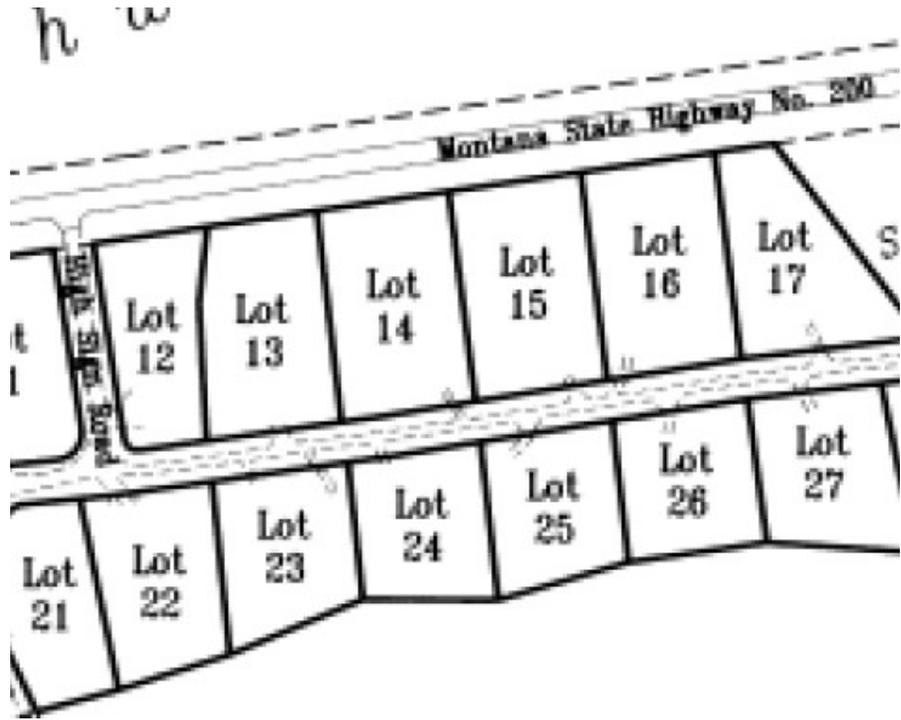
The subject property is situated on the south side of Chokecherry Road, south of Montana Highway 200, approximately 2.25 miles east of Lincoln, Montana.

2042 Legal Description:

The site is legally identified through client records as:

Lot 25, Lincoln Flats, COS 3242262, Section 16, T14N-R8W

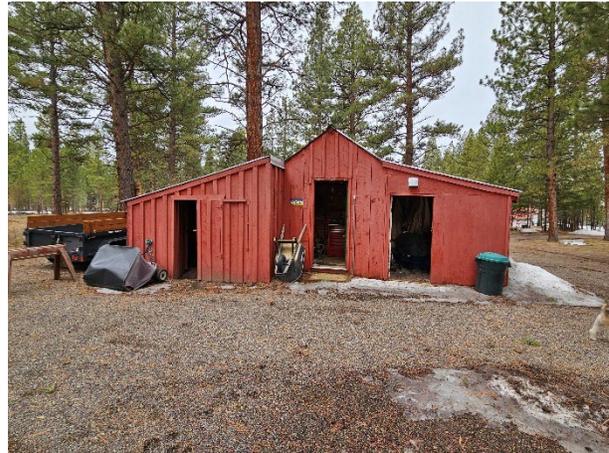
2042 Plat Map:



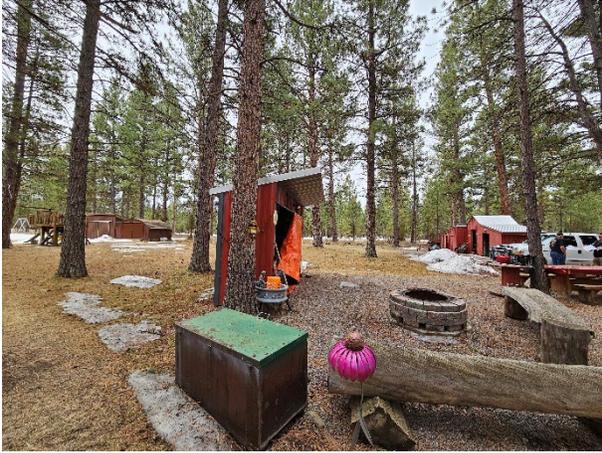
2042 Subject Photographs:



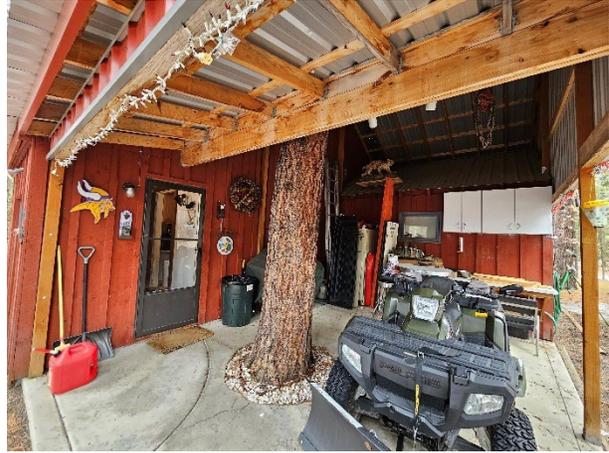
Exterior view of the subject from the northwesterly boundary of the property



View of the storage outbuilding with metal roof.



View looking north towards the firepit, lean-to woodshed and storage building.



View of covered patio and front entrance to the subject residence.



Looking into the kitchen from the front entrance.



View of dining area and fireplace from the living room.



Living room in the foreground with the kitchen, bathroom and bedroom in the background.



View of the bathroom and walk-in tile shower.

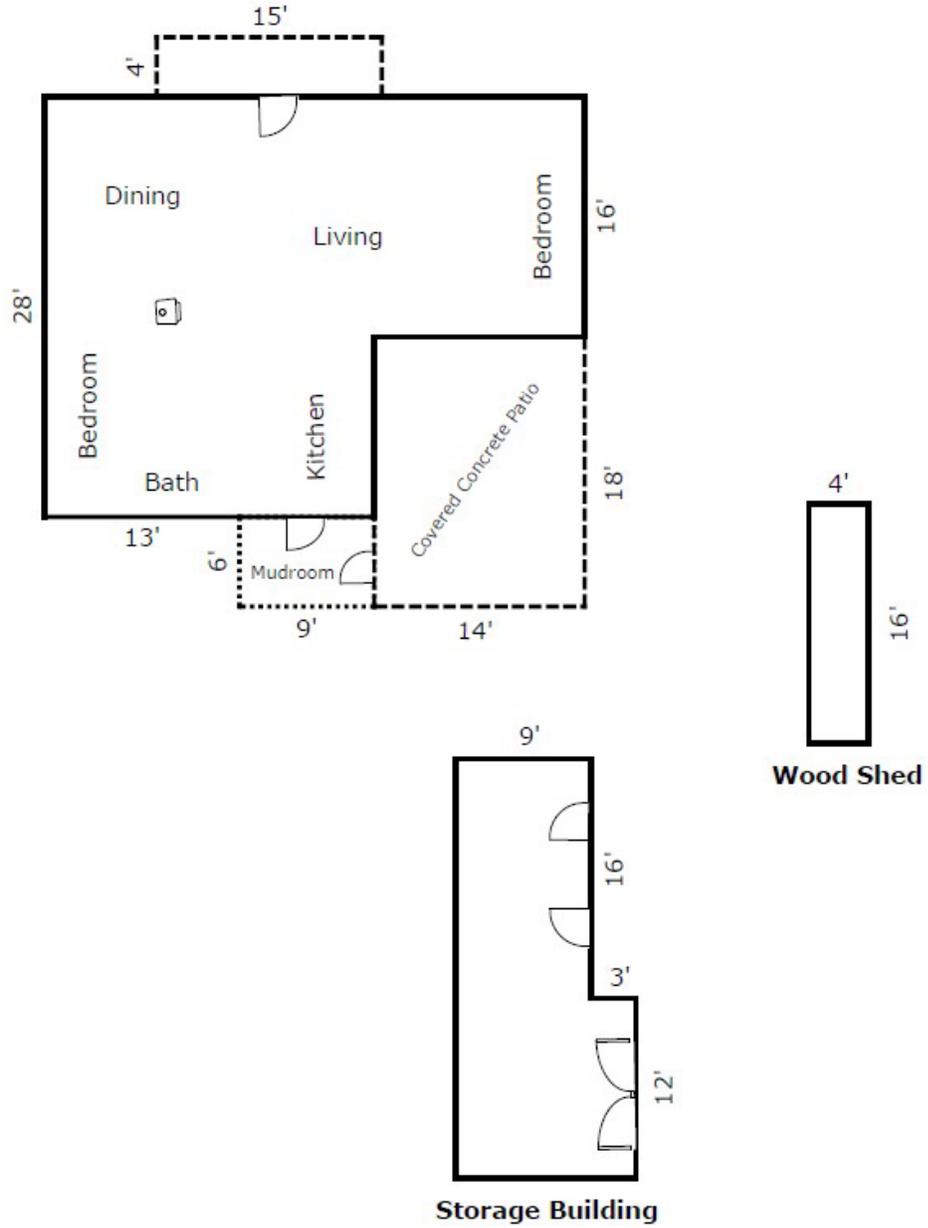


Looking into the smaller bedroom next to the bathroom.



Looking into the larger bedroom which is off the living room.

2042 Building Sketch:



2042 Land Valuation:

Categories	Subject Property	Land Sale #1	Adjustments	Land Sale #2	Adjustments
Address/Sale Price	3337 Chokecherry Rd	4157 Snowdrift Ln	\$60,000	4060 4x4 Rd	\$135,000
Price Acre		\$81,081		\$151,685	
Per SF		\$1.86		\$3.48	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$12,000	None	\$0
Improvement Value					
Sale Date/Market Conditions	4/24/2023	12/16/2021	\$1,413	6/21/2022	\$18,034
Time Lapse		16		10	
Adjusted Sale Price			\$61,413		\$153,034
Adjusted Price (\$/Ac)			\$82,990		\$171,948
Adjustments:					
Location	Lincoln, Montana; approximately 1.25 miles east of the airport in the Lincoln Flats subdivision.	E of Lincoln		E of Lincoln	
Size (SF)	44,170	32,234		38,768	
Size (Ac)	1.01	0.74		0.89	
Access	Gravel/county road -year round access	County/gravel -year round		County/gravel -year round access	
Topography	Mostly level	Mostly level		Mostly Level	
Utilities	Electric & telephone	Electric & telephone		Electric & telephone	
Improvements	None	None		Septic & well	-\$7,500
Zoning/Land Use	None	None		None	
Vegetation/Tree Cover	Mix of good cover and thick along the northwesterly boundaries.	Mostly open with a few trees		Good	
Water Resource	None	None		None	
Corner Lot	No	No		No	
Net Adjustments			\$0		-\$7,500
Indicated Value			\$61,413		\$145,534
Implied Subject Per Acre			\$60,565		\$143,524

Categories	Subject Property	Land Sale #3	Adjustments	Land Sale #4	Adjustments
Address/Sale Price	3337 Chokecherry Rd	4173 Abe Lincoln Rd	\$130,000	4472 Abe Lincoln Rd	\$159,000
Price Acre		\$62,802		\$20,703	
Per SF		\$1.44		\$0.48	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$0	None	\$0
Improvement Value					
Sale Date/Market Conditions	4/24/2023	3/3/2023	\$2,790	8/3/2021	\$46,572
Time Lapse		2		21	
Adjusted Sale Price			\$132,790		\$205,572
Adjusted Price (\$/Ac)			\$64,150		\$26,767
Adjustments:					
Location	Lincoln, Montana; approximately 1.25 miles east of the airport in the Lincoln Flats subdivision.	E of Lincoln		E of Lincoln	
Size (SF)	44,170	90,169		334,541	
Size (Ac)	1.01	2.07		7.68	
Access	Gravel/county road -year round access	County/gravel -year round		County/gravel -year round	
Topography	Mostly level	Mostly level		Mostly level	
Utilities	Electric & telephone	Electric & telephone		Electric & telephone	
Improvements	None	None		Septic permit	
Zoning/Land Use	None	No zoning/covenants apply		No zoning/covenants apply	
Vegetation/Tree Cover	Mix of good cover and thick along the northwesterly boundaries.	Good		Good mix	
Water Resource	None	None		None	
Comer Lot	No	Yes		No	
Net Adjustments			\$0		\$0
Indicated Value			\$132,790		\$205,572
Implied Subject Per Acre			\$130,957		\$202,733

2042 Reconciliation:

	Value Indication	Dollar Per Acre
Mean (Average)	\$136,327	\$134,445
Median	\$139,162	\$137,241
Minimum	\$61,413	\$60,565
Maximum	\$205,572	\$202,733

As discussed, each of the four land sales are located east of the subject property on the southerly side of Montana Highway 200. Each has a reasonable proximity to the community of Lincoln and all the sales other than Land Sale No. 4, are within 1 mile of the subject property. Land Sale No.4 is within 1 ½ miles of the subject.

The subject property is 1.01 acres and Land Sale No. 2 is most similar in size at 0.89 acres. This property did have a well and septic included, however the listing agent confirmed that the septic had damaged lines due to it not being used for 10+ years. An adjustment of -\$7,500 for the approximate value of the utilities in place was applied for the analysis. Land Sale No. 2 sold for \$135,000 on 6/21/22 and provides an overall adjusted indication of \$145,534 and \$143,524 per acre.

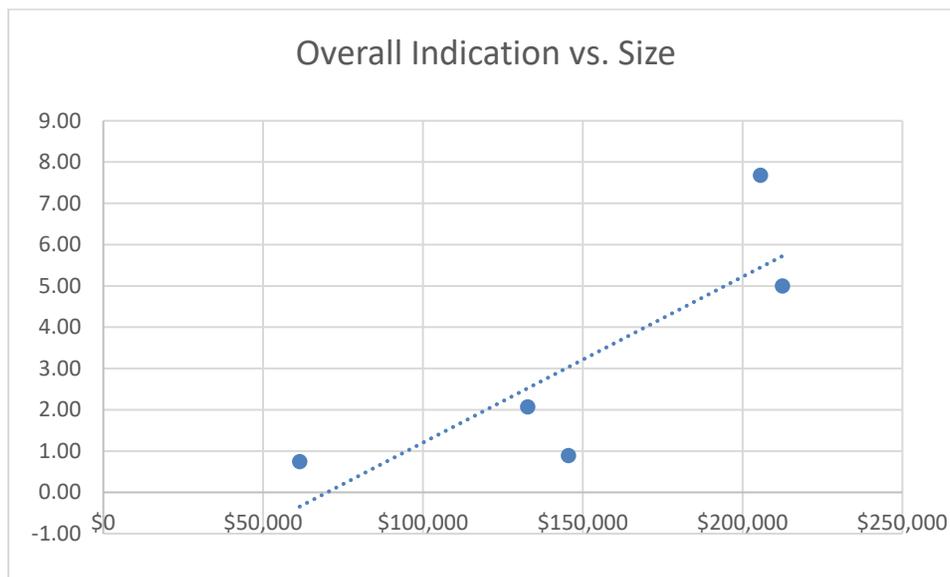
Land Sale No. 1 is the next closest in size to the subject property at 0.74 acres and sold on 12/16/21 for \$60,000. This property gives the lowest overall indicated value of \$61,413,413 and an indication of \$60,565 per acre. In speaking with the listing agent, the property had some older improvements that required removal upon purchase and the seller priced the property to sell quickly in the as is condition. An adjustment of \$12,000 was applied for the analysis to compensate for demolition costs under expenditures made after purchase. The eventual buyer was a construction company that factored in \$12,000.

Land Sale No. 3 is 2.07 acres and is the most recent sale, which closed on 3/3/23 for \$130,000. This sale is in a subdivision that has a few covenants and an annual HOA fee that are not typical for the area. The site did not have utilities installed; however, the septic was plotted with the needed requirements for development. The listing agent confirmed the HOA fee is \$125 per year and the covenants include restrictions to only allow one single-family residence that must be no less than 1,000 square feet in size and manufactured homes are not allowed. This sale gives an overall indicated value of \$132,790 and \$130,957 per acre.

Land Sale No. 4 is in the same subdivision as Land Sale No. 3 and is the largest of the sales at 7.68 acres and sold for \$159,000 on 8/3/21. This sale gives the second highest overall indication and consideration of the overall size difference was given in the final conclusion of value for the subject.

Sale No.	Overall Indication	Size
Sale No. 1	\$61,413	0.74
Sale No. 2	\$145,534	0.89
Sale No. 3	\$132,790	2.07
Sale No. 4	\$205,572	7.68
4670 4x4 Road	\$212,500	5.00

A supplemental sale at 4670 4x4 Road was a 5-acre site that sold for \$260,000 on 6/25/21. This property included an older trailer house which the buyer removed and sold immediately after the sale to develop the land with a new single-family improvement. The site included a well and septic system and also included a newer 640 square foot garage and 480 square foot open lean-to woodshed, both with metal roofs. Adjusting for the improvements, this property provides an indication of approximately \$212,500 for the land alone.



The four sales plus the supplemental sale at 4670 4x4 Road have an adjusted value indication range of \$61,413 to an upper end of \$212,500. The per unit indication of the primary sales ranges from \$60,565 to \$202,733 per acre. Emphasis is to Land Sale No. 2, Land Sale No. 3, and Land Sale No. 4 as well as the supplemental sale.

There were issues with the existing improvements for Land Sale No. 1 and that sale is not emphasized in the final analysis. The overall range of adjusted indications is from a low of \$132,790 to an upper end of \$212,500. Land Sale No. 2 and Land Sale No. 3 compare better to the subject in terms of overall site area, but Land Sale No. 3 sets the higher end of the range at 2.07 acres. Emphasis is to Land Sale No. 2 and Land Sale No. 3, which give an indication of \$132,790 to \$145,535. They are also the most recent sales closing in March 2023 and June 2022. Emphasis is towards overall lot pricing with the final conclusion of land value rounded to \$130,000.

Category	Per Acre	Acres	Indication
Value Indication	\$130,000	1.01	\$131,820
Land Value Transferred	\$128,205.13		\$130,000

2042 Improved Valuation:

Sale #	Subject	SFR Sale No. 1			SFR Sale No. 2	
		Address/Location	3337 Chokecherry Rd	3138 Hi Sign Rd	Adjustment	3574 EMT Hwy 200
	Sale/List Price	N/A	\$200,000		\$205,000	
	Overall \$/SF	N/A	\$245.10		\$177.64	
	Improvement Only \$/SF	N/A	\$91.91		\$69.32	
	Original List Price	N/A	\$200,000		\$205,000	
	DOM	N/A	33		46	
	Date of Sale	4/24/2023	7/1/2021	\$262,089	8/9/2021	\$264,397
	Concessions	N/A	None	\$0	None	\$0
	Site Acres	1.01	1.56	In Site Value	1.72	In Site Value
	Site Value	\$130,000	\$125,000	\$5,000	\$125,000	\$5,000
	Quality	Average	Average		Average	\$0
	Design	1-story cabin	Wood-frame cabin		Wood frame ranch	\$0
	Year Built	1965	1964	See Eff. Age	1963	See Eff. Age
	Effective Age	13	15	\$2,727	20	\$10,182
	Bathrooms	1.0	1.0	\$0	1.0	\$0
	Above Grade SF	840	816	\$2,400	1,154	-\$31,400
	Below Grade SF	0	0	\$0	0	\$0
	Below Grade Finish	0	0	\$0	0	\$0
	Fireplaces	1	0	\$5,000	1	\$0
	Woodstoves	0	1	\$2,500	1	-\$2,500
	Deck/Porch/Patio(s)	366	44	\$6,440	111	\$5,100
	Garage (SF)	0	672	-\$26,880	228	-\$9,120
	Other Living Area	0	288	-\$7,200	0	\$0
	Outbuildings	352	0	\$3,360	180	\$2,280
	Site Utilities	Elec., phone, septic & well, RV hookup	Elec., phone, septic, well	\$0	Elec., phone, septic, well	\$0
	Onsite Improvements	None	None	\$0	None	\$0
	Offsite Improvements	Gravel/county road -year round access	Gravel year-round access	\$0	Gravel year-round access	\$0
	Total Adjustments			-\$6,653		-\$20,458
	Adjusted Indication-Overall			\$255,437		\$184,542
	Adjusted Indication-Improvements Only			\$125,437		\$54,542

Sale #	Subject	SFR Sale No. 3		SFR Sale No. 4	
Address/Location	3337 Chokecherry Rd	4342 Snow Fleury Ln	Adjustment	5208 EMT Hwy 200	Adjustment
Sale/List Price	N/A	\$135,000	\$0	\$199,000	\$0
Overall \$/SF	N/A	\$383.52	\$0	\$246.90	\$0
Improvement Only \$/SF	N/A	\$85.23	\$0	\$110.42	\$0
Original List Price	N/A	\$175,000	\$0	\$225,000	\$0
DOM	N/A	26	\$0	42	\$0
Date of Sale	4/24/2023	4/5/2022	\$157,923	6/21/2022	\$0
Concessions	N/A	None	\$0	None	\$0
Site Acres	1.01	0.91	In Site Value	1.00	In Site Value
Site Value	\$130,000	\$105,000	\$25,000	\$110,000	\$20,000
Quality	Average	Average		Average	Offsets
Design	1-story cabin	Log cabin	\$0	Log cabin	\$0
Year Built	1965	1925	See Eff. Age	1979	See Eff. Age
Effective Age	13	25	\$6,545	20	\$11,327
Bathrooms	1.0	1.0	\$0	1.0	\$0
Above Grade SF	840	352	\$48,800	806	\$3,400
Below Grade SF	0	0	\$0	0	\$0
Below Grade Finish	0	0	\$0	0	\$0
Fireplaces	1	0	\$5,000	0	\$5,000
Woodstoves	0	1	-\$2,500	1	-\$2,500
Deck/Porch/Patio(s)	366	84	\$5,640	276	\$1,800
Garage (SF)	0	0	\$0	0	\$0
Other Living Area	0	0	\$0	0	\$0
Outbuildings	352	40	\$3,160	221	\$2,255
Site Utilities	Elec., phone, septic & well, RV hookup	Elec., phone, septic, well	\$0	Elec., phone, septic, well	\$0
Onsite Improvements	None	None	\$0	None	\$0
Offsite Improvements	Gravel/county road -year round access	Gravel year-round access	Offsets	Gravel road -year round access	\$0
	Total Adjustments		\$91,645		\$41,282
	Adjusted Indication-Overall		\$226,645		\$240,282
	Adjusted Indication-Improvements Only		\$96,645		\$110,282

Sale #	Subject	SFR Sale No. 5			SFR Sale No. 6	
Address/Location	3337 Chokecherry Rd	5648 7up Lane	Adjustment	4342 Snow Fleury Ln	Adjustment	
Sale/List Price	N/A	\$265,000		\$210,000		
Overall \$/SF	N/A	\$217.21		\$596.59		
Improvement Only \$/SF	N/A	\$139.34		\$284.09		
Original List Price	N/A	\$300,000		\$250,000		
DOM	N/A	116		59		
Date of Sale	4/24/2023	11/8/2021	\$329,312	9/26/2022	\$228,806	
Concessions	N/A	0	\$0	0	\$0	
Site Acres	1.01	1.03	In Site Value	0.91	In Site Value	
Site Value	\$130,000	\$95,000	\$35,000	\$110,000	\$20,000	
Quality	Average	Average	\$0	Average	\$0	
Design	1-story cabin	Log cabin	In Quality	Log cabin	In Quality	
Year Built	1965	1957	See Eff. Age	1925	See Eff. Age	
Effective Age	13	17	\$12,364	10	-\$5,455	
Bathrooms	1.0	1.0	\$0	1.0	\$0	
Above Grade SF	840	1,220	-\$38,000	352	\$48,800	
Below Grade SF	0	0	\$0	0	\$0	
Below Grade Finish	0	0	\$0	0	\$0	
Fireplaces	1	0	\$5,000	0	\$5,000	
Woodstoves	0	2	-\$5,000	1	-\$2,500	
Deck/Porch/Patio(s)	366	77	\$5,780	84	\$5,640	
Garage (SF)	0	1,020	-\$31,800	900	-\$36,000	
Other Living Area	0	0	\$0	0	\$0	
Outbuildings	352	433	\$1,195	40	\$2,960	
Site Utilities	Elec., phone, septic & well, RV hookup	Elec., phone, septic, well	\$0	Elec., phone, septic, well	\$0	
Onsite Improvements	None	None	\$0	None		
Offsite Improvements	Gravel/county road -year round access	Gravel road -year round access	\$0	Gravel/county road -year round access	\$0	
	Total Adjustments		-\$15,461		\$38,445	
	Adjusted Indication-Overall		\$313,850		\$267,251	
Adjusted Indication-Improvements Only			\$183,850	\$137,251		

Sale No.	Adjusted Indication - Overall	Adjusted Indication - Improvements Only	Per SF
SFR Sale No. 1	\$255,437	\$125,437	\$149.33
SFR Sale No. 2	\$184,542	\$54,542	\$64.93
SFR Sale No. 3	\$226,645	\$96,645	\$115.05
SFR Sale No. 4	\$240,282	\$110,282	\$131.29
SFR Sale No. 5	\$313,850	\$183,850	\$218.87
SFR Sale No. 6	\$267,251	\$137,251	\$163.39

	Overall	Improvement Only	Per SF
Minimum	\$184,542	\$54,542	\$64.93
Maximum	\$313,850	\$183,850	\$218.87
Mean	\$248,001	\$118,001	\$140.48
Median	\$247,859	\$117,859	\$140.31

All of the sales compare well overall in location, site size, quality, design, effective age, and number of bathrooms. They are all reasonably comparable to the subject improvements in total

size and adjustments were made in the analysis for difference in square footage based on average quality for replacement cost new, less depreciation (RCNLD) as described in detail under the Sales Comparison Approach – Improved Property section of this report.

SFR Sale No. 1 was on 7/1/21 and compares very well to the subject. The site is 1.56 acres, and the single-family residence is 816 square feet, compared to the subject at 1.01 acres and the 840 square foot residence. The main difference between the sale and the subject is the 672 square foot garage that includes a separate living space estimated at about 288 square feet. An adjustment was applied for the additional improvements and this sale provides an adjusted overall value indication of \$255,437.

SFR Sale No. 2 has a slightly larger single-family residence at 1,154 square feet on a 1.72 acre site and sold for \$205,000 on 8/9/21. The property included a new septic system as well as a 228 square foot garage with concrete floors and a metal roof. The adjusted overall indication of this sale is \$184,542.

SFR Sale No. 3 and SFR Sale No. 6 are for the same property, which was first sold on 4/5/22 for \$135,000. The buyer updated the flooring and added a 24' x 30' detached garage, then resold it on 9/26/22 for \$210,000. The overall value indication from SFR Sale No. 3 is \$226,645 and \$267,251 from SFR Sale No. 6.

SFR Sale No. 4 does not have a garage and is very similar in size to the subject with an 806 square foot single-family residence on 1.00 acres. The cabin has vaulted ceilings and a small loft area; however, the listing agent confirmed the seller had inherited the property and the interior was damaged from the wood stove and needed new flooring, cabinets, appliances, etc. The buyer purchased it with cash and no inspection with intentions to fully remodel. The subject property is considered superior to this sale, which gives an overall adjusted indication of \$240,282.

SFR Sale No. 5 sets the high end of the indications at an overall value of \$313,850. The property sold on 11/8/21 for \$265,000 and included a 1,220 square foot single-family residence with a large laundry room on 1.03 acres. It also has a 1,020 square foot double-car garage. The subject is considered somewhat inferior to this property.

The adjusted overall indications range from a low of \$184,542 up to \$313,850. The arithmetic mean of the indications is \$248,001 and the median indication is \$247,859. Improvements only range from \$54,542 to an upper end of \$183,850. Given the overall condition and quality of the improvement, emphasis is to a value of \$250,000.

Indicated Value	\$250,000
Land Value	\$130,000
Personal Property	\$120,000
Per SF	\$143

APPRAISER'S CERTIFICATION

The undersigned does hereby certify that (except as otherwise noted in this appraisal report):

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification, except for Kelli Hogan. She assisted with comparable sales selection and confirmation of the primary and secondary market data.
11. As of the date of this report, Nicholas J. Hogan, MAI has completed the continuing education program of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. This report is in compliance with applicable regulations governing appraisal

services and appraisal reporting requirements for the State of Montana.

14. I made a physical inspection of the property appraised and the property owner was given the opportunity to accompany me on the property inspection.

VALUATIONS

Sale No	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2041	3.244	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 47, ACRES 3.244, COS #3242262 Scott & Catherine Joyner (LEASE 3062785)	3890 4x4 Road	\$190,000	\$150,000	\$40,000
2042	1.014	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 25, ACRES 1.014, COS #3242262 Kenneth & Jeanette Kranz (LEASE #3062389)	3337 Chokecherry Rd	\$250,000	\$130,000	\$120,000

Pursuant to USPAP, it is necessary for this appraisal to consider and analyze exposure time when developing an opinion of market value. Please refer to the Exposure Time section of this report for discussion of both exposure time and marketing time.



NICHOLAS J. HOGAN, MAI
MT General Certified REA-REG-LIC 370
Expires 3/31/24

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and the local and/or regional real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

1. LIMIT OF LIABILITY:

The liability of the firm Hogan Real Estate Appraisal Group, LLC and employees and affiliated independent contractors is limited to the CLIENT ONLY AND TO THE FEE ACTUALLY RECEIVED BY APPRAISER (TOTAL PER APPRAISAL). FURTHER, THERE IS NO ACCOUNTABILITY, OBLIGATION, OR LIABILITY to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser completely harmless in any such action.

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of Hogan Real Estate Appraisal Group, LLC for the use of the client; the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; HOWEVER, selected portions of this appraisal report shall NOT be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the Appraiser.

3. CONFIDENTIALITY:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made. The Appraiser may not divulge the material (evaluation) contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena. Sales information obtained during the course of this appraisal assignment is the Appraiser's and it can be used or exchanged without consent of the client.

4. TRADE SECRETS:

This appraisal was obtained from Hogan Real Estate Appraisal Group, LLC and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosures under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or a principal in Hogan Real Estate Appraisal Group, LLC for any request to reproduce this appraisal in whole or in part.

5. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Hogan Real Estate Appraisal Group, LLC and possibly signing the report are independent contractors.

The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgement and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for subject property.

6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable prior to delivery of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. EXHIBITS:

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:

The Appraiser and/or firm has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser. Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy nor soils and potential for settlement, drainage, and such (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause loss of value. The land or the soil of the area being appraised appears firm, however, subsidence in the area is unknown. The Appraiser (singular or plural) does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. The Appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgement may be made by us to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the Appraiser has not been supplied with a deficiency or hazard inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

9. LEGALITY OF USE:

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

10. COMPONENT VALUES:

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

11. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

12. DOLLAR VALUES, PURCHASING POWER:

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of dollar as of the date of value estimate.

13. INCLUSIONS:

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined and essentially integrated to comprise the property in total, i.e. Hotels/Motels.

14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown which is indicative of a hypothetical condition or an extraordinary assumption.

15. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace. In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser(s) interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic. "The Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised. Appraisal report and value estimate are subject to change if physical or legal entity or financing is different than that envisioned in the report.

16. MANAGEMENT OF THE PROPERTY:

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

17. CONTINUOUS EDUCATION:

The Appraisal Institute conducts a voluntary and a mandatory program of continuing education for its designated members depending upon date of membership. Those who meet the minimum standards of this program are awarded periodic educational certification. Please refer to the Appraisers Certification for compliance with the Appraisal Institute's requirements addressing continuing education.

18. FEE:

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount of payment of fee for services is not contingent on any result, approval amount or other estimates or statements.

19. AUTHENTIC COPIES:

The authentic copies of this report are signed in blue ink and have embossed type seal. Any copy that does not have the above is unauthorized and may have been altered.

20. INSULATION AND TOXIC MATERIALS:

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

21. REVIEW:

Unless otherwise noted herein, any named Review Appraiser from Hogan Real Estate Appraisal Group, LLC has reviewed the report as to general appropriateness of technique and format, and has agreed to accept full responsibility for the contents and conclusions noted therein.

22. CHANGES, MODIFICATIONS:

The Appraiser(s) and/or principals of Hogan Real Estate Appraisal Group, LLC, reserve the right to alter statements, analyses, conclusions or any value estimate(s) in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

23. AFTER TAX ANALYSIS AND/OR VALUATION:

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; note that the Appraiser(s) does not claim expertise in tax matters and advises client and any other using the appraisal to seek competent tax advice as the Appraiser(s) is in no way to be considered a tax advisor or investment advisor.

24. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTEND ONLY TO STATED CLIENT, NOT TO SUBSEQUENT PARTIES OR USERS OF ANY TYPE, AND THE TOTAL LIABILITY OF APPRAISER AND FIRM IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY HOGAN REAL ESTATE APPRAISAL GROUP, LLC.

FOR DNRC USE ONLYAmount under this Agreement: \$1,450.00Source of Funds

<u>Fund Name</u>	<u>Fund No.</u>
Cabin Site Sale Private Closing Costs	02031
Trust Administration Account	02938

<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>
555HA	6048-01	50%
	6049-59	50%

Approved

No. 235088
 Division RW
 Legal MP
 F.S.O. GU



**TRUST LAND MANAGEMENT DIVISION
 APPRAISAL OF POTENTIAL CABIN/HOME SITE SALE PROPERTIES
 IN LEWIS AND CLARK COUNTY**

THIS CONTRACT is entered into by and between the State of Montana, Department of Natural Resources and Conservation, (hereinafter referred to as “the State”), whose address and phone number are P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601, (406) 444-4289 and, Nicholas J. Hogan, Hogan Real Estate Appraisal Group, LLC (Contractor), whose address and phone number are 7901 Saddlebow Trail, Missoula, MT 59808, (406) 239-6425.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract’s initial term is upon contract execution, through June 30, 2023, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State’s authorized representative has executed it in Section 34. **The appraisal report is to be completed and forwarded to DNRC, Deidra Kloberdanz, Lands Section Supervisor at P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601 by May 30, 2023.**

1.2 Contract Renewal.

N/A

2. COST ADJUSTMENTS – N/A**2.1 Cost Increase by Mutual Agreement. – N/A****3. SERVICES AND/OR SUPPLIES**

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcels in Lewis and Clark County, as described in Attachment B, Montana

DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an Appraisal Report, conducted and prepared in compliance with the Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that supports the analyses, opinions and conclusions.

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

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

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

4. WARRANTIES

4.1 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The State's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the State may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration of the successful submission of the appraisal report to be provided, the State shall pay Contractor: \$1,450.

The contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made.

In No case shall the State's total cumulative payment under this contract exceed One Thousand Four Hundred Fifty dollars and No/100 (\$1,450.00).

5.2 Withholding of Payment N/A

5.3 Payment Terms. Unless otherwise noted in the solicitation document, the State has thirty (30) days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking

information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

5.4 Reference to Contract. The contract number MUST appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

5.5 Fuel Surcharge - N/A

6. PREVAILING WAGES REQUIREMENTS - N/A

7. ACCESS AND RETENTION OF RECORDS

7.1 Access to Records. Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 21, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

7.2 Retention Period. Contractor shall create and retain all records documenting the Appraisal Report for a period of eight years after either the completion date of this contract or termination of the contract.

8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract. Contractor is responsible to ensure that any assignee, transferee or subcontractor is subject to all of the terms and conditions of this Contract as fully set forth. Consent of the State to assign, transfer or subcontract any portion of this Contract does not relieve the Contractor in any manner of its responsibilities under this Contract.

9. HOLD HARMLESS/INDEMNIFICATION

9.1 Claims under this provision also include any claim arising out of or in any way connected with Contractor's breach of this contract, including any claims asserting that any of the Contractor's employees are actually employees of the state or common law employees of the state or any of its agencies or political subdivisions, including but not limited to excise taxes or penalties imposed on the State under Internal Revenue Code §§ 4980H, 6055 or 6056 and any subsequent amendments or additions to these Sections. Contractor shall be responsible for implementation of all aspects of the Affordable Care Act as this Act may apply to Contractor and shall be responsible for any violations including any sanction, penalty, fee or tax and shall indemnify the State and hold harmless and defend the State for any omission or failure of Contractor to meet its obligations under Sections 13 and 14.

9.2 Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense

thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of State, under this Contract.

10. CONTRACTOR REGISTRATION (for construction) - N/A

11. CONTRACTOR WITHHOLDING (for construction) – N/A

12. REQUIRED INSURANCE

12.1 General Requirements. Contractor shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

12.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

12.3 Specific Requirements for Commercial General Liability. – N/A

12.4 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by Contractor.

12.5 Specific Requirements for Professional Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$500,000 per occurrence and \$500,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If "occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of this contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

12.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the State. At the request of the State either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as pertain to the State, its officers, officials, employees, or volunteers; or (2) at the expense of Contractor, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

12.7 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State, PO Box 201601, Helena, MT 59620-1601. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

13. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the State, PO Box 201601, Helena, MT 59620-1601.

14. COMPLIANCE WITH LAWS

14.1 Federal, State, or Local laws, Rules, and Regulations. Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The State may audit or request from Contractor at any time a statement that it is fully compliant with all requirements of this Section.

14.2 Contractor as Employer under the Patient Protection and Affordable Care Act and this Contract. The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Contractor represents and warrants that all individuals who perform services for an agency of the State for Contractor under this Contract are without exception Contractor's common law employees at all times and that Contractor acknowledges that Contractor has the responsibility and retains the obligation to direct and control its employees providing services under this Contract for the term of this Contract. Contractor is responsible for providing healthcare benefits for its employees under the Patient Protection and Affordable Care Act.

14.2.1 State Benefits Plans. Contractor acknowledges and agrees that it, its agents or employees are not employees of the State and that its agents or employees have no nexus with the State to participate in any of the State's benefits plans or programs that the State offers its employees and maintains for its employees.

14.2.2 Contractor Provided Health Care Coverage. Contractor shall, if required by the Patient Protection and Affordable Care Act, offer to all its agents or employees who perform services for the State under this contract for 30 or more hours a week and for employee's or agent's dependents under age 26 health care coverage under its health care plans. Such coverage must provide minimum essential coverage and minimum value, and be affordable for purposes of the employer responsibility provisions under Section 4980H of the Code and otherwise satisfy the requirements of Code 4980H if provided by the State. It shall be contractor's sole responsibility to determine applicability and compliance requirements that may apply to Contractor under the Patient Protection and Affordable Care Act.

14.2.3 Contractor Reporting Requirements. Contractor acknowledges that if it is subject to any reporting requirements under Code §§ 6055 and 6066 that Contractor will fully comply with any required reporting with respect to individuals who perform services for the State.

14.3 Any partial or whole assignment, transfer or subletting or subcontracting by Contractor subjects subcontractors to the same provisions of this Section and it is the responsibility of the Contractor to ensure any agreement to assign, transfer, sublet or subcontract binds any successor to this Contract in whole or in part or binds any subcontractor to all the terms and conditions of this Contract as if a party to the Contract from inception..

14.4 In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing this contract.

15. DISABILITY ACCOMMODATIONS

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

16. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

Section 17: INTELLECTUAL PROPERTY/OWNERSHIP

17.1 Mutual Use. Contractor shall make available to the State, on a royalty-free, non-exclusive basis, all patent and other legal rights in or to inventions first conceived and reduced to practice, or created in whole or in part under this contract, if such availability is necessary for the State to receive the benefits of this contract. Unless otherwise specified in a statement of work, both parties shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use copyrightable property created under this contract. This mutual right includes (i) all deliverables and other materials, products, modifications that Contractor has developed or prepared for the State under this contract; (ii) any program code, or site- related program code that Contractor has created, developed, or prepared under or primarily in support of the performance of its specific obligations under this contract; and (iii) manuals, training materials, and documentation. All information described in (i), (ii), and (iii) is collectively called the "Work Product".

17.2 Title and Ownership Rights. The State retains title to and all ownership rights in all data and content, including but not limited to multimedia or images (graphics, audio, and video), text, and the like provided by the State (the "Content"), but grants Contractor the right to access and use Content for the purpose of complying with its obligations under this contract and any applicable statement of work.

17.3 Ownership of Work Product. Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the State may reasonably request, to perfect the State's ownership of any Work Product.

17.4 Copy of Work Product. Contractor shall, at no cost to the State, deliver to the State, upon the State's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the State's request, or such expiration or termination.

17.5 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the State (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, Contractor fails to disclose to the State such Contractor Pre-Existing Materials, Contractor shall grant the State a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the State to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in **Section 17.3** or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

18. PATENT AND COPYRIGHT PROTECTION – N/A

19. CONTRACT PERFORMANCE ASSURANCE – N/A

Section 20: CONTRACT TERMINATION

20.1 Termination for Cause with Notice to Cure Requirement. The State may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

20.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the State's failure to perform any of its duties under this contract after giving the State written notice of the failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

20.3 Reduction of Funding. The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

21. EVENT OF BREACH – REMEDIES

21.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- Products or services furnished fail to conform to any requirement;
- Failure to submit any report required by this Contract;
- Failure to perform any of the other terms and conditions of this Contract, including but not limited to beginning work under this Contract without prior State approval or breaching Section 26.1, obligations; or
- Voluntary or involuntary bankruptcy or receivership.

21.2 Event of Breach by State. The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

21.3 Actions in Event of Breach. Upon Contractor's material breach, the State may:

- Terminate this contract under section 20.1; or
- Treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the State's material breach, the Contractor may:

- Terminate this Contract under Section 20.2 and pursue any of its remedies under this Contract, at law, or in equity; or
- Treat this Contract as materially breached and, except as the remedy is limited in this Contract, pursue any of its remedies under this Contract, at law, or in equity.

22. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the

onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

23. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

24. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

25. LIAISONS AND SERVICE OF NOTICES

25.1 Contract Liaisons. All project management and coordination on the State's behalf must be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the State's liaison and Contractor's liaison.

Deidra Kloberdanz, Lands Section Supervisor, is the State's liaison.
Address: PO Box 201601
Helena, MT 59620-1601
Telephone: (406) 444-4165
Fax: (406) 444-2684
E-Mail: Deidra.Kloberdanz@mt.gov

Nicholas J. Hogan, Hogan Real Estate Appraisal Group, LLC is Contractor's liaison.
7901 Saddlebow Trail
Missoula, MT 59808:
Telephone: (406) 239-6425
E-mail: nickhogan@gmail.com

25.2 Notifications. The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three (3) business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

25.3 Identification/Substitution of Personnel. – N/A

26. MEETINGS

26.1 Technical or Contractual Problems. Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working day notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the contract.

26.2 Progress Meetings. – N/A

26.3 Failure to Notify. – N/A

26.4 State's Failure or Delay. – N/A

27. Transition Assistance

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the State terminates a project or this contract for cause, then the State may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of Contractor's breach.

28. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

29. TAX EXEMPTION

State of Montana is exempt from Federal Excise Taxes (#81-0302402) except as otherwise provided in the federal Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119].

30. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

31. SEVERABILITY CLAUSE

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

32. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

32.1 Contract. This contract consists of 11 numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, pages 12-17. In the case of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

32.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by all the parties.

33. WAIVER

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

34. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

A scanned copy or facsimile copy of the original has the same force and effect as the original document.

STATE OF MONTANA

**Dept. Natural Resources & Conservation
Trust Land Management Division
P.O. Box 201601
1539 11th Avenue
Helena, MT 59620-1601**

Nicholas J. Hogan Hogan Real Estate Appraisal
Group LLC
7901 Saddlebow Trail
Missoula, MT 59808:
FEDERAL ID #: 92-1081041

BY: _____
(Ryan Weiss, Bureau Chief)

BY: Nick Hogan Director

(Nicholas J. Hogan)
(nickhogan@gmail.com)

DocuSigned by:
Ryan Weiss
(Signature)

DocuSigned by:
Nick Hogan
(Signature)

DATE: 4/11/2023

DATE: 3/29/2023

ATTACHMENT A

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

DNRC TLMD Real Estate Management Bureau Cabin/Home Site Sale Program

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2023 Lewis and Clark – Lincoln Flats Appraisal

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee's Scott & Catherine Joyner and Kenneth & Jeanette Kranz. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision-making process concerning the potential sale of said subject property.

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and must be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible. The appraiser is to physically inspect the subject properties at a level that will allow the appraiser to render a credible opinion of value about the properties. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

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

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

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 2 (two) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

ATTACHMENT B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Properties (Located in Lewis and Clark County):

Sale #	Acres ±	Legal Description
2041	3.244±	Lot 47, Lincoln Flats, COS 3242262, Section 16, T14N-R8W
2042	1.014±	Lot 25, Lincoln Flats, COS 3242262, Section 16, T14N-R8W

<u>DNRC Contact Information:</u> Deidra Kloberdanz, Lands Section Supervisor PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4165 Deidra.Kloberdanz@mt.gov	<u>Lessees:</u> Sale 2041: Scott & Catherine Joyner (406) 223-6039 or 406-465-5807 Sale 2042: Kenneth & Jeanette Kranz (406) 788-9887 or 406-454-2120
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The following will be located in the body of the contract:

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

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

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

Cabin Site Sale 2041 & 2042 COS 3242262

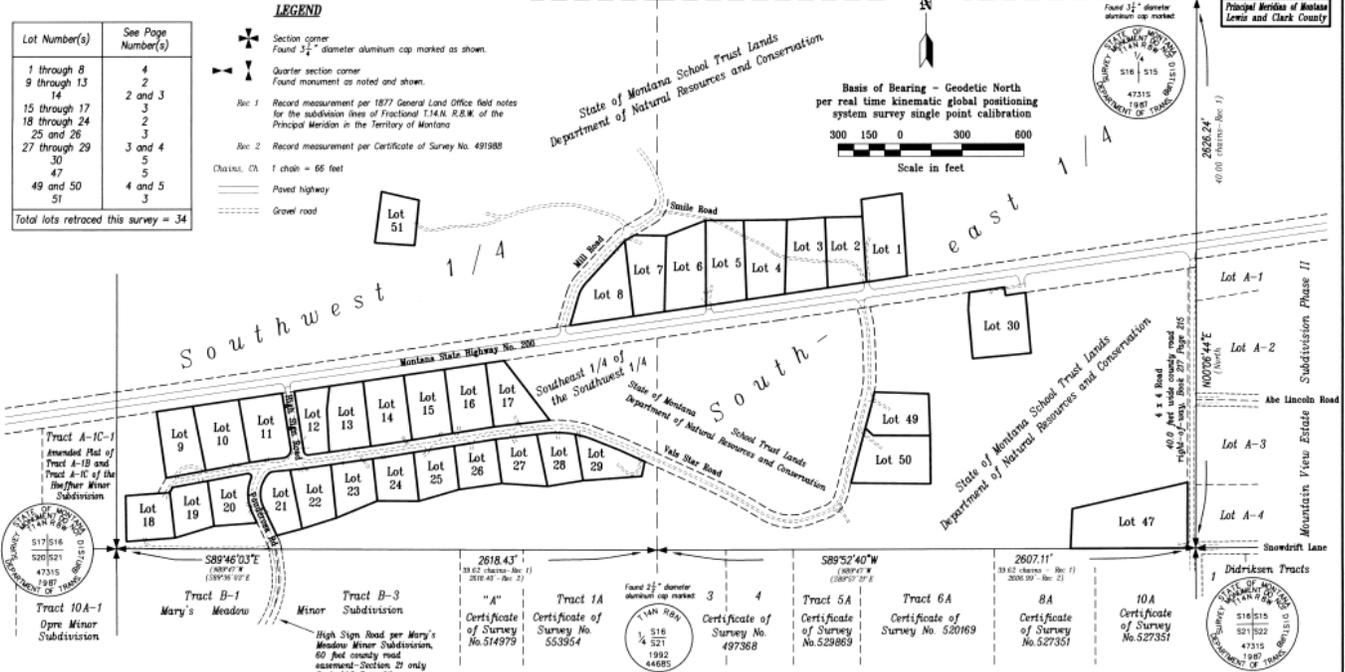
Certificate of Survey

The Southeast 1/4 and the Southwest 1/4 of Section 16, Township 14 North, Range 8 West
Principal Meridian, Lewis and Clark County, Montana

Lot Number(s)	See Page Number(s)
1 through 8	4
9 through 13	2
14	2 and 3
15 through 17	3
18 through 24	2
25 and 26	3
27 through 29	3 and 4
30	5
47	5
49 and 50	4 and 5
51	3

Total lots retraced this survey = 34

- LEGEND**
- Section corner
Found 3/4" diameter aluminum cap marked as shown.
 - Quarter section corner
Found monument as noted and shown.
 - Rec 1 Record measurement per 1877 General Land Office field notes for the subdivision lines of Fractional T.14N. R.8W. of the Principal Meridian in the Territory of Montana
 - Rec 2 Record measurement per Certificate of Survey No. 491988
 - Chassis, Ch. 1 chain = 66 feet
 - Paved highway
 - Gravel road



ROAD RIGHT-OF-WAY NOTE:
Mill Road, Smile Road, High Sign Road, Ponderosa Road, and Vals Star Road as shown inside Section 16 on this Certificate of Survey are road right-of-ways for state lessees only. These roads are not public right-of-ways. No grant of easement found in public records.

CERTIFICATE OF PROFESSIONAL LAND SURVEYOR
I hereby certify that I am a Licensed Professional Land Surveyor in the State of Montana, that the survey shown on this Certificate of Survey has been prepared in accordance with Montana Code Annotated Title 76 Chapter 3 and the Montana Department of Labor and Industry Rules for the Montana Subdivision and Plotting Act, Uniform Standards for Survey Monumentation, Certificates of Survey and Final Subdivision Plats.

Dated this 10th day of MAY, 2013.
Michael J. Drenth
Montana License No. 108641S

LAND OWNER
State of Montana Department of Natural Resources and Conservation

SURVEY COMMISSIONED BY
State of Montana Department of Natural Resources and Conservation

DATE OF SURVEY
May 2012 - January 2013

PURPOSE OF SURVEY
The purpose of this survey is to retrace and monument existing state lease lots. This survey shows material evidence (property corner monuments) not appearing on any map filed with the county clerk and recorder. Therefore, this certificate of survey has been prepared pursuant to 76-3-404(1)(a) MCA. No division of land is hereby created. Therefore, this survey is exempt from the subdivision review provisions of Title 76, Chapter 3, MCA.

CERTIFICATE OF EXAMINING LAND SURVEYOR
Reviewed for errors and omissions in calculations and drafting this 23rd day of MAY, 2013, pursuant to 76-3-611(2)(a), MCA.

Alenore Jay License No. 9962-1.5
Examining land surveyor

CERTIFICATE OF CLERK AND RECORDER
State of Montana
County of Lewis and Clark) SS

3242262 COS
Filed 05/21/2013 10:34 AM Pages: 1 of 18 Fees: \$92.00 cl. m.
Instrument Rec. No. _____ Deputy



NOTE
Surveyor has made no investigative or independent search for encumbrances of record, encumbrances, restrictive covenants, ownership title evidence, or any other facts that an accurate and current title search may disclose.



State of Montana
Business Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER

REA-RAG-LIC-370

Status: **Active**
Expires: **03/31/2023**

NICHOLAS J HOGAN
HALL-WIDDOSS AND COMPANY PC
1001 SW HIGGINS STE 201
MISSOULA, MT 59803



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

Renew online at <https://ebiz.mt.gov/pol> by signing in with your username and password.

The renewal cycle for your board opens 60 days prior to the expiration date on your current license.

Renew your license prior to your expiration date to avoid being charged a late fee(s).

Remember to maintain your online account information with a password, security question and a valid email address. You can update your account information by accessing the 'Account Management' link when logged in.

APPRAISER QUALIFICATIONS - NICHOLAS J. HOGAN, MAI

APPRAISAL AND RELATED BUSINESS EXPERIENCE:

- December 2022 to present: Owner and appraiser, Hogan Real Estate Appraisal Group, LLC. specializing in real estate appraisal and consulting with emphasis noted below.
- January 1994 to December 2022: Staff Appraiser for Hall-Widdoss & Co., P.C. specializing in real estate appraisal and consulting with emphasis on multi-family residential, Section 42 LIHTC, assisted living facilities, farm and ranch, conservation easements, partial interests, and complex commercial valuation. Currently licensed in Montana, Idaho and Wyoming. Work includes value estimates for loan purposes, conservation easements, litigation support, estate planning, marketing, condemnation, accounting requirements and feasibility analysis.

EDUCATION:

University of Montana – Bachelor of Science in Business Administration (12/92)

Appraisal Institute Courses and Seminars

- 110 Appraisal Principles
- 120 Appraisal Principles
- 310 Basic Income Capitalization
- 510 Advanced Income Capitalization
- 520 Highest and Best Use/Market Analysis
- 530 Advanced Sales Comparison & Cost Approaches
- 540 Report Writing and Valuation Analysis
- Conservation Easement & Partial Interests
- Yellow Book

Court Testimony

Montana 6th Judicial Court
District of Montana Bankruptcy Court
9th Judicial Circuit Court, Kalamazoo, MI
US Bankruptcy Court Western District of Washington
Silver Bow County District Court

PROFESSIONAL AFFILIATIONS:

Member Appraisal Institute – MAI No. 12400
Montana General Certificate No. REA-RAG-LIC-370
Wyoming Certified Real Estate Appraiser Permit No. 1090
Idaho General Certified Appraiser No. CGA-3332

REPRESENTATIVE CLIENTS:

US & State

Federal Aviation Administration
General Services Administration
Bureau of Reclamation
US Forest Service
Appraisal and Valuation Services Office
Montana Department of Justice
US Highway Administration
US Army Corp of Engineers
City of Missoula/Missoula County
Montana Department of Transportation
Montana Fish Wildlife & Parks
Idaho Department of Lands

Other Clients

First Interstate Bank
Nature Conservancy
US Bank
Bank of America
Glacier Bank
Five Valleys Land Trust
Catholic Church – Diocese of Helena
Montana Environmental Trust Group