

McGinnis Real Estate Appraisal Group, LLC

Appraisal Report

Lot 6 and Lot 21 COS 3534

Lot 1 and Lot 19 COS 3533

Section 12, Township 22 North, Range 27 West
Sanders County
Plains, MT 59859

Jennifer L. McGinnis, MAI

Sale #954 Lot 21
1.01 acres Mudd Creek
628 SF 1980 cabin.

Sale #956 Lot 6
2.24 acres Mudd Creek
880 SF 1970* cabin

Sale #957 Lot 19
2.42 acres South Fork
Little Thompson River
944 SF GLA 1980 cabins

Sale #955 Lot 1
1.49 acres
400 SF 1930 log cabin

Date of Valuation

April 23, 2019

FOR

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

DNRC No.195067

Our File No. 1903

McGinnis Real Estate Appraisal Group, LLC

June 3, 2019

Montana Department of Natural Resources and Conservation
Kelly Motichka, Lands Section Supervisor
P.O. Box 201601
Helena, MT 59620-1601
(406)444-4165

RE: Sale #954- Lot 21, COS 3534
Sale #956- Lot 6, COS 3534
Sale #957- Lot 19, COS 3533
Sale #955- Lot 1, COS 3533
Section 12, T 22 N, R 27 W Sanders County, MT
Plains, MT 59859

DNRC No. 195067
Our File No. 1903

Dear State of Montana DNRC Trust Land Management Division,

At your request I have prepared an appraisal on the above described properties, which were viewed on April 23, 2019 on both the interior and exterior, with the exception of Sale #954 Lot 21 which was only viewed on the exterior. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties legally described on page 17, and is intended for use in the decision-making process concerning the potential sale of said subject properties. I hereby submit the following appraisal report containing 110 pages and Addenda

The appraisal complies with The Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board. The following report details among other important factors, appraiser certification, scope of work, definition of **current fair market value**, the highest and best use of the properties, all applicable approaches to value, assumptions and limiting

conditions and hypothetical condition. Market values of the (hypothetical) fee simple interests in the subject lots as if vacant, the subject improvements, and the sites and improvements considered together are concluded in this report. These value conclusions are made after thorough study of available market data and other data pertinent to this appraisal. Acceptance of this appraisal constitutes an agreement whereby the user acknowledges and accepts all conditions provided herein. I hereby submit the following appraisal report containing 109 pages and Addenda.

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

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

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

As a result of my investigations, studies and analyses, I have formed the opinions that the ***current fair market value(s) (12 C.F.R 34.42(h))*** of the subject properties, with consideration to the ***Hypothetical Conditions and***

Extraordinary Assumptions and Limiting Conditions stated in this report and a cash sale, as of April 23, 2019 is:

<i>Fair Market Value indications by the Sales Comparison approach April 23, 2019</i>				
Description	Sale #954 Lot 21	Sale #956 Lot 6	Sale #957 Lot 19	Sale #955 Lot 1
Lot size/amenity	1.01 ac. Mudd Crk	2.24 ac. Mudd Crk	2.42 ac. SF LTR	1.49 ac.
Improvement size/Year	628 SF 1980	800 SF 1970*	944 SF 1980	400 SF 1930
Land-segregated value	\$30,000	\$38,000	\$42,000	\$18,000
Improvements-segregated value	\$44,000	\$79,000	\$79,000	\$5,600
Total fee simple market value (Hypothetical Condition)	\$74,000	\$117,000	\$121,000	\$23,600

I direct your attention to the data, discussions and conclusions which follow.
Thank you for the opportunity to be of service.

Respectfully submitted,



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

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Certification Statement

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

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

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

A handwritten signature in dark ink, reading "J McGinnis". The signature is written in a cursive, flowing style.

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

General Assumptions and Limiting Conditions

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

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

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

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

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

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

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

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

Summary of Conclusions

Current Owners-Land	State of Montana
Leasehold Improvements	#954 Brenda Dutra #956 Randy A. & Marcia L. Johnson #957 Marcella M. Bishop Revocable Trust (Lease under Charles A. Bishop Irrevocable Trust) #955 George Mullan, Eric Dickson et al.
Client/Intended User	State of Montana, State of Montana Board of Land Commissioners Montana Department of Natural Resources & Conservation/Client Agencies & Individual Lessees Noted in the Report
Purpose/Intened Use	Estimate Market Values/Potential Sale Purposes
Property Identification	Sale #954 Lot 21 COS 3534 Sale #956 Lot 6 COS 3534 Sale #957 Lot 19 COS 3533 Sale #955 Lot 1 COS 3533 S. 12, T22 N, R 27 W Sanders County, MT
Property Rights Appraised	Hypothetical Fee simple
Present Use	Recreational and/or residential use
Highest and Best Use	Recreational and/or residential use
Extraordinary Assumptions	Access through State and Forest Service lands
Hypothetical Conditions	Fee Simple ownership
Marketing and Exposure Time	Appraised values as if vacant and a improved are based on a 12 month marketing and exposure times.(see pg.109)

<i>Fair Market Value indications by the Sales Comparison approach April 23, 2019</i>				
Description	Sale #954 Lot 21	Sale #956 Lot 6	Sale #957 Lot 19	Sale #955 Lot 1
Lot size/amenity	1.01 ac. Mudd Crk	2.24 ac. Mudd Crk	2.42 ac. SF LTR	1.49 ac.
Improvement size/Year	628 SF 1980	800 SF 1970*	944 SF 1980	400 SF 1930
Land-segregated value	\$30,000	\$38,000	\$42,000	\$18,000
Improvements-segregated value	\$44,000	\$79,000	\$79,000	\$5,600
Total fee simple market value (Hypothetical Condition)	\$74,000	\$117,000	\$121,000	\$23,600

Introduction

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

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

Lot #	Sale #	Lessee
21	954	Brenda Dutra
6	956	Randy A. & Marcia L. Johnson
19	957	Charles A. Bishop Irrevocable Trust
1	955	George Mullan, Eric Dickson etal.

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

Significant Dates of Appraisal

The effective date of the appraisal is April 23, 2019. The report was completed and delivered on June 3, 2019.

Identification of the subject real estate and the property rights appraised

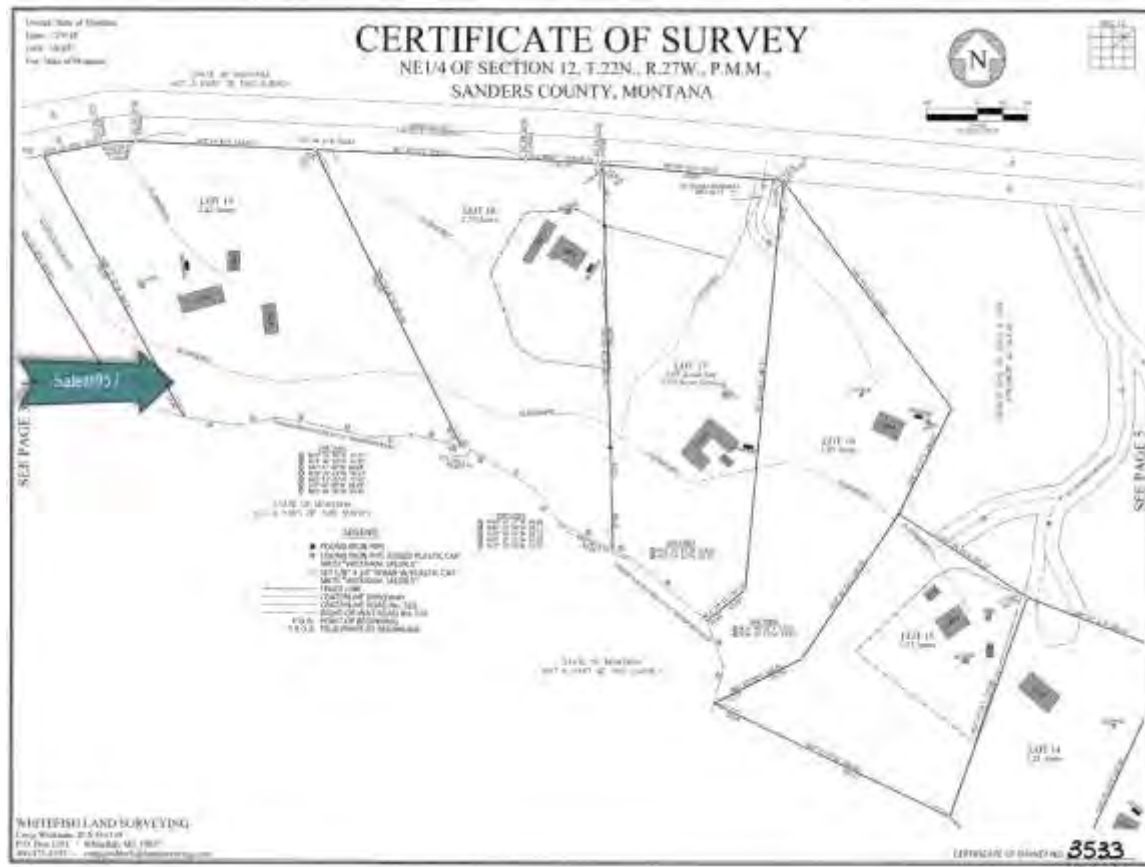
This appraisal is made with the **Hypothetical Condition** that present ownership of the subject property includes all rights that may be lawfully owned, and is, therefore, title in fee simple, subject to all easements and restrictions of record. The use of a **Hypothetical Condition** that the lease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

The properties are legally described as:

Lot #	Sale #	COS #	Section/Township/Range	County	Size/Acres	waterfront
21	954	3534	NE 1/4 S12/T22N/R27W	Sanders	1.01	Mudd Creek
6	956	3534	NE 1/4 S12/T22N/R27W	Sanders	2.24	Mudd Creek
19	957	3533	NE 1/4 S12/T22N/R27W	Sanders	2.42	SF Little Thompson River
1	955	3533	NE 1/4 S12/T22N/R27W	Sanders	1.49	None



Certificate of Survey #3533 (Lot 19 & 1)



Subject location map

Mudd Creek

T22N-R27W, Sec. 12, Sanders County



Definition of Current Fair Market Value

The purpose of this appraisal is to provide the appraiser's best estimate of the current fair market value of the subject real property as of the effective date.

Current Fair Market value, as used in this report, is defined as:

DEFINITIONS:

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.

Scope of Work

Following is the scope of work required by the Client:

ATTACHMENT A

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

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:
2019 Mudd Creek Appraisals*

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 State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), and Lessees Brenda Dutra; Eric Dickson, et al.; Randy & Marcia Johnson; and the Charles A. Bishop Irrevocable Residuary Trust. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties and is intended for use in the decision-making process concerning the potential sale of said subject properties.

DEFINITIONS:

Current fair market value. (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 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 five (5) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

ATTACHMENT B

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

Supplemental Appraisal Instructions: 2019 Mudd Creek Appraisals

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

Subject Properties Located in the Mudd Creek area in Sanders County;

Sale #	Acres	Legal Description
954	0.64 ±	Lot in Mudd Creek T22N-R27W, Sec. 12, Sanders County
955	1.46 ±	Lot 1, Mudd Creek T22N-R27W, Sec. 12, Sanders County
956	1.76 ±	Lot 5, Mudd Creek T22N-R27W, Sec. 12, Sanders County
957	2.14 ±	Lot 19, Mudd Creek T22N-R27W, Sec. 12, Sanders County

DNRC Contact Information:

Kelly Motichka, Lands Section Supervisor
PO Box 201601
Helena, MT 59620-1601
Phone: (406) 444-4165
kmotichka@mt.gov

Lessees:

Sale 954 Brenda Dutra (see DNRC contact for lessee information)	Sale 955 Eric Dickson, et al. (see DNRC contact for lessee information)
Sale 956 Randy & Marcia Johnson (see DNRC contact for lessee information)	Sale 957 Charles A. Bishop Irrevocable Residuary Trust (see DNRC contact for lessee information)

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

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

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

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

This appraisal report employs the Sales Comparison Approach to value the subject sites as if vacant. All three approaches to value are considered for valuation of the subject properties as improved. Most market participants interested in purchasing homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason, the Cost Approach is not considered applicable, with the exception of Sale #955 on Lot 1 where depreciated cost is used due to lack of comparable sales. The Income Capitalization Approach is not developed, as there is insufficient data due to most properties in the area being owner occupied. The Sales Comparison Approach to value is developed to estimate the value of the subject properties as if vacant and improved which is necessary for credible results given the intended use, property characteristics and type of value sought. The data collection and analysis followed the normal procedures as required by the Uniform Standards of Professional Appraisal Practice, as well as the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

Data was obtained from the following sources:

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

Upon receiving the assignment, a file was prepared which included: certificate of surveys, land status reports, zoning information, courthouse research including owner of record for land and leasehold improvements, real estate taxes, legal description, as well as a floodplain map.

An interior and exterior site visit was completed April 23, 2019 with each Lessee, with the exception of Sale #954 Lot 21. Comparables were viewed and

photographed by the Appraiser; if the MLS photo is used in the sale data, the Appraiser photograph is also included.

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

No personal property is included in this report.

History/Last Sale of the Subject Properties

The subject sites have been under the State of Montana ownership for over three years. Improvements on the subject lots are owned by the Lessees. Lessees and information regarding the most recent transfer documents located for the improvements are identified below:

Lot #	Sale #	Lessee	Last Transfer Document	Date	Price
21	954	Brenda Dutra	305244 Bill of Sale	1/25/2017	\$38,000
6	956	Randy A. & Marcia L. Johnson	Page 56898 Assignment	1/4/2007	unknown
19	957	Marcella M. Bishop Revocable Trust	300167 Bill of Scale	6/23/2015	\$40,000
		Lease Charles A. Bishop Irrevocable Trust			
1	955	George Mullan, Eric Dickson etal.	none-owned 50+ years	n/a	n/a

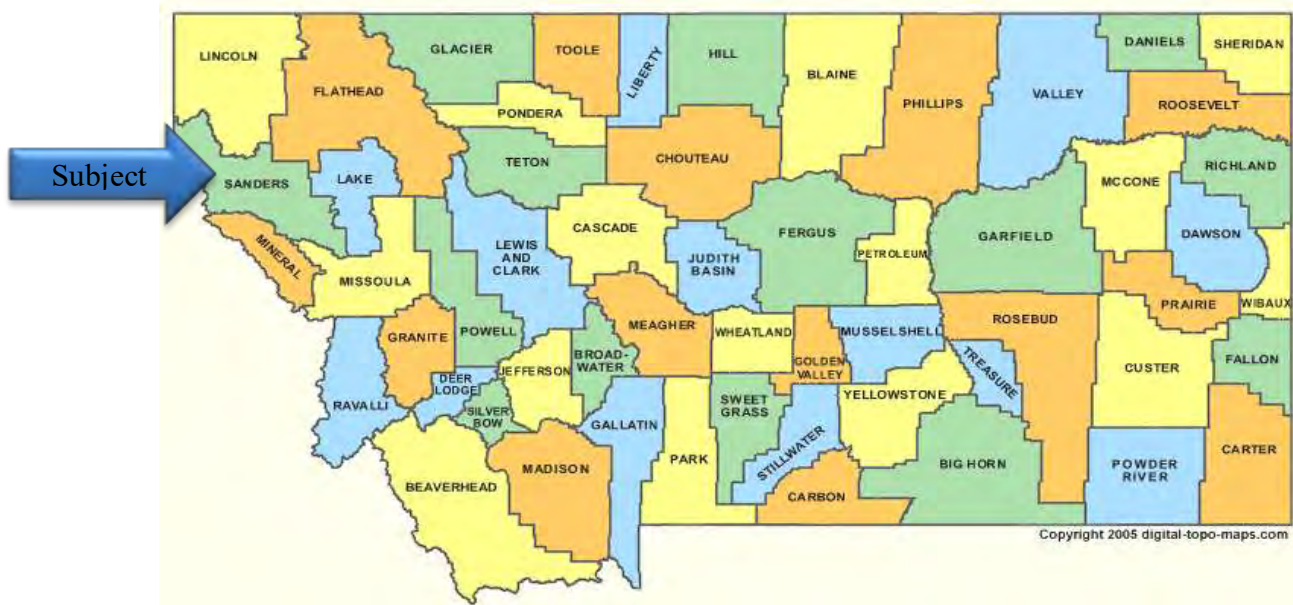
The subject properties are not currently listed for sale and there are no known offers to purchase the subject properties at this time, however, the purpose of this appraisal is for decision making purposes concerning a potential sale of the said subject properties. Montana is a non-disclosure State, therefore purchase prices are not of public record.

Use/Marketing Histories of the Subject Properties

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

Lot #	Sale #	Lessee	House Built	MLS Listing history	List Price
21	954	Brenda Dutra	1980	6/10/2011-11/20/2011 Expired listing # 306758	\$45,000
6	956	Randy A. & Marcia L. Johnson	1970	None	
19	957	Charles A. Bishop Irrevocable Trust	2000/2013	None	
1	955	George Mullan, Eric Dickson etal.	1930	None	

General Area Data



Location

The subject properties are located in Sanders County which is in Northwest Montana. Sanders County is the 18th most populated county in the State with 11,711 residents in 2018, and the county seat is Thompson Falls, SW of the subject property. There is no known exploration for or production of minerals, oil or gas in the subject neighborhood. Mineral rights, separate and apart from the real estate, have no measurable value in the market. The graph below indicates that the population in Sanders County continues to increase at a steady rate.

Population



Unemployment

As of March 2019, unemployment in Sanders County was 7.7%, higher than the overall State unemployment rate of 3.7%. Most employment is attributed to retail, accommodation/food service and health care (full medical facilities are available at Clark Fork Valley Hospital in Plains) with a marked decline in wood products and mining industries. Unemployment trends are illustrated in the following graph, which indicate seasonal highs and lows:

Sanders County Unemployment Trends



Recreation

Recreational aspects in the area are excellent, as it is surrounded by the Lolo National Forest, and the Kootenai National Forest and Cabinet Mountain Wilderness offering endless recreational opportunities such as hiking, fishing, boating, hunting and snowmobiling. Big game hunting in the surrounding Forest Service lands and water recreation/fishing can be enjoyed on the Clark Fork River and small lakes and rivers in the County. Winter sports are also popular such as snowmobiling, and skiing can be enjoyed within a two hour drive from the County seat. Glacier National Park is also a tremendous economic asset, a portion of the 3,200,000 annual visitors travel through Sanders County on their way to Glacier Park, where the western gateway is 130+/- miles northeast.

Transportation

Transportation facilities are adequate with Glacier National Airport in Kalispell, MT 100+/- miles NE, Spokane, WA International Airport approximately 125+/- miles west or Missoula, MT International Airport 90+/- miles SE. There are small airports in Plains and Thompson Falls available for personal planes. The location on MT Highway 200 facilitates good access to and from the area.

Education

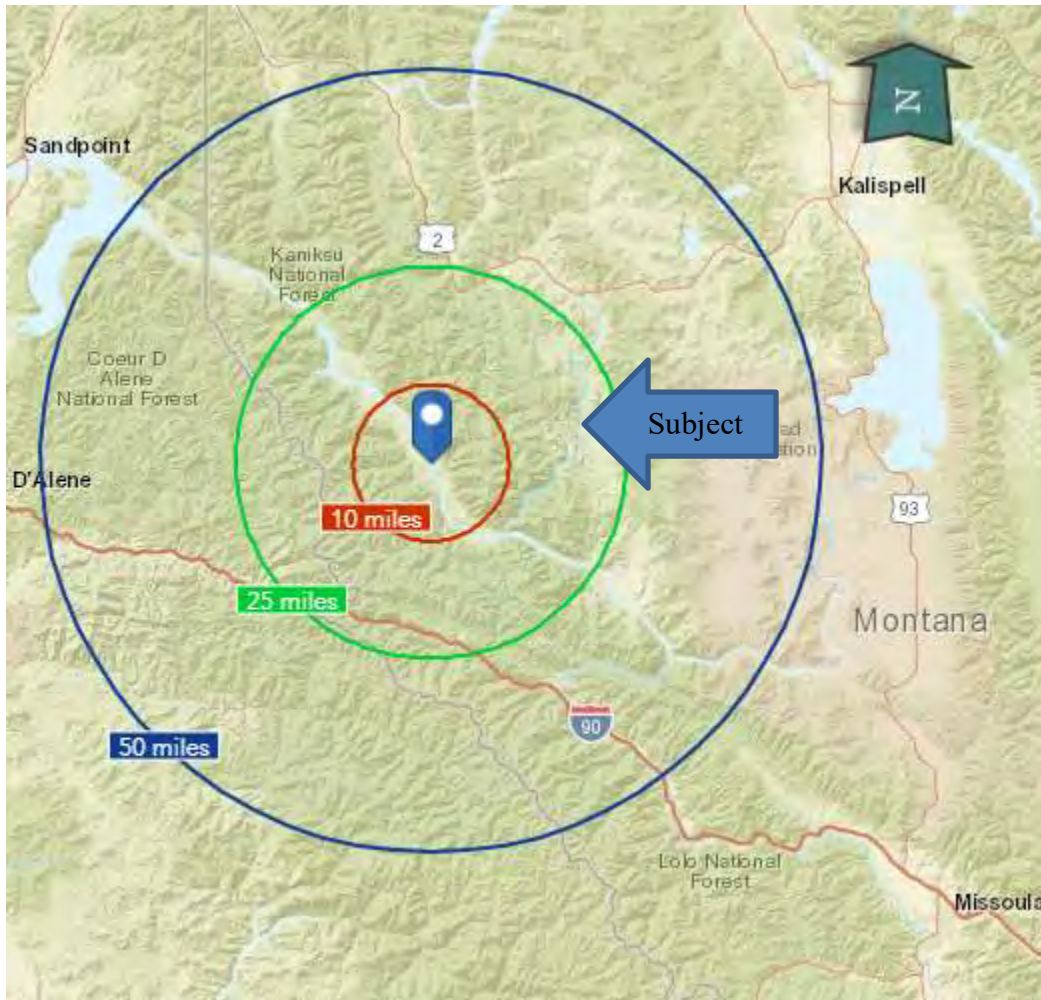
Public school is available for grades K-12 in Plains with 143 high school students, 52 middle school students and 264 elementary school children. The following table reports education information for the area compared to national numbers, which are fairly consistent across the board with the exception of lower number of area residents with a four year college degree:

Education near Zip Code 59859				
	Zipcode	City	County	National
? High School Graduates	90.2%	87.5%	88.0%	86.3%
? College Degree - 2 year	6.7%	5.1%	6.4%	7.9%
? College Degree - 4 year	15.5%	14.3%	15.5%	29.3%
? Graduate Degree	2.5%	3.4%	3.0%	7.8%
? Expenditures per Student	\$9,200	\$9,200	\$13,653	\$12,383
? Students per Teacher	13.2	13.2	10.9	16.8
? Students per Librarian	468	468	401	538
? Students per Guidance Counselor	879	879	362	403

Neighborhood Data and forecasts

The subject is located in NW Montana northeast of the county seat of Thompson Falls with 3,133 residents within a 10-mile radius, in a neighborhood of forest service land and a few recreational cabins. Following is the 5-year forecast for population, income and housing within a 10, 25 and 50 mile radius of Thompson Falls:

Subject Data Ring Map in 10, 25 and 50 mile radius of Thompson Falls



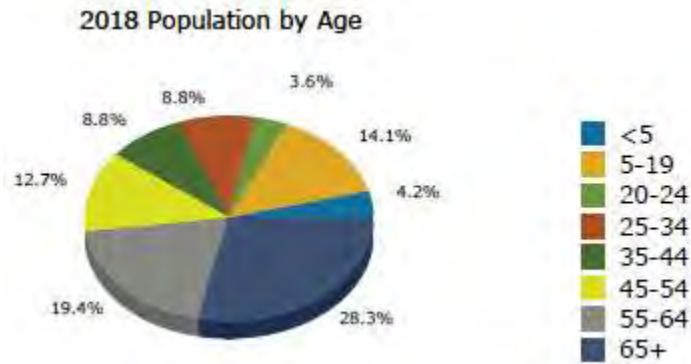
Population forecast 2023

Following is the esri population, housing and income forecast for the area within a 10, 25 and 50 mile radius:

	10 miles	25 miles	50 miles
Population			
2000 Population	2,685	5,927	39,238
2010 Population	3,025	6,407	40,403
2018 Population	3,133	6,620	40,803
2023 Population	3,235	6,778	41,299
2000-2010 Annual Rate	1.20%	0.78%	0.29%
2010-2018 Annual Rate	0.43%	0.40%	0.12%
2018-2023 Annual Rate	0.64%	0.47%	0.24%
2018 Male Population	50.9%	51.3%	50.8%
2018 Female Population	49.1%	48.7%	49.2%
2018 Median Age	53.1	53.4	51.0

In the identified area, the current year population is 40,803. In 2010, the Census count in the area was 40,403. The rate of change since 2010 was 0.12% annually. The five-year projection for the population in the area is 41,299 representing a change of 0.24% annually from 2018 to 2023. Currently, the population is 50.8% male and 49.2% female.

25 mile radius population by age:

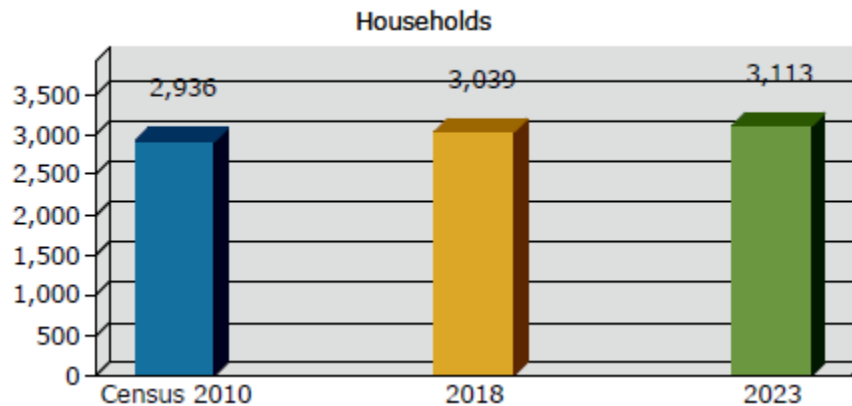


Household forecast 2023

	10 miles	25 miles	50 miles
Households			
2000 Households	1,097	2,489	16,393
2010 Households	1,362	2,936	17,952
2018 Total Households	1,409	3,039	18,159
2023 Total Households	1,454	3,113	18,386
2000-2010 Annual Rate	2.19%	1.67%	0.91%
2010-2018 Annual Rate	0.41%	0.42%	0.14%
2018-2023 Annual Rate	0.63%	0.48%	0.25%
2018 Average Household Size	2.21	2.17	2.22

The household count in this area has changed from 17,952 in 2010 to 18,159 in the current year, a change of 0.14% annually. The five-year projection of households is 18,386, a change of 0.25% annually from the current year total. Average household size is currently 2.22, compared to 2.22 in the year 2010. The number of families in the current year is 11,282 in the specified area.

25 mile radius:



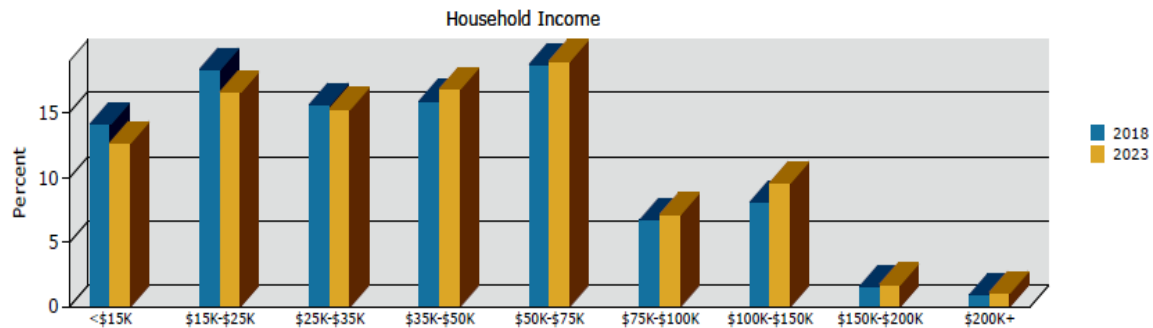
Income forecast 2023

	10 miles	25 miles	50 miles
Median Household Income			
2018 Median Household Income	\$32,773	\$36,276	\$37,416
2023 Median Household Income	\$35,800	\$38,708	\$39,493
2018-2023 Annual Rate	1.78%	1.31%	1.09%
Average Household Income			
2018 Average Household Income	\$47,201	\$49,919	\$51,834
2023 Average Household Income	\$53,136	\$55,556	\$56,956
2018-2023 Annual Rate	2.40%	2.16%	1.90%
Per Capita Income			
2018 Per Capita Income	\$21,693	\$22,727	\$23,277
2023 Per Capita Income	\$24,394	\$25,296	\$25,562
2018-2023 Annual Rate	2.37%	2.16%	1.89%
Households by Income			

Current median household income is \$37,416 in the area, compared to \$58,100 for all U.S. households. Median household income is projected to be \$39,493 in five years, compared to \$65,727 for all U.S. households

Current average household income is \$51,834 in this area, compared to \$83,694 for all U.S. households. Average household income is projected to be \$56,956 in five years, compared to \$96,109 for all U.S. households

Current per capita income is \$23,277 in the area, compared to the U.S. per capita income of \$31,950. The per capita income is projected to be \$25,562 in five years, compared to \$36,530 for all U.S. households



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

Housing forecast 2023

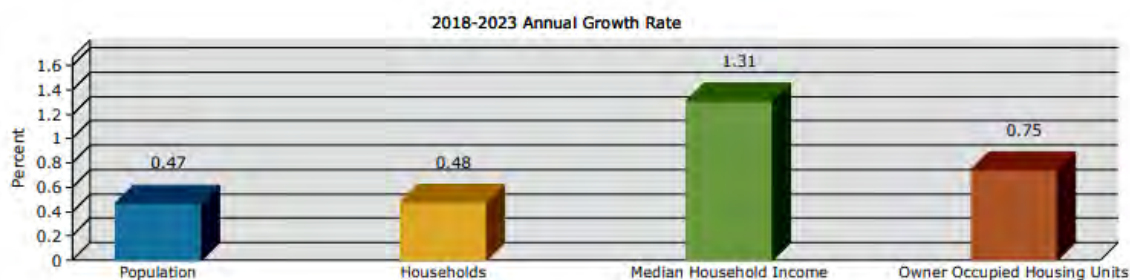
	10 miles	25 miles	50 miles
Housing			
2000 Total Housing Units	1,301	3,258	19,855
2000 Owner Occupied Housing Units	847	1,944	12,196
2000 Renter Occupied Housing Units	250	545	4,197
2000 Vacant Housing Units	204	769	3,462
2010 Total Housing Units	1,681	4,101	22,982
2010 Owner Occupied Housing Units	1,011	2,252	13,290
2010 Renter Occupied Housing Units	351	684	4,662
2010 Vacant Housing Units	319	1,165	5,030
2018 Total Housing Units	1,752	4,256	23,653
2018 Owner Occupied Housing Units	1,003	2,247	13,181
2018 Renter Occupied Housing Units	405	792	4,978
2018 Vacant Housing Units	343	1,217	5,494
2023 Total Housing Units	1,834	4,414	24,275
2023 Owner Occupied Housing Units	1,053	2,332	13,462
2023 Renter Occupied Housing Units	401	781	4,924
2023 Vacant Housing Units	380	1,301	5,889

Currently, 55.7% of the 23,653 housing units in the area are owner occupied; 21.0%, renter occupied; and 23.2% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.2% are vacant. In 2010, there were 22,982 housing units in the area - 57.8% owner occupied, 20.3% renter occupied, and 21.9% vacant. The annual rate of change in housing units since 2010 is 1.29%. Median home value in the area is \$191,522, compared to a median home value of \$218,492 for the U.S. In five years, median value is projected to change by 1.30% annually to \$204,324.

25 mile radius:



Neighborhood Forecasted Growth Summary in a 25 mile radius:



The number of households and population all show positive trends in the next four years, with an overall stable to modest growth in population and slightly increasing income projected for the area.

Market analysis

Residential

The following residential statistical market analysis for Sanders County from the past year indicates 152 active residential listings with a median list price of \$339,300 and 176 closed sales with a median sale price of \$209,000 with a 94% average list to sale price ratio. Overall this data indicates a 10 month supply of residential properties in the Sanders County market:

Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Total Sq. Ft.	List Price	Sold Price	Days on Market	Cumulative Days on Market
									Per Total Sq. Ft.	Per Total Sq. Ft.		
Active	152	75,947,997	0	Low	45,000	0	0.00	384	31.86	0.00	0	0
				Avg	499,658	0	0.00	2,426	215.10	0.00	199	275
				Med	339,300	0	0.00	1,902	179.43	0.00	170	249
				High	3,200,000	0	0.00	8,165	1,310.10	0.00	1,452	1,452
Under Contract with Bump Clause	1	275,000	0	Low	275,000	0	0.00	1,254	219.30	0.00	167	167
				Avg	275,000	0	0.00	1,254	219.30	0.00	167	167
				Med	275,000	0	0.00	1,254	219.30	0.00	167	167
				High	275,000	0	0.00	1,254	219.30	0.00	167	167
Under Contract Taking Back-Up Offers	26	10,306,900	0	Low	49,900	0	0.00	784	63.65	0.00	3	3
				Avg	396,419	0	0.00	2,103	188.30	0.00	161	270
				Med	299,450	0	0.00	2,216	141.71	0.00	74	232
				High	2,950,000	0	0.00	4,410	668.93	0.00	509	957
Pending	8	1,555,700	0	Low	77,900	0	0.00	768	78.12	0.00	14	14
				Avg	194,462	0	0.00	1,650	123.17	0.00	165	186
				Med	144,900	0	0.00	1,347	94.78	0.00	123	134
				High	397,500	0	0.00	4,160	225.36	0.00	424	424
Closed	176	44,943,440	42,547,901	Low	25,000	14,000	0.40	0	21.73	14.80	0	0
				Avg	255,360	241,749	0.94	2,187	947.04	669.87	191	257
				Med	215,000	209,000	0.96	1,662	118.12	113.19	125	160
				High	1,700,000	1,500,000	1.35	40,000	142,857.14	95,238.10	1,232	2,004

Vacant Land

The following vacant land statistical market analysis for Sanders County from the past year indicates 240 active land listings with a median list price of \$65,450 and 122 closed sales with a median sale price of \$55,000 and a 91% average list to sale price ratio. Overall this data indicates a 24 month oversupply of vacant land in the Sanders County market:

Status	# Listings	List Volume	Sold Volume	List Price	Sold Price	Sale/List Price	Lot Acres	List Price Per Lot	Sold Price Per Lot	Days on Market	Cumulative Days on Market	
Active	240	35,794,800	0	Low	12,500	0	0.00	0	250.00	0.00	3	3
				Avg	149,145	0	0.00	45	33,562.27	0.00	383	720
				Med	65,450	0	0.00	5	12,763.16	0.00	307	435
				High	2,890,000	0	0.00	2,960	832,222.22	0.00	1,766	4,013
Under Contract Taking Back-Up Offers	12	2,071,400	0	Low	35,000	0	0.00	1	2,424.06	0.00	5	5
				Avg	172,617	0	0.00	32	21,392.26	0.00	372	511
				Med	102,000	0	0.00	13	9,935.12	0.00	353	532
				High	726,000	0	0.00	242	125,000.00	0.00	1,509	1,509
Pending	4	409,025	0	Low	34,125	0	0.00	1	3,750.00	0.00	14	14
				Avg	102,256	0	0.00	19	11,840.54	0.00	303	1,146
				Med	64,950	0	0.00	12	7,934.13	0.00	234	234
				High	246,000	0	0.00	50	27,743.90	0.00	732	4,103
Closed	122	11,972,053	10,705,533	Low	14,900	10,000	0.40	0	718.12	830.00	22	22
				Avg	98,132	87,750	0.91	24	29,410.31	26,690.69	268	426
				Med	59,948	55,000	0.93	5	12,410.62	11,284.09	169	207
				High	499,000	450,000	1.18	240	250,000.00	200,000.00	1,474	4,076
Overall	378	50,247,278	10,705,533	Low	12,500	10,000	0.40	0	250.00	830.00	3	3
				Avg	132,929	87,750	0.91	37	31,606.01	26,690.69	345	623
				Med	65,000	55,000	0.93	5	12,298.77	11,284.09	279	363
				High	2,890,000	450,000	1.18	2,960	832,222.22	200,000.00	1,766	4,103

Commercial Real Estate

The MR MLS shows seven closed commercial sales in Sanders County in the past year and 16 active listings which range from a low of \$99,000 to the highest of \$775,000. Average cumulative days on the market for active listings are 216 days or seven months. The average closed sale price is \$170,000 with an average 83% list to sale price ratio with the average cumulative days on market being 373 days.

In summary, the market data indicates an 10 month undersupply of residential properties, a 24 month oversupply of vacant land, and a 2+ year oversupply of commercial properties in Sanders County.

Site Description

Mudd Creek
T22N-R27W, Sec. 12, Sanders County



General Description Legal Description, Size, water amenity

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

Lot #	Sale #	Lessee	COS #	Section/Township/Range	County	Acres	waterfront
21	954	Brenda Dutra	3534	NE 1/4 S12/T22N/R27W	Sanders	1.01	Mudd Creek
6	956	Randy A. & Marcia L. Johnson	3534	NE 1/4 S12/T22N/R27W	Sanders	2.24	Mudd Creek
19	957	Charles A. Bishop Irrevocable Trust	3533	NE 1/4 S12/T22N/R27W	Sanders	2.42	SF Little Thompson River
1	955	George Mullan, Eric Dickson etal.	3533	NE 1/4 S12/T22N/R27W	Sanders	1.49	None





Address/access

The subject Lots 21 and 6 have access via driveways from gravel County Little Thompson River Road and Lots 19 and 1 have access from private driveways from U.S.F.S. Road No. 519. Lot 1 will have an easement through State of Montana land from U.S.F.S. Road No. 519 as depicted in COS 3533. Addresses and access is described in the table below:

Lot #	Sale #	Lessee	Address	City	Access
21	954	Brenda Dutra	1463 Little Thompson River Rd.	Plains, MT 59859	Gravel County Rd
6	956	Randy A. & Marcia L. Johnson	1425 Little Thompson River Rd.	Plains, MT 59859	Gravel County Rd
19	957	Charles A. Bishop Irrevocable Trust	4 Forthfork Road	Plains, MT 59859	USFS Road #519 Easement
1	955	George Mullan, Eric Dickson etal.	20 519 Spur Road	Plains, MT 59859	USFS Road #519 Easement

Water Rights

According to DNRC, only Sale #956 currently has water rights filed on behalf of the State. Water Rights Numbers 76N-23383-00, 76N-37965-00, and 76N-37977-00 are associated with Sale #956 and will be transferred to the buyers at closing.

Lot #	Sale #	Lessee	Septic	Water Source	Water Right
21	954	Brenda Dutra	None	None-haul	None
6	956	Randy A. & Marcia L. Johnson	Gray water only	Creek and haul	Yes
19	957	Charles A. Bishop Irrevocable Trust	Gray water only	None-haul	None
1	955	George Mullan, Eric Dickson etal.	None	None-haul	None

Zoning

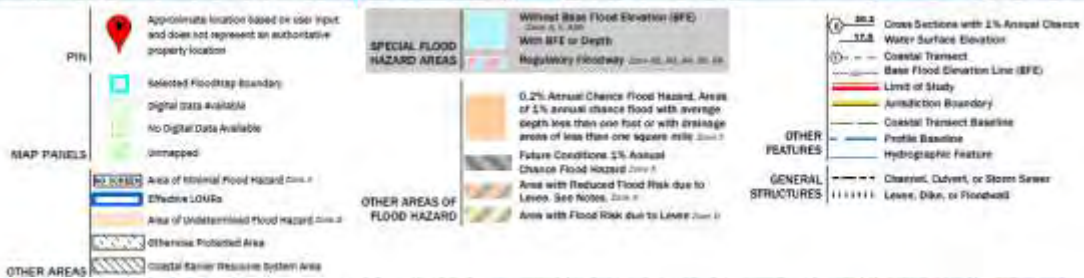
There is no zoning in Sanders County according to the Planning Department.

Flood Maps

According to FEMA Flood map service Flood map number 30089C1175 D effective on 6/5/2012, a portion of Lot 21 lies within Zone A. According to FEMA and the National Flood Insurance Program, any building located in an A or V zone is considered to be in a Special Flood Hazard Area, and is lower than the Base Flood Elevation.

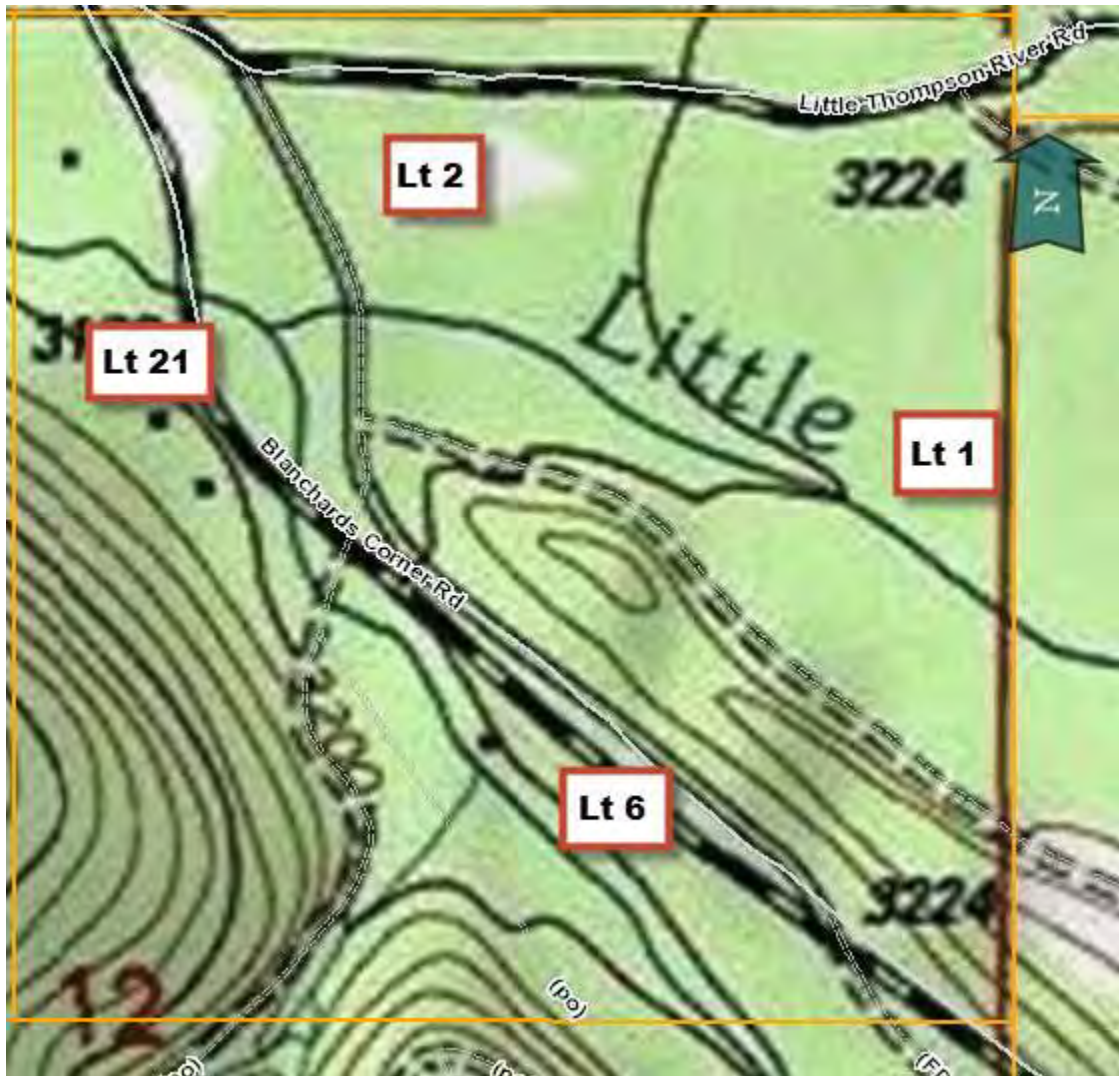
The remaining lots 6, 19 and 1 are in Zone X which is an area of minimal flood hazard. Following are the FEMA flood maps for each location:





Topography, vegetation, soils and drainage

Topography Map:



It appears that drainage and storm water runoff is adequate and/or properly designed and engineered for the subject sites. A soil study for the subject sites was not provided; it is assumed that the soil can accommodate the type of construction which is typically seen in the subject area. The subject lots all include native vegetation and/or landscaping.

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

Easement, Restrictions and Encroachments

DNRC provided Land Status Reports with recorded easement relative to each property. Easements for each lot are as follows:

Lot #	Sale #	Lessee	Address
21	954	Brenda Dutra	1463 Little Thompson River Rd.

Residential Lease No. 3053064 issued March 1, 2010, to Carla Cross and assigned January 9, 2017, to Brenda Dutra, expiring February 28, 2025;
Reciprocal Right of Way No. D-10008A issued May 30, 2007 to Plum Creek Timberlands, LP., for the construction, reconstruction, maintenance, repair, and use of a road;
Easement No. D-4963 issued December 10, 2004 to Plurri Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;
Right of Way Deed No. D-5403 issued March 28, 1966 to the Anaconda Company for a road;
Right of Way Deed No. D-6026 issued April 14, 1971 to Sanders County for a road;
Right of Way Deed No. D-7944 issued February 22, 1983 to United States (US Forest Service) for a Little Thompson River Road No. 519.

Lot #	Sale #	Lessee	Address
6	956	Randy A. & Marcia L. Johnson	1425 Little Thompson River Rd.

Residential Lease No. 305281 issued March 1, 2004 to Randy & Marcia Johnson and expiring February 28, 2019;
Reciprocal Right of Way No. D-10008A issued May 30, 2007 to Plum Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;
Easement No. D-4963 issued December 10, 2004 to Plum Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;
Right of Way Deed No. D-5403 issued March 28, 1966 to the Anaconda Company for a road;
Right of Way Deed No. D-6026 issued April 14, 1971 to Sanders County for a road;
Right of Way Deed No. D-7944 issued February 22, 1983 to United States (US Forest Service) for a Little Thompson River Road No. 519.

Lot #	Sale #	Lessee	Address
19	957	Charles A. Bishop Irrevocable Trust	4 Forthfork Road
Residential Lease No. 3051343 issued March 1, 2018 to the Charles A. Bishop Irrevocable Residuary Trust and expiring February 28, 2033;			
Reciprocal Right of Way No. D-10008A issued May 30, 2007 to Plum Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;			
Easement No. D-4963 issued December 10, 2004 to Plum Creek Timberlands, LP., for the construction, reconstruction, maintenance, repair, and use of a road;			
Right of Way Deed No. D-5403 issued March 28, 1966 to the Anaconda Company for a road;			
Right of Way Deed No. D-6026 issued April 14, 1971 to Sanders County for a road;			
Right of Way Deed No. D-7944 issued February 22, 1983 to United States (US Forest Service) for a Little Thompson River Road No. 519.			

Lot #	Sale #	Lessee	Address
1	955	George Mullan, Eric	20 519 Spur Road
Residential Lease No. 3050506 issued March 1, 2004 to Eric E. Dickson, Kirk E. Dickson, Gregory D. Dickson, J. Kate Sutherland, and George Mullen and expiring February 28, 2019;			
Reciprocal Right of Way No. D-10008A issued May 30, 2007 to Plum Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;			
Easement No. D-4963 issued December 10, 2004 to Plum Creek Timberlands, L.P., for the construction, reconstruction, maintenance, repair, and use of a road;			
Right of Way Deed No. D-5403 issued March 28, 1966 to the Anaconda Company for a road;			
Right of Way Deed No. D-6026 issued April 14, 1971 to Sanders County for a road;			
Right of Way Deed No. D-7944 issued February 22, 1983 to United States (US Forest Service) for a Little Thompson River Road No. 519.			

Improvement Description

Utilities

Power is not available in the subject remote mountainous area, therefore power source, water source and septic type is outlined in the table below. All four of the subject properties have outhouses.

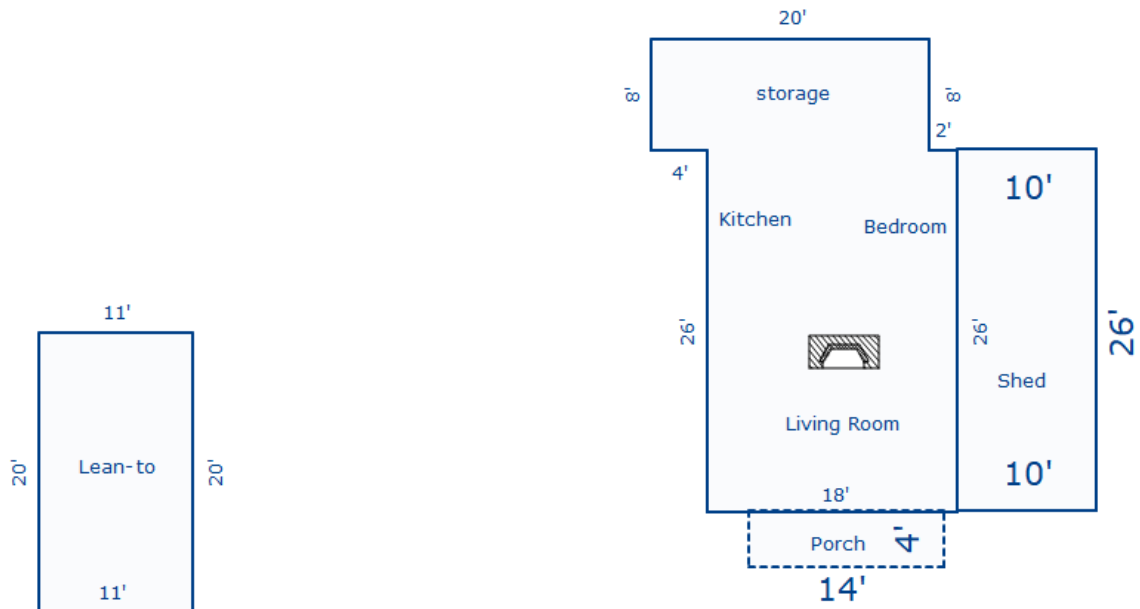
Lot #	Sale #	Lessee	Septic	Water Source	Power source
21	954	Brenda Dutra	None	None-haul	Portable generator
6	956	Randy A. & Marcia L. Johnson	Gray water only	Creek and haul	Diesel generator
19	957	Charles A. Bishop Irrevocable Trust	Gray water only	None-haul	Solar
1	955	George Mullan, Eric Dickson et al.	None	None-haul	None

Cabin Improvements

Improvements on each lot are summarized in the table below:

Sale#/Lot#	#954/LT 21	#956/LT 6	#957/LT 19	#955/LT 1
Residence SF	628	880	944	400
Construction	wood frame	wood frame	wood frame	Log
Foundation	post & pier	Concrete	post & pier	stone
Quality	fair/poor	average	average	fair/poor
Condition	fair/poor	good	average	poor
Year Built	1980	1970	2000	1930
# Bedrooms	1	1	1	0
#Baths	0	1	1	0
Porch/Deck/SF	56	302	300	112
Outbuilding/SF	480	448	376	96
Utilities	portable generator	diesel generator	Solar generator	None
	none	gw septic	gw septic	none
WS/Fireplace	WS	WS/FS	WS	WS
Appliances	lpg stove	lpg stove/ref	lpg stove	none

Lot 21 Sale #954 Improvement sketch and photos



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	628.00	628.00
P/P	Porch	56.00	56.00
OTH	Shed	260.00	
	Lean-to	220.00	480.00

Lot 21 front improvements



Lot 21 rear improvements



Lot 21 Little Thompson River Road



Lot 21 lean-to improvements



Lot 21 Mudd Creek frontage



Lot 21 Living room (owner photo)



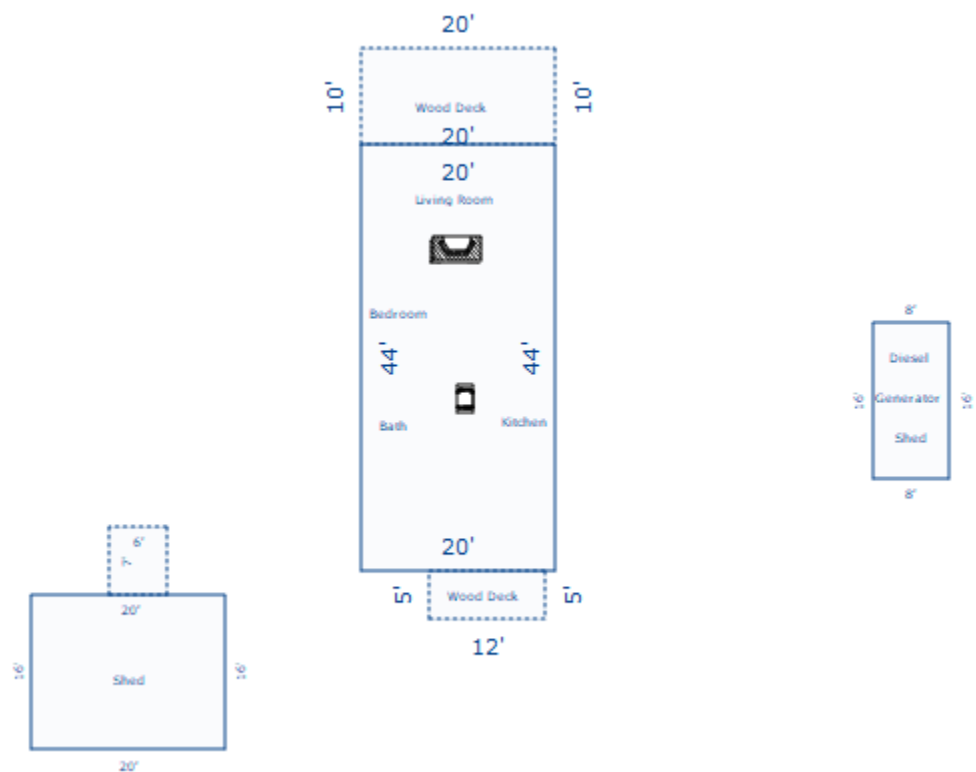
Lot 21 Kitchen (owner photo)



Lot 21 Storage room (owner photo)



Lot 6 Sale #956 Improvement sketch and photos



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	880.00	880.00
P/P	Deck	200.00	
	Deck	60.00	
	Ramp	42.00	302.00
OTH	Shed	320.00	
	Power Shed	128.00	448.00

Subject Front



Subject side and rear



Entrance from Little Thompson River Rd.



Lot 6 Mudd Creek



Lot 6 Living Room



Lot 6 Kitchen



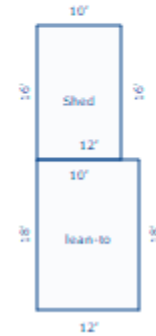
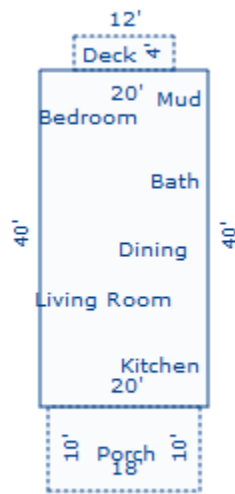
Lot 6 Bath-gray water septic



Lot 6 Diesel generator shed



Lot 19 Sale #957 Improvement sketch and photos



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	800.00	944.00
	Sleeping Cabin	144.00	
P/P	Covd Deck	180.00	300.00
	Deck ramp	48.00	
	Porch	72.00	376.00
OTH	Lean-to	216.00	
	Shed	160.00	

Subject Front and side



Subject side and rear



Entrance from USFS #519



Lot 19 South Fork Little Thompson River



Lot 19 Living Room



Lot 19 Kitchen



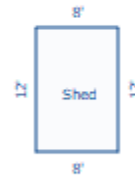
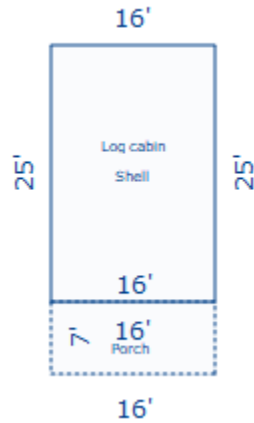
Lot 19 Bath-gray water septic



Lot 19 Sleeping cabin included in GLA



Lot 1 Sale #955 Improvement sketch and photos



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	400.00	400.00
P/P	Porch	112.00	112.00
OTH	Shed	96.00	96.00

Subject Front



Subject side and rear



Road entrance from USFS #519



Lot 1 road easement on State Lands



Lot 1 Living Room



Lot 1 wood stove



Lot 1 Cabin interior



Lot 1 Shed



Strengths, Weaknesses, Opportunities and Threats

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

Strengths of the subject properties are that they are located in a desirable outdoor recreational area with close proximity to Forest Service lands with access from a County gravel road and Forest Service road. An additional strength is that Lots 21 and 6 are located on Mudd Creek and Lot 19 is located on the South Fork of the Little Thompson River which are known for their fishing amenity.

A weakness is that there is not power in this remote area, with residents living “off-grid” using generators or solar panels to generate power for the improvements. Additionally, all of the residents utilize outhouses and haul water for domestic purposes. Lot 6 and Lot 19 have gray water septic systems.

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

In summary, the subject location has multiple recreational opportunities and easy County road access, but is also off-grid with no power. The improvements are recreational cabins, and there are limited properties available in this remote mountainous area of Sanders County.

Taxes and assessment data

<i>Tax Bills for Improvements</i>						
Lot #	Sale #	Lessee	Assr#	Imp. Assessed Vaue	2019 Tax Bill	
21	954	Brenda Dutra	2849	\$35,820	\$363.39	
6	956	Randy A. & Marcia L. Johnson	2892	\$45,310	\$407.47	
19	957	Marcella M. Bishop Revocable Trust	2717	\$65,560	\$533.47	
		Lessee Charles A. Bishop Irrevocable Trust				
1	955	George Mullan, Eric Dickson etal.	2861	\$25,220	\$281.93	

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

Land lease rates are set based on the Department of Revenue assessments of the land value. Following are the historical assessed values for each site:

<i>Assessed Value for the land</i>							
Lot #	Sale #	Lessee	Lease #	AV 2016	AV 2017	AV 2008	AV 2002
21	954	Brenda Dutra	3053064	\$21,868	\$17,632	\$11,790	\$3,600
6	956	Randy A. & Marcia L. Johnson	3052819	\$28,812	\$24,688	\$15,866	\$5,700
19	957	Marcella M. Bishop Revocable Trust	3051343	\$31,168	\$27,082	\$17,250	\$6,200
		Lessee Charles A. Bishop Irrevocable Trust					
1	955	George Mullan, Eric Dickson etal.	3050506	\$26,952	\$22,798	\$14,774	\$5,500

Highest and Best Use

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

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

Analysis of Highest & Best Use as Vacant

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

Legally Permissible

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

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

Physically Possible

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

PHYSICALLY POSSIBLE	
Characteristic	Conclusion
Site Area-Lot #	Size/Water amenity
21	1.01 Mudd Creek
6	2.24 Mudd Creek
19	2.42 South Fork Little Thompson River
1	1.49 No water amenity
Shape	irregular but mostly rectangular
Topography	Mostly level to undulating
Parcel Type	Single family residential recreational site off-grid
Utilities	None, solar or generator power
Access	County or Forest Service Road
Flood Plain	Flood Zone A portion of Lot 21, Zone X Lot 6, 19, 1
Soil Conditions	Appears good for development based on surrounding use
Environmental Concerns	None noted
Other	Residential recreational site
Physically possible uses	single family residential/recreational on each lot

Financially Feasible

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

FINANCIALLY FEASIBLE		
	residential	vacant lot
Demand	stable	stable
Supply	undersupply	oversupply
Feasibility	good	good
Support	active listings	active listings

Maximally Productive

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

Conclusion of Highest and Best Use as though Vacant

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

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

Analysis of Highest & Best Use as improved

After taking into consideration the four tests of highest and best use, it is physically possible to occupy the subject improved properties as single family residences, permissible since there is no zoning, financially feasible based on development of surrounding sites, therefore this use is maximally productive. Highest and best use as improved is the continued use as a single family residence/recreational cabin for all four lots.

Conclusion of Highest and Best Use as improved

The current use as a single family residences/recreational cabins meets the general tests for highest and best use and is considered maximum site utilization. Given the attributes of the subject real estate, the conclusion of highest and best use is based on logic and observed evidence. Therefore, the highest and best use, as improved, is a continuation of the existing single family residential/recreational cabin use.

Most Probable Buyer/User

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

Appraisal Methodology

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

Cost Approach

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

Sales Comparison Approach

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

Income Capitalization Approach

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

Methods and/or Techniques Employed

Whenever possible, all three basic approaches to value are employed. The resulting indications of value are then correlated into a final estimate of market value. In the course of investigating the marketplace sufficient data was found to employ the Sales Comparison Approach to value the sites as if vacant and as improved, which is necessary for credible results given the intended use, property characteristics and type of value sought. Most market participants interested in purchasing homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason, the Cost Approach is not considered applicable, with the exception of the shell cabin improvements on Lot 1, due to lack of comparable sales. The Income Capitalization Approach is not developed; as there is insufficient data due to most properties are owner occupied

Organization of the data and analysis

Comparable lot sales and “off grid” cabin sales are presented in the following two sections of this report. After presentation of the comparables, the subject sites and improvements are valued for each property, followed by the total value indication reconciliation.

Land Valuation-Comparable Land Sales

Methodology

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

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

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

Unit of Comparison

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

Elements of Comparison

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

Transaction adjustments

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

Property adjustments

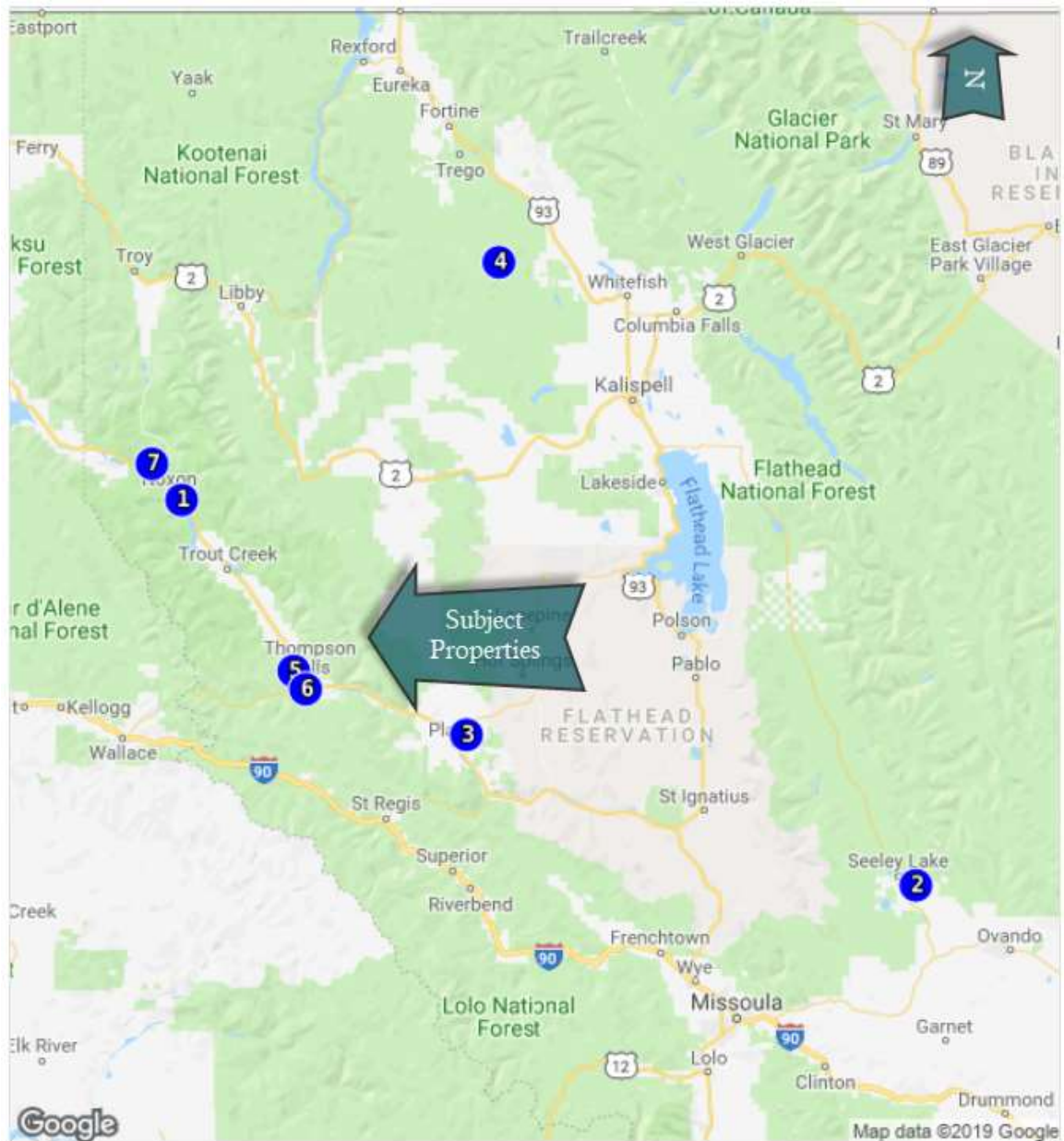
- Location
- Physical characteristics
- Economic characteristics
- Zoning/use
- Non-realty components of value

Comparable Land Sales Data

In searching for comparables, all land sales and listings, lot to 5 acres in size in Sanders County and surrounding counties are reviewed that occurred in the past two years. The following seven sales bracket the subject lots in size, creek/river amenity, topography and “off grid” location, and are analyzed for the purpose of indicating what a well-informed buyer or seller would consider in forming an opinion of value for a site. The most pertinent data and value indications from these sales are shown on the Land Sales Synopsis Chart to follow:

<i>Land Sales Synopsis</i>							
General Data	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
	41	105	Lot 10 Boehler	3737 Good	NHN	NHN	NHN
Address	Southrock Rd	Leota Peak Ct	Ranch Dr	Creek Rd	Shoreline Dr	Woodside Rd	Conifer Ln
City, MT	Noxon	Seeley Lake	Plains	Olney	Thompson Falls	Thompson Falls	Noxon
Sale Date	Sep-18	May-18	Nov-18	Jun-18	Jul-18	Aug-17	Apr-19
MLS or Doc#	21705488	21804769	21612562	21804095	21606705	20156677	21804648
Market Time	725	1164	714	51	753	644	364
Land size/AC	4.40	2.16	1.50	1.97	0.55	0.68	2.01
Amenity	Rock Crk	Drew Crk	Boyer Crk	Good Crk	Reservior access	none	Bull River
Power	no	yes	yes	no	yes	yes	yes
List Price	\$74,500	\$59,500	\$35,000	\$39,800	\$25,000	\$23,900	\$80,000
Sale Price	\$67,500	\$55,000	\$35,000	\$39,000	\$22,500	\$18,750	\$75,000
List to sale %	91%	92%	100%	98%	90%	78%	94%
Price/Site	\$67,500	\$55,000	\$35,000	\$39,000	\$22,500	\$18,750	\$75,000

Land Sale Location Map



Land Sales Data

Land Sale No. 1



41 Southrock Road, Noxon, MT 59853



41 Southrock Road, Noxon, MT (mls Photo)

Transaction			
Property ID	1275	Sale Date	09-21-0218
Address	41 Southrock Road	Sale Price	\$67,500 (\$20,000 imps)\$47,500 site
City	Noxon	Price per acre	\$15,341
State	Montana	Sale Status	Closed
Seller	WANAMAKER, LARRY E.	Sale Conditions	typical
Buyer	TEMPERO, MANFORD	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	310845	Confirmed Phone	(406) 270-3921
Tax Parcel Number	0016075	Confirmed With	Jeannette C Carr, BRA
Legal Description	ROCK CREEK, S28, T26 N, R32 W, Lot 3, ACRES 4.4, SW		
MLS#	21705488		
Asking Price	\$74,500		
Sale/List Ratio	91%		
DOM	725		
Site			
Land Acres	4.40000	Topography	Level to Sloping
Land Sq Ft	191,664	Zoning	none
Frontage	Rock Creek, Forest Service gravel road	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	unknown
Utilities	none off grid	Environ. Issues?	Unknown

Remarks
Off grid property with solar power and septic system, improved with a shed and covered recreational vehicle. Realtor estimated the value of the improvements at \$20,000 based on discussions with the Buyer, and estimated contributory value of the used RV and depreciated cost of the shed and site improvements. 4.40 wooded acres with year round Rock Creek. No previous sale in 1 year. MLS photo shows property at time of sale.

Land Sale No. 1 MLS Photograph of Rock Creek



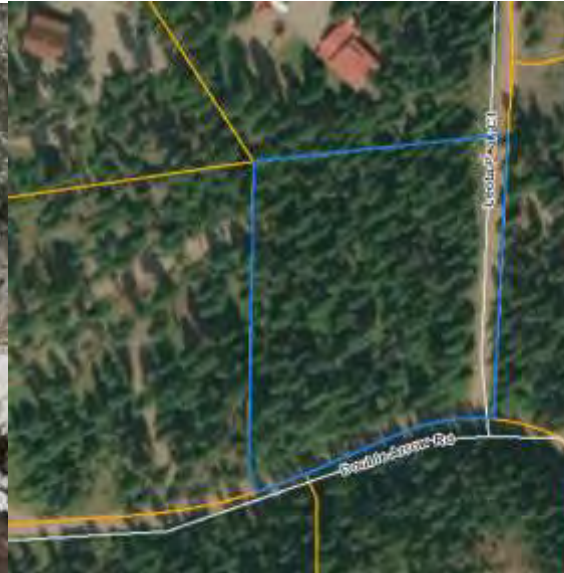
Land Sale No. 1 Appraiser Photograph taken 5/12/2019



Land Sale No. 2



105 Leota Peak Court, Seeley Lake, MT 59868
Appraiser photo taken 1/19/2019



105 Leota Peak Ct, Seeley Lake, MT

Transaction			
Property ID	1192	Sale Date	05-31-2018
Address	105 Leota Peak Court	Sale Price	\$55,000
City	Seeley Lake	Price per acre	\$25,463
State	Montana	Sale Status	Closed
Seller	Habets	Sale Conditions	Typical
Buyer	STRIZICH MATTHEW R	Rights Conveyed	Fee Simple
Financing Terms	Conventional		
Recording Number	b997 p993	Confirmed Phone	406-677-4040
Tax Parcel Number	5827039	Confirmed With	Kevin Wetherell, BRO, CRB, GRI
Legal Description	DREW CREEK, S07, T16 N, R14 W, Lot 88, PHASE VII DOUBLE ARROW RANCH		
MLS#	21804769		
Asking Price	\$59,500		
Sale/List Ratio	92%		
DOM	1162		
Latitude	47.154905	Longitude	-113.426279
Site			
Land Acres	2.16000	Topography	Rolling
Land Sq Ft	94,090	Zoning	none
Frontage	Drew Creek, gravel private rd	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power	Environ. Issues?	Unknown

Remarks
2.16 acre wooded lot on year round Drew Creek. Maintained gravel roads and about 2 miles from the main highway 83. Power and phone are near the lot line and wells are at reasonable depths. Directions: South of Seeley Lake, Highway 83 to Double Arrow Rd, left on Leota Peak Ct, first property on left. No previous sale in 1 year.

Land Sale No. 3



Lot 10 Boehler Ranch Dr, Plains, MT 59859
MLS Photo



Lt 10 Boehler Ranch Dr

Transaction			
Property ID	1191	Sale Date	11-14-2018
Address	NHN Boehler Ranch Dr.	Sale Price	\$35,000
City	Plains	Price per acre	\$23,333
State	Montana	Sale Status	Closed
Seller	Warren Developing, LLC	Sale Conditions	Typical
Buyer	Paula I. Ivy	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	311309	Confirmed Phone	406-544-5971
Tax Parcel Number	31627	Confirmed With	Deborah Warren
Legal Description	BOEHLER RANCH EST II, S19, T20N, R25W, Lot 10, ACRES 1.5, COS 2956 IN SWSWNW & SWSWNW ALSO S24 T20N R24W PLAT A10		
MLS#	21612562		
Asking Price	\$35,000		
Sale/List Ratio	100%		
DOM	714		
Latitude	47.476799	Longitude	-114.840810
Site			
Land Acres	1.50000	Topography	Level to Sloping
Land Sq Ft	65,340	Zoning	none
Frontage	Boyer Creek frontage, gravel private road	In Flood Plain?	Unknown
Shape	Square	Encumbrances	unknown
Utilities	power	Environ. Issues?	Unknown

Remarks	
1.5 acre parcel with seasonal Boyer Creek frontage. Mountain views, area of nice homes, good wells. 2 mile drive to Plains with a hospital, post office, schools and all the other amenities. Directions: Plains, highway 28, 2 miles from Highway 200, right on Boehler Ranch Drive, stay on road to lot on the left at the end of cul de sac. No previous sale in 1 year.	

Land Sale No. 3 Appraiser Photograph taken 1/16/2019



Land Sale No. 4



3737 Good Creek Rd, Olney, MT 59927
MLS photo



3737 Good Creek Rd, Olney, MT

Transaction			
Property ID	1276	Sale Date	06-07-2018
Address	3737 Good Creek Road	Sale Price	\$39,000
City	Olney	Price per acre	\$19,797
State	Montana	Sale Status	Closed
Seller	BAHNER AARON J	Sale Conditions	Typical
Buyer	WENTZ CARSON	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	201800011306	Confirmed Phone	(406) 249-7546
Tax Parcel Number	00634250	Confirmed With	Meg McLaughlin, GRI
Legal Description	GOOD CREEK 1, S01, T31 N, R25 W, Lot 010, AND 11		
MLS#	21804095		
Asking Price	\$39,800		
Sale/List Ratio	98%		
DOM	51		
Latitude	48.474736	Longitude	-114.738868
Site			
Land Acres	1.97000	Topography	Level
Land Sq Ft	85,813	Zoning	none
Frontage	Good Creek, gravel FS road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	none	Environ. Issues?	unknown

Remarks
1.97 acre off-grid parcel with Good Creek running through it, located with Forest Service lands surrounded by the Salish Mountains. Several nearby lakes. There's a 12'x20' log sided, metal roofed shed with open side for storage with no contributory value due to the age and condition . No previous sale in 1 year. MLS photo.

Land Sale No. 4 Appraiser photographs taken 5/10/2019



Sale No. 4 photo from Good Creek Road



Sale No. 4 Good Creek frontage

Land Sale No. 5



Nhn Shoreline Drive, Thompson Falls, MT 59873



Nhn Shoreline Drive, Thompson Falls, MT

MLS photo

Transaction			
Property ID	1277	Sale Date	07-13-2018
Address	Nhn Shoreline Drive	Sale Price	\$22,500
City	Thompson Falls	Price per acre	\$40,909
State	Montana	Sale Status	Closed
Seller	Glacier Bank	Sale Conditions	Typical
Buyer	TRAVER BEN T & ERIN M	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	310140	Confirmed Phone	406-360-7172
Tax Parcel Number	6521	Confirmed With	Jenna Brown
Legal Description	SANDY BEACH ESTATES, S01, T21N, R28W, Lot 30, ACRES 0.55		
MLS#	21606705		
Asking Price	\$25,000		
Sale/List Ratio	90%		
DOM	753		
Latitude	47.612700	Longitude	-115.384395
Site			
Land Acres	0.55000	Topography	Level
Land Sq Ft	23,958	Zoning	none, CCRs
Frontage	Noxon Reservoir access, paved private road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power, shared well	Environ. Issues?	Unknown

Remarks
.55 acre level grass land parcel with shared well, power and paved road, with access to the Noxon Reservoir. Lot was Bank owned, however was on the market for 753 days, therefore sold at market value. No previous sale in 1 year.

Land Sale No. 5 Appraiser photograph taken 5/12/2019



Land sale in the process of being improved with a residence

Land Sale No. 6



Nhn Woodside Road, Thompson Falls, MT



Nhn Woodside Road, Thompson Falls, MT
MLS photo

Transaction			
Property ID	1278	Sale Date	08-04-2017
Address	Nhn Woodside Road	Sale Price	\$18,750
City	Thompson Falls	Price per acre	\$27,574
State	Montana	Sale Status	Closed
Seller	PARKER, LISA ANNE	Sale Conditions	Typical
Buyer	ADOLF, TYLER	Rights Conveyed	Fee Simple
Financing Terms	Seller Contract		
Recording Number	307021	Confirmed Phone	406-210-1123
Tax Parcel Number	5761	Confirmed With	Tina Morkert, ABR, BRA
Legal Description	WOODSIDE PARK, S17, T21 N, R29 W, BLOCK 001, Lot 021		
MLS#	20156677		
Asking Price	\$23,900		
Sale/List Ratio	78%		
DOM	644		
Latitude	47.573978	Longitude	-115.347014
Site			
Land Acres	0.68000	Topography	Level
Land Sq Ft	29,621	Zoning	none, CCRs
Frontage	Gravel private road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power, rural water district	Environ. Issues?	Unknown

Remarks
Wooded 0.68 acre parcel with water, power and phone available. No previous sale in 1 year.

Land Sale No. 6 Appraiser photograph taken 5/12/2019



Land Sale No. 7



Nhn Conifer Lane, Noxon, MT 59853



Nhn Conifer Lane, Noxon, MT
MLS photo

Transaction			
Property ID	1279	Sale Date	04-29-2019
Address	Nhn Conifer Lan	Sale Price	\$75,000
City	Noxon	Price per acre	\$37,313
State	Montana	Sale Status	Closed
Seller	HENDRICK STEPHEN M & JUDY	Sale Conditions	Typical
Buyer	HENRIKSON, SCOTT	Rights Conveyed	Fee Simple
Financing Terms	Cash to Seller		
Recording Number	312594	Confirmed Phone	406-270-3921
Tax Parcel Number	16746	Confirmed With	Jeannette C Carr, BRA
Legal Description	CONIFER MEADOWS, S34, T27N, R33W, Lot 5, COS 3111 PLAT 1E 2.01 AC		
MLS#	21804648		
Asking Price	\$80,000		
Sale/List Ratio	94%		
DOM	364		
Latitude	48.051610	Longitude	-115.830809
Site			
Land Acres	2.01000	Topography	Level
Land Sq Ft	87,556	Zoning	none
Frontage	Bull River frontage, gravel private road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	unknown
Utilities	power	Environ. Issues?	Unknown

Remarks
2.01 wooded level acres on the Bull River with power to the lot. Access from gravel private road. No previous sale in 1 year.

Land Sale No. 7 Appraiser photograph taken 5/12/2019



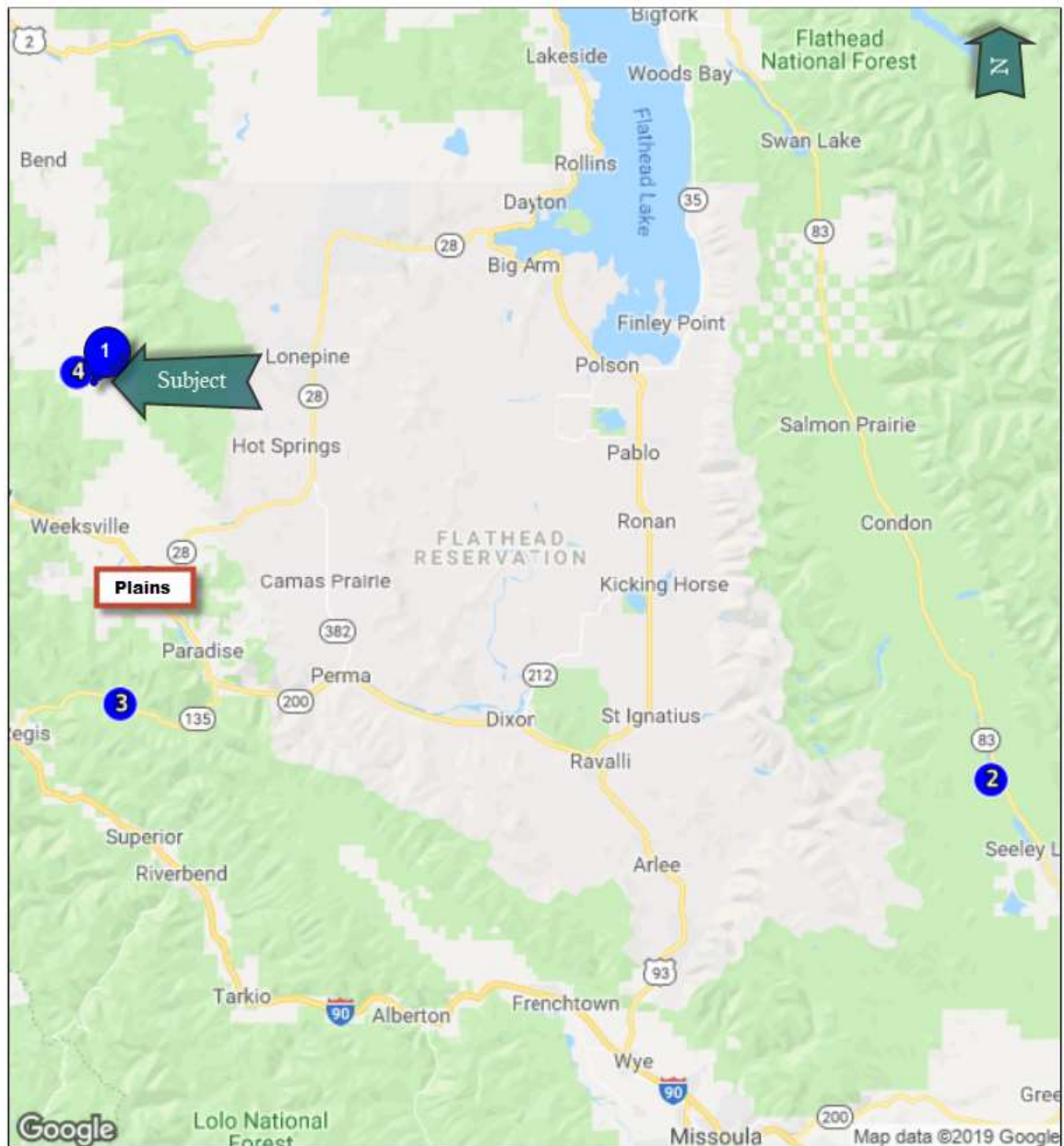
Comparable Improved Sales and Listings

In the Sales Comparison Approach, the appraiser arrives at an indication of value by comparing the relative utility and desirability of the subject properties with comparable properties recently sold. These properties should have approximately the same physical characteristics as the subject, be in the same general or a similar neighborhood, and be capable of housing the same or a similar use. Adjustments can be made for relatively minor differences. Each should be an arm's length transaction. Basic to this approach is the principle of substitution which states that "when a property is replaceable in the market, its value tends to be set by the price required to acquire an equally desirable substitute property."

Three similar "off grid" improved sales and one listing from the past two years have been found and analyzed to estimate the market value of each of the subject improvements. Following is the improved comparable sale synopsis, location map and data for each comparable sale:

<i>Comparable Improved Sales Synopsis</i>						
Sale/MLS#	Address	City	Sale Date	Price	Less site value	Imp Value
1 21814298	NHN Mudd Creek	Plains	2/25/2019	\$51,500	\$0 leased	\$51,500
2 21608736	1393 Sawbuck Trail	Seeley Lake	3/22/2017	\$155,000	\$70,000	\$85,000
3 21802613	13 Donlan Flats Rd	St Regis	9/13/2018	\$113,250	\$18,000	\$95,250
4 21809167	Little Thompson River Rd	Plains	listing	\$37,000	\$0 leased	\$37,000

Improved Sale and Listing Location Map



Improved Sale No. 1



NHN Mudd Creek Rd, Plains, MT 59859 (MLS Photo)

		Transaction	
Property ID	1280	Date of Sale	02-22-2019
Name		Adjusted Sale Price	\$51,500
Address	Nhn Mudd Creek	Price Per SF	\$134.11
City	Plains	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	BOUGHTON, RICHARD S.	Rights Conveyed	Leasehold
Buyer	OVITT, WILFRED	Days on Market	82
Financing Terms	Cash to Seller	Confirmed Phone	406-544-5971
Recording Number	#312142 Bill of sale	Confirmed With	Deborah Warren
Legal Description	Cabin 20, Lease #3051362, located in Section 08, T22N, R26W, P.M.M.		
Tax Parcel Number	002870		
Property Use	Single Family Home		
MLS #	21814298		
Asking Price	\$58,500		
Site			
Land Acres	.00000	Topography	Level
Land Sq Ft	0.95 Acre lease land	Zoning	none
Frontage	Gravel County Road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	Lease land
Utilities	generator power, new septic system,	Land Building Ratio	0
Improvements and Financial Data			
GBA	384	Site Value	None-leased land
Rentable Area	384		
No. of Units	1		
Year Built	1950		
Building Condition	Average		
Construct Quality	Fair		
Ancillary Area	80 SF shed, 96 SF deck		
Basement Type	None		
Remarks			

1950 Cabin on 0.95+/- acres of State lease land. There are two small bedrooms and a large living room/kitchen with propane refrigerator, propane cook stove, wood cook stove and a large wood stove for heat. Current lease amount is \$512/year. Lease expiration date is Feb. 28, 2022. According to the Realtor there was not leasehold land value and the Buyer did not consider any leasehold value of the land. Septic system is in but not hooked up. Diesel generator is only power. Water is hauled to fill the cistern. No previous sale in 1 year. MLS photograph depicts property at time of sale.

Improved Sale No. 1 Appraiser photograph taken 5/12/2019



Improved Sale No. 2



1393 Sawbuck Trail, Seeley Lake, MT 59868 (MLS photo)

Transaction			
Property ID	1281	Date of Sale	03-22-2017
Name		Adjusted Sale Price	\$155,000
Address	1393 Sawbuck Trail	Price Per SF	\$164.19
City	Seeley Lake	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	MILLER DON R (PERS REP),	Rights Conveyed	Fee Simple
Buyer	JOHNSON DENISE G	Days on Market	233
Financing Terms	Cash to Seller	Confirmed Phone	406-210-1985
Recording Number	201704806	Confirmed With	Kim Koppen
Legal Description	S07, T17 N, R15 W, C.O.S. 2710, PARCEL 5D, ACRES 5		
Tax Parcel Number	0005831114		
Property Use	Single Family Home		
MLS #	#21608736		
Asking Price	\$160,000		
Site			
Land Acres	5.00000	Topography	Level
Land Sq Ft	217,800	Zoning	none
Frontage	Private gravel road	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	unknown
Utilities	no power, well, generator, no septic	Land Building Ratio	230.72
Improvements and Financial Data			
GBA	944	Site value	\$70,000 Based on:
Rentable Area	944		MLS#21808287 7.86 ac. \$79,000
No. of Units	1		& MLS#21809200 3.29 ac. \$65,000
Year Built	1983		
Building Condition	Average		
Construct Quality	Average		
Ancillary Area	244 Sf gst qtrs, 100 Sf shed, 192 Sf		
Description	canopy, 49 sf porch		
Basement Type	None		
Remarks			

'Off grid'' cabin is near the North Fork of the Clearwater River and Forest Service acreage. The main level has a kitchen/dining area, living room and sleeping area. The loft includes two separate bedrooms. The bathroom has a shower stall with a water reservoir you fill as needed. Gas lights are plumbed in throughout the home that can be hooked up to a generator. The wood stove in the kitchen can heat the home and provides a place to cook. An additional stove in the living room is also available. 240 Sf guest quarters (shed). No previous sale in 1 year. Estimated site value is \$70,000. MLS photograph depicts property at sale.

Improved Sale No. 2 Appraiser photographs taken 5/9/2019



Property was posted



Improvements somewhat visible through the trees

Improved Sale No. 3



13 Donlan Flats Road, Saint Regis, MT 59866
MLS photo

Transaction			
Property ID	1282	Date of Sale	09-13-2018
Name		Adjusted Sale Price	\$113,250
Address	13 Donlan Flats Road	Price Per SF	\$131.07
City	Saint Regis	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	ANDERSON, JAMES	Rights Conveyed	Fee Simple
Buyer	NELSEN, JAMES P.	Days on Market	177
Financing Terms	<i>conventional</i>	Confirmed Phone	(406) 239-7588
Recording Number	310765	Confirmed With	Jodie Hooker
Legal Description	PARADISE RANCHETTES, S08, T18 N, R26 W, Lot 004, ACRES 1.58		
Tax Parcel Number	00014449		
Property Use	Single Family Home		
MLS #	21802613		
Asking Price	\$125,000		
Site			
Land Acres	1.58000	Topography	Level
Land Sq Ft	68,825	Zoning	none
Frontage	gravel private road	In Flood Plain?	Unknown
Shape	Irregular	Encumbrances	unknown
Utilities	well, septic, generator power	Land Building Ratio	79.66
Improvements and Financial Data			
GBA	864	Site value	\$18,000
Rentable Area	864		Based on:
No. of Units	1		MLS#20156677 0.68 ac \$18,750
Year Built	2008		MLS#21606705 0.55 ac \$22.500
Building Condition	Average to Good		
Construct Quality	Average to Good		
Ancillary Area	144 Sf shed, 80 Sf shed		
Basement Type	None-concrete foundation.		
Remarks			

Off Grid Cabin, includes generator, solar, batteries, well and septic. Cabin has cedar wood interior and open living/kitchen area, bathroom, bedroom and small loft, on-demand hot water heater, wood stove and propane monitor heat. Located close to Clark Fork river access, Quinns Hot Springs, Hunting, hiking, Cabin borders USFS. Cabin is located on a year round access road. 2017 previous sale for \$111,000 MLS#21710001. Estimated site value is \$18,000. MLS photograph depicts property at time of sale.

Improved Sale No. 3 Appraiser photograph taken 5/12/2019



Improved Listing No. 4



NHN Little Thompson River Rd, Plains, MT 59859
MLS photo

Transaction			
Property ID	1283	Date of Listing	07-17-2018
Name		List Sale Price	\$37,000
Address	Nhn Little Thompson River Road Mudd Creek Lot 10 Cabin 7	Price Per SF	\$90.69
City	Plains	Sale Status	Listing
State	Montana	Sale Conditions	Listing
Seller	GARRISON JAY L & TERESA	Rights Conveyed	Leasehold
Buyer	Listing	Days on Market	295
Financing Terms	Listing	Confirmed Phone	406-291-5219
Recording Number	Listing	Confirmed With	Mary Jane Helliwell
Legal Description	S12, T22 N, 427 W, CABIN 7 LEASE #3052791		
Tax Parcel Number	2854		
Property Use	Single Family Home		
MLS #	21809167		
Asking Price	\$37,000		
Site			
Land Acres	.00000	Topography	Level
Land Sq Ft	Lease lot	Zoning	none
Frontage	Gravel County Road	In Flood Plain?	Unknown
Shape	mostly rectangular	Encumbrances	State lease lot with Mudd Creek
Utilities	sand point water well, no power	Land Building Ratio	Lease lot
Improvements and Financial Data			
GBA	408	Site Value	None-lease land
Rentable Area	408		
No. of Units	1		
Year Built	1970		
Building Condition	Fair		
Construct Quality	Fair		
Ancillary Area	210 Sf shed, 99 Sf shed		
Basement Type	None		
Remarks			
One-room off-grid cabin on State Leased Land. Bordering Mudd Creek near the Little Thompson River and surrounded by Lolo National Forest. Open cathedral ceiling, metal roof, screened front porch, propane lights and cook stove, storage loft. 15ft+/-sand point water well, storage shed and outhouse. No previous sale in 1 year. MLS photograph depicts property at time of listing. No leasehold land value is indicated.			

Improved Listing No. 4 Appraiser photograph taken 5/12/2019



Property Valuations

Site Adjustments

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

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

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

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

Lot 21-Sale #954

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Lot 21 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 21 Sale # 954 Mudd Creek					
General Data	subject	Sale 1	Sale 5	Sale 3	Sale 4
Lot 10	Lot 21 -1463	41	NHN	Lot 10	3737
Address	Thompson River Rd.	Southrock Rd	Shoreline Dr	Boehler Ranch Dr	Good Creek Rd
City, MT	Plains	Noxon	Thompson Falls	Plains	Olney
Sale Date	Apr-19	Sep-18	Jul-18	Nov-18	Jun-18
MLS or Doc#		2175488	21606705	21612562	21804095
Market Time		725	753	714	51
Land size/AC	1.010	4.40	0.55	1.50	1.97
List Price		\$74,500	\$25,000	\$35,000	\$39,800
Sale Price		\$67,500	\$22,500	\$35,000	\$39,000
List to sale %		91%	90%	100%	98%
Price/Site		\$67,500	\$22,500	\$35,000	\$39,000
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Improvement adjustment		shed/RV/septic/slr	none	none	none
		-\$20,000	\$0	\$0	\$0
Sale Date	Apr-19	Sep-18	Jul-18	Nov-18	Jun-18
# months		6	9	5	10
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$47,500	\$22,500	\$35,000	\$39,000
Property Adjustments					
Location Characteristics:					
Easements affecting use	typical	typical	typical	typical	typical
Frontage/access	average	similar	similar	similar	similar
Shape/Topography	rect/level	similar	similar	similar	similar
Site Utility	average	similar	similar	similar	similar
Zoning	none	none	none	none	none
Utilities	none	no power	sup. Pwr/wtr	superior pwr	none
water/amenity	Mudd Creek	Rock Crk	Reservior access	Boyer Crk	Good Crk
Overall Adjustment		similar	inferior	superior	similar
		0%	15%	-15%	0%
Physical Characteristics					
Land size/AC	1.010	4.40	0.55	1.50	1.97
		-35%	15%	0%	-25%
Net Adjustment %		-35%	30%	-15%	-25%
Gross Adjustment %		35%	30%	15%	25%
Final Adjusted \$/Site		\$30,875	\$29,250	\$29,750	\$29,250
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$22,500	\$29,250			
High	\$67,500	\$30,875			
Median	\$37,000	\$29,500			
Average	\$41,000	\$29,781			

Analysis of Land Sale Adjustments

Improvements

Only Sale No. 1 was improved with a shed/RV/solar/septic at the time of sale resulting in a \$20,000 downward adjustment based on the Realtor's estimate of contributory value of the improvements.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All of the sales have occurred in the past 10 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

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

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, utilities and water amenity, where the sales bracket the subject lot's characteristics. Sale No. 5 and No. 3 are adjusted -30% for power based on the following paired sales:

Power			
Sale 2	Sale 4	Sale 7	Sale 4
105	3737	NHN	3737
Leota Peak Ct	Good Creek Rd	Conifer Ln	Good Creek Rd
Seeley Lake	Olney	Noxon	Olney
May-18	Jun-18	Apr-19	Jun-18
21804769	21804095	21804648	21804095
1164	51	364	51
2.16	1.97	2.01	1.97
\$55,000	\$39,000	\$75,000	\$39,000
		<i>Sup River</i>	
		-20%	
\$55,000	\$39,000	\$60,000	\$39,000
Drew Creek	Good Crk	Bull River	Good Crk
power	no power	power	no power
Value Difference			
29%		35%	

Sale No. 5 is adjusted upward 45% for inferior water amenity and Sale No. 3 is adjusted upward 15% for inferior seasonal stream based on the following paired water amenity sales, where amenity differences can range from 17% to 40% depending on the water amenity:

Water amenity							
Sale 3	Sale 6	Sale 2	Sale 3	Sale 7	Sale 2	Sale 5	Sale 6
Lot 10	NHN	105	Lot 10	NHN	105	NHN	NHN
Boehler Ranch Dr	Woodside Rd	Leota Peak Ct	Boehler Ranch Dr	Conifer Ln	Leota Peak Ct	Shoreline Dr	Woodside Rd
Plains	Thompson Falls	Seeley Lake	Plains	Noxon	Seeley Lake	Thompson Falls	Thompson Falls
Nov-18	Aug-17	May-18	Nov-18	Apr-19	May-18	Jul-18	Aug-17
21612562	20156677	21804769	21612562	21804648	21804769	21606705	20156677
714	644	1164	714	364	1164	753	644
1.50	0.68	2.16	1.50	2.01	2.16	0.55	0.68
\$35,000	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
<i>Sup. Size</i>							
-10%							
\$31,500	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
Boyer Creek	none	Drew Creek	Boyer Creek	Bull River	Drew Creek	Reservior access	none
power	power	power	power	power	power	power	power
Value Difference							
40%		36%		27%		17%	

Net location adjustment to Sale No. 5 is 15% and Sale No. 3 is -15% after adjustment for power and water amenity. No adjustment is necessary to Sale No. 1 and No. 4 which have similar locations.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however larger Sale No. 1 and Sale No. 4 indicate a -25% to -35% downward adjustment, and smaller Sale No. 5 requires a 15% upward adjustment based on the following paired sales which indicate an 18% value difference for a parcel 55% smaller, and a 36% value difference for a parcel 63% smaller:

Size			
Sale 1	Sale 4	Sale 3	Sale 5
41	3737	Lot 10	NHN
South rock Rd	Good Creek Rd	Boehler Ranch Dr	Shoreline Dr
Noxon	Olney	Plains	Thompson Falls
Sep-18	Jun-18	Nov-18	Jul-18
2175488	21804095	21612562	21606705
725	51	714	753
4.40	1.97	1.50	0.55
\$67,500	\$39,000	\$35,000	\$22,500
Less imps			
(\$20,000)			
\$47,500	\$39,000	\$35,000	\$22,500
Rock Crk	Good Crk	Boyer Crk	Reservior access
no power	no power	power	power
value difference	size difference	value difference	size difference
18%	55%	36%	63%

Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 1, 3, 4 and 5 bracket the subject Lot 21 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$22,500 for smallest Sale No. 5 to as high as \$47,500 for largest improved Sale No. 1, after improvements are deducted. After adjustment for power, water amenity and size, the value

indication is much closer from \$29,250 to \$30,875. A market value of \$30,000 (R) for the subject Lot 21 is well supported by this analysis.

Lot 21 Site Value Indication- 1.01 acres with Mudd Creek frontage

\$30,000 (R)

Improvement Value Estimate-Lot 21

Three improved sales and one listing are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for Lot 21 Sale # 954 Mudd Creek									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
	1463 Little Thompson River Rd Plains, MT 59859	Cabin 20 Mudd Creek Plains, MT 59859		1393 Sawbuck Trail Seeley Lake, MT 59868		13 Donlan Flats Rd St. Regis, MT 59866		Little Thompson River Rd Plains, MT 59859	
Data Source/MLS#		21814298		21608736		21802613		21809167	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$58,500		\$160,000		\$125,000		\$37,000
Sale Price			\$51,500		\$155,000		\$113,250		\$37,000
List to sale %			88%		97%		91%		active listing
Closing Date			2/25/2019		3/22/2017		9/13/2018		4/23/2019
Days on Market			82		233		177		286
Price/GLA SF			\$134.11		\$164.19		\$131.08		\$90.69
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	cash	\$0	conv.	\$0	Listing -6%	-\$2,220
Concessions	na	none	\$0	none	\$0	none	\$0	listing	\$0
Date of sale	Apr-19	Feb-19	\$0	Mar-17	\$0	Sep-18	\$0	Apr-19	\$0
Locaton	Plains	Plains lease	\$0	Seeley Lake	\$0	St. Regis	\$0	Plains lease	\$0
Site size/value	lease	lease	\$0	5 acres	-\$70,000	1.58 acres	-\$18,000	lease	\$0
Site appeal	lease site	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Design & appeal	cabin	cabin	\$0	1.5 stry cabin	\$0	1 stry cabin	\$0	1 stry cabin	\$0
Quality construct.	fair/poor	similar	\$0	superior \$7/SF	-\$6,608	sup. Conc fdtn	-\$3,000	similar	\$0
Age	39a/39e	69a/30e	-\$9,000	36a/20e	-\$19,000	11a/10e	-\$29,000	49a/40e	\$1,000
Condition	fair/poor	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	1	2	\$0	2	\$0	1	\$0	1	\$0
Above grade Baths	outhse	outhse	\$0	1/outhse	\$0	1	-\$2,500	outhse	\$0
GLA/SF	628	384	\$8,540	944	-\$11,060	864	-\$8,260	408	\$7,700
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	average	in condition	\$0	similar	\$0	similar	\$0	similar	\$0
Heating Cooling	WS	WS	\$0	WS	\$0	WS	\$0	WS	\$0
Outbuilding	480 sf sheds	80 sf shed	\$1,000	344 sf shed	\$0	224 sf sheds	\$0	309 sf sheds	\$0
Landscaping	none	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	porch	similar deck	\$0	similar porch	\$0	sim. covd porch	\$0	sim. encl. porch	\$0
Other	port. Gen.	gen/septic	-\$7,000	well/gen.	-\$2,500	slr/well/septic	-\$7,000	snd pt well	\$0
Net Adjustment			-\$6,460		-\$109,168		-\$67,760		\$6,480
Net Adjustment %		-13%		-70%		-60%		18%	
Gross Adjustment %		34%		66%		57%		30%	
Adjusted Sale Price			\$45,040		\$45,832		\$45,490		\$43,480
								Average	\$44,961
								Median	\$45,265

Analysis of Improved Sales and Listings Adjustments

All of the comparable “off-grid” arm’s length sales and listing are located in the greater Sanders and Missoula County area and bracket the subject improvements in size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, quality and condition. The comparable sales and listings require adjustments to reflect these characteristics.

Financing

All sales are cash with no adjustment necessary.

Market Conditions/List to Sale Price ratio

All sales have occurred in the past 2 years; however there is insufficient data for a market conditions adjustment. No adjustment will be made for time or changing market conditions. Listing No. 4 is adjusted -6% based on average list to sale price ratio in Sanders County from the past year.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, revealing the contributory value of the improvements alone. Comparable Sale No. 1 and Listing No. 4 are both on State lease sites, with no adjustment necessary. Comparable Sale No. 2 is on 5 acres with an estimated site value of \$70,000 based on nearby (MLS# 21808287) 7.86 acres which sold for \$79,000 and (MLS# 21809200) 3.29 acres selling for \$65,000. Sale No. 3 is on 1.58 acres with an estimated site value of \$18,000 based on Land Sale No. 5 and No. 6 analyzed in this report which sold for \$22,500 and \$18,750 respectively.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling or deficiencies.

Comparables bracket the subject's quality and condition, with Sale No. 2 having superior quality of construction adjusted at \$7/SF and Sale No. 3 has a superior concrete foundation, resulting in a \$3,000 adjustment based on paired sales. Sale No. 1, 2 and 3 having lower effective ages/superior condition, which are adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$2,500 for a full useable bath.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$35/SF for square footage differences based on market data for similar sales.

Heating/Cooling

All of the comparables have similar wood stoves with no adjustment necessary.

Outbuildings

All of the comparables have similar sheds; however Sale No. 1 has a smaller 80 SF shed resulting in a \$1,000 upward adjustment.

Porch/Deck

All of the comparables have similar porches and decks with no adjustment necessary.

Generator/well/septic

Sale No. 1 has a new septic and a generator with a \$7,000 downward adjustment indicated. Sale No. 2 has a generator and well with a \$2,500 downward adjustment required. Sale No. 3 has solar power, well and septic with a \$7,000

adjustment indicated. Sale No. 4 has a sand point well with no adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$43,480 shown by the active listing No. 4 to \$45,832 illustrated by Sale No. 2. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$44,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	Sale #954 Lot 21
Lot size/amenity	1.01 ac. Mudd Crk
Improvement size/Year	628 SF 1980
Land-segregated value	\$30,000
Improvements-segregated value	\$44,000
Total fee simple market value (Hypothetical Condition)	\$74,000

Lot 6-Sale #956

Site Value Estimate

The following four land sales are analyzed to estimate the market value of the subject site as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 6 Sale # 956 Mudd Creek					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
Lot 10	Lot 6 -1425 Little	41	105	Lot 10	3737
Address	Thompson River Rd.	Southrock Rd	Leota Peak Ct	Boehler Ranch Dr	Good Creek Rd
City, MT	Plains	Noxon	Seeley Lake	Plains	Olney
Sale Date	Apr-19	Sep-18	May-18	Nov-18	Jun-18
MLS or Doc#		2175488	21804769	21612562	21804095
Market Time		725	1164	714	51
Land size/AC	2.240	4.40	2.16	1.50	1.97
List Price		\$74,500	\$59,500	\$35,000	\$39,800
Sale Price		\$67,500	\$55,000	\$35,000	\$39,000
List to sale %		91%	92%	100%	98%
Price/Site		\$67,500	\$55,000	\$35,000	\$39,000
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	conv.	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Improvement adjustment		shed/RV/septic/slr	none	none	none
		-\$20,000	\$0	\$0	\$0
Sale Date	Apr-19	Sep-18	May-18	Nov-18	Jun-18
# months		6	10	5	10
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$47,500	\$55,000	\$35,000	\$39,000
Property Adjustments					
Location Characteristics:					
Easements affecting use	typical	typical	typical	typical	typical
Frontage/access	average	similar	similar	similar	similar
Shape/Topography	rect/level	similar	sim/sloped	similar	similar
Site Utility	average	similar	similar	similar	similar
Zoning	none	none	none	none	none
Utilities	none	no power	superior pwr	superior pwr	none
water/amenity	Mudd Creek	Rock Crk	Drew Creek	Boyer Crk	Good Crk
Overall Adjustment		similar	superior	superior	similar
		0%	-30%	-15%	0%
Physical Characteristics					
Land size/AC	2.240	4.40	2.16	1.50	1.97
		-20%	0%	20%	0%
Net Adjustment %		-20%	-30%	5%	0%
Gross Adjustment %		20%	30%	35%	0%
Final Adjusted \$/Site		\$38,000	\$38,500	\$36,750	\$39,000
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$67,500	\$36,750			
High	\$39,000	\$39,000			
Median	\$47,000	\$38,250			
Average	\$49,125	\$38,063			

Analysis of Land Sale Adjustments

Improvements

Only Sale No. 1 was improved with a shed/RV/solar/septic at the time of sale resulting in a \$20,000 downward adjustment based on the Realtor's estimate of contributory value of the improvements.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All of the sales have occurred in the past 10 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

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

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, utilities and water amenity, where the sales bracket the subject lot's characteristics. Sale No. 2 and No. 3 are adjusted -30% for power based on the following paired sales:

Power			
Sale 2	Sale 4	Sale 7	Sale 4
105	3737	NHN	3737
Leota Peak Ct	Good Creek Rd	Conifer Ln	Good Creek Rd
Seeley Lake	Olney	Noxon	Olney
May-18	Jun-18	Apr-19	Jun-18
21804769	21804095	21804648	21804095
1164	51	364	51
2.16	1.97	2.01	1.97
\$55,000	\$39,000	\$75,000	\$39,000
		<i>Sup River</i>	
		-20%	
\$55,000	\$39,000	\$60,000	\$39,000
Drew Creek	Good Crk	Bull River	Good Crk
power	no power	power	no power
Value Difference			
29%		35%	

Sale No. 3 is adjusted upward 15% for inferior seasonal stream based on the following paired water amenity sales, where amenity differences can range from 17% to 40% depending on the water amenity:

Water amenity							
Sale 3	Sale 6	Sale 2	Sale 3	Sale 7	Sale 2	Sale 5	Sale 6
Lot 10	NHN	105	Lot 10	NHN	105	NHN	NHN
Boehler Ranch Dr	Woodside Rd	Leota Peak Ct	Boehler Ranch Dr	Conifer Ln	Leota Peak Ct	Shoreline Dr	Woodside Rd
Plains	Thompson Falls	Seeley Lake	Plains	Noxon	Seeley Lake	Thompson Falls	Thompson Falls
Nov-18	Aug-17	May-18	Nov-18	Apr-19	May-18	Jul-18	Aug-17
21612562	20156677	21804769	21612562	21804648	21804769	21606705	20156677
714	644	1164	714	364	1164	753	644
1.50	0.68	2.16	1.50	2.01	2.16	0.55	0.68
\$35,000	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
<i>Sup. Size</i>							
-10%							
\$31,500	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
Boyer Creek	none	Drew Creek	Boyer Creek	Bull River	Drew Creek	Reservior access	none
power	power	power	power	power	power	power	power
Value Difference							
40%		36%		27%		17%	

Net location adjustment to Sale No. 2 is -30% and Sale No. 3 is -15% after adjustment for power and water amenity. No adjustment is necessary to Sale No. 1 and No. 4 which have similar locations.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however larger Sale No. 1 indicates a -20% downward adjustment and smaller Sale No. 3 requires a 20% upward adjustment based on the following paired sales which indicate an 18% value difference for a parcel 55% smaller, and a 36% value difference for a parcel 63% smaller:

<i>Size</i>			
Sale 1	Sale 4	Sale 3	Sale 5
41	3737	Lot 10	NHN
South rock Rd	Good Creek Rd	Boehler Ranch Dr	Shoreline Dr
Noxon	Olney	Plains	Thompson Falls
Sep-18	Jun-18	Nov-18	Jul-18
2175488	21804095	21612562	21606705
725	51	714	753
4.40	1.97	1.50	0.55
\$67,500	\$39,000	\$35,000	\$22,500
Less imps			
(\$20,000)			
\$47,500	\$39,000	\$35,000	\$22,500
Rock Crk	Good Crk	Boyer Crk	Reservior access
no power	no power	power	power
value difference	size difference	value difference	size difference
18%	55%	36%	63%

Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 1, 2, 3 and 4 bracket the subject Lot 6 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$35,000 for smallest Sale No. 3 to as high as \$47,500 for largest improved Sale No. 1 after adjustment for improvements. After adjustment for power, water amenity and size, the value indication is much closer from \$36,750 to \$39,000. A market value of \$38,000 (R) for the subject Lot 6 is well supported by this analysis.

Lot 6 Site Value Indication- 2.24 acres with Mudd Creek frontage \$38,000 (R)

Improvement Value Estimate

Three improved sales and one listing are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for Lot 6 Sale #956 Mudd Creek									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
	1425 Little Thompson River Rd. Plains, MT 59859	Cabin 20 Mudd Creek Plains, MT		1393 Sawbuck Trail Seeley Lake, MT 59868		13 Donlan Flats Rd St. Regis, MT 59866		Little Thompson River Rd Plains, MT 59859	
Data Source/MLS#		21814298		21608736		21802613		21809167	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$58,500		\$160,000		\$125,000		\$37,000
Sale Price			\$51,500		\$155,000		\$113,250		\$37,000
List to sale %			88%		97%		91%		active listing
Closing Date			2/25/2019		3/22/2017		9/13/2018		4/23/2019
Days on Market			82		233		177		286
Price/GLA SF			\$134.11		\$164.19		\$131.08		\$90.69
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	cash	\$0	conv.	\$0	Listing -6%	-\$2,220
Concessions	na	none	\$0	none	\$0	none	\$0	listing	\$0
Date of sale	Apr-19	Feb-19	\$0	Mar-17	\$0	Sep-18	\$0	Apr-19	\$0
Locaton	Plains	Plains lease	\$0	Seeley Lake	\$0	St. Regis	\$0	Plains lease	\$0
Site size/value	lease	lease	\$0	5 acres	-\$70,000	1.58 acres	-\$18,000	lease	\$0
Site appeal	lease site	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Design & appeal	cottage	cabin	\$0	1.5 stry cabin	\$0	1 stry cabin	\$0	1 stry cabin	\$0
Quality construct.	average	inferior	\$5,000	similar	\$0	similar	\$0	inferior	\$5,000
Age	49a/20e	69a/30e	\$10,000	36a/20e	\$0	11a/10e	-\$10,000	49a/40e	\$20,000
Condition	avg/gd	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Bedrooms	1	2	\$0	2	\$0	1	\$0	1	\$0
Baths	1/outhse	outhse	\$0	1/outhse	\$0	1	-\$2,500	outhse	\$0
GLA/SF	880	384	\$17,360	944	-\$2,240	864	\$560	408	\$16,520
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	average	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Heating Cooling	WS/FP	WS	\$0	WS	\$0	WS	\$0	WS	\$0
Outbuilding	448 Sf sheds	80 sf shed	\$1,000	344 sf shed	\$0	224 sf sheds	\$0	309 sf sheds	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	302 SF decks	sim deck	\$0	sim porch	\$0	sim porch	\$0	sim porch	\$0
Other	gen/gw sptc	gen/septic	-\$5,000	gen/well	-\$2,500	solr/well/sptc	-\$5,000	snd pt well	\$3,000
Net Adjustment			\$28,360		-\$74,740		-\$34,940		\$42,300
Net Adjustment %		55%		-48%		-31%		114%	
Gross Adjustment %		32%		48%		32%		113%	
Adjusted Sale Price			\$79,860		\$80,260		\$78,310		\$79,300
								Average	\$79,433
								Median	\$79,580

Analysis of Improved Sales and Listings Adjustments

All of the comparable “off-grid” arm’s length sales and listing are located in the greater Sanders and Missoula County area and bracket the subject improvements in size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, quality and condition. The comparable sales and listings require adjustments to reflect these characteristics.

Financing

All sales are cash with no adjustment necessary.

Market Conditions/List to Sale Price ratio

All sales have occurred in the past 2 years; however there is insufficient data for a market conditions adjustment. No adjustment will be made for time or changing market conditions. Listing No. 4 is adjusted -6% based on average list to sale price ratio in Sanders County from the past year.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, revealing the contributory value of the improvements alone. Comparable Sale No. 1 and Listing No. 4 are both on State lease sites, with no adjustment necessary. Comparable Sale No. 2 is on 5 acres with an estimated site value of \$70,000 based on nearby (MLS# 21808287) 7.86 acres which sold for \$79,000 and (MLS# 21809200) 3.29 acres selling for \$65,000. Sale No. 3 is on 1.58 acres with an estimated site value of \$18,000 based on Land Sale No. 5 and No. 6 analyzed in this report which sold for \$22,500 and \$18,750 respectively.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling or deficiencies.

Comparables bracket the subject's quality and condition, with Sale No. 1 and Listing No. 4 having inferior quality of construction adjusted at a \$5,000. Sale No. 1 and 4 have higher effective ages/inferior condition, and Sale No. 3 has a lower effective age which is adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$2,500 for a full useable bath. Although the subject has a bath, it has limited use due to the gray water septic, therefore has minimal value.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$35/SF for square footage differences based on market data for similar sales.

Heating/Cooling

All of the comparables have similar wood stoves with no adjustment necessary.

Outbuildings

All of the comparables have similar sheds; however Sale No. 1 has a smaller 80 SF shed resulting in a \$1,000 upward adjustment.

Porch/Deck

All of the comparables have similar porches and decks with no adjustment necessary.

Generator/well/septic

Sale No. 1 has a new septic and a generator which is adjusted at \$5,000 compared to the subject generator and gray water septic. Sale No. 2 has a generator and well with a \$2,500 downward adjustment indicated. Sale No. 3

has solar power, well and septic with a \$5,000 adjustment indicated. Sale No. 4 has a sand point well with an upward \$3,000 adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$78,310 shown by Sale No. 3 to \$80,260 illustrated by Sale No. 2. Equal weight placed on all four comparables as they bracket the subject's characteristics, which provide a reasonable estimate of market value for the subject improvements. A value of \$79,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	Sale #956 Lot 6
Lot size/amenity	2.24 ac. Mudd Crk
Improvement size/Year	800 SF 1970*
Land-segregated value	\$38,000
Improvements-segregated value	\$79,000
Total fee simple market value (Hypothetical Condition)	\$117,000

Lot 19-Sale #957

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject Lot 19 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 19 Sale # 19 Sf Little Thompson River					
General Data	subject	Sale 1	Sale 2	Sale 7	Sale 4
Lot 10	Lot 19	41	105	NHN	3737
Address	4 Forthfork Rd	Southrock Rd	Leota Peak Ct	Conifer Ln	Good Creek Rd
City, MT	Plains	Noxon	Seeley Lake	Noxon	Olney
Sale Date	Apr-19	Sep-18	May-18	Apr-19	Jun-18
MLS or Doc#		2175488	21804769	21804648	21804095
Market Time		725	1164	364	51
Land size/AC	2.420	4.40	2.16	2.01	1.97
List Price		\$74,500	\$59,500	\$80,000	\$39,800
Sale Price		\$67,500	\$55,000	\$75,000	\$39,000
List to sale %		91%	92%	94%	98%
Price/Site		\$67,500	\$55,000	\$75,000	\$39,000
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	conv.	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Improvement adjustment		shed/RV/septic/slr	none	none	none
		-\$20,000	\$0	\$0	\$0
Sale Date	Apr-19	Sep-18	May-18	Apr-19	Jun-18
# months		6	10	0	10
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$47,500	\$55,000	\$75,000	\$39,000
Property Adjustments					
Location Characteristics:					
Easements affecting use	typical	typical	typical	typical	typical
Frontage/access	average	similar	similar	similar	similar
Shape/Topography	rect/level	similar	sim/sloped	similar	similar
Site Utility	average	similar	similar	similar	similar
Zoning	none	none	none	none	none
Utilities	none	no power	superior pwr	superior pwr	none
water/amenity	SF LT River	Rock Crk	Drew Creek	sup. Bull River	Good Crk
Overall Adjustment		inferior	superior	superior pwr	similar
		10%	-15%	-40%	0%
Physical Characteristics					
Land size/AC	2.420	4.40	2.16	2.01	1.97
		-25%	0%	0%	0%
Net Adjustment %		-15%	-15%	-40%	0%
Gross Adjustment %		35%	15%	40%	0%
Final Adjusted \$/Site		\$40,375	\$46,750	\$45,000	\$39,000
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$39,000	\$39,000			
High	\$75,000	\$46,750			
Median	\$61,250	\$42,688			
Average	\$59,125	\$42,781			

Analysis of Land Sale Adjustments

Improvements

Only Sale No. 1 was improved with a shed/RV/solar/septic at the time of sale resulting in a \$20,000 downward adjustment based on the Realtor's estimate of contributory value of the improvements.

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All of the sales have occurred in the past 10 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

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

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, utilities and water amenity, where the sales bracket the subject lot's characteristics. Sale No. 2 and No. 7 are adjusted -30% for power based on the following paired sales:

Power			
Sale 2	Sale 4	Sale 7	Sale 4
105	3737	NHN	3737
Leota Peak Ct	Good Creek Rd	Conifer Ln	Good Creek Rd
Seeley Lake	Olney	Noxon	Olney
May-18	Jun-18	Apr-19	Jun-18
21804769	21804095	21804648	21804095
1164	51	364	51
2.16	1.97	2.01	1.97
\$55,000	\$39,000	\$75,000	\$39,000
		<i>Sup River</i>	
		-20%	
\$55,000	\$39,000	\$60,000	\$39,000
Drew Creek	Good Crk	Bull River	Good Crk
power	no power	power	no power
Value Difference			
29%		35%	

Sale No. 1 is adjusted upward 10% for inferior stream, Sale No. 2 adjusted upward 15% for inferior smaller stream and Sale No. 7 is adjusted downward 10% for superior river amenity based on the following paired water amenity sales where amenity differences can range from 17% to 40% depending on the water amenity:

Water amenity							
Sale 3	Sale 6	Sale 2	Sale 3	Sale 7	Sale 2	Sale 5	Sale 6
Lot 10	NHN	105	Lot 10	NHN	105	NHN	NHN
Boehler Ranch Dr	Woodside Rd	Leota Peak Ct	Boehler Ranch Dr	Conifer Ln	Leota Peak Ct	Shoreline Dr	Woodside Rd
Plains	Thompson Falls	Seeley Lake	Plains	Noxon	Seeley Lake	Thompson Falls	Thompson Falls
Nov-18	Aug-17	May-18	Nov-18	Apr-19	May-18	Jul-18	Aug-17
21612562	20156677	21804769	21612562	21804648	21804769	21606705	20156677
714	644	1164	714	364	1164	753	644
1.50	0.68	2.16	1.50	2.01	2.16	0.55	0.68
\$35,000	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
<i>Sup. Size</i>							
-10%							
\$31,500	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
Boyer Creek	none	Drew Creek	Boyer Creek	Bull River	Drew Creek	Reservior access	none
power	power	power	power	power	power	power	power
Value Difference							
40%		36%		27%		17%	

Net location adjustment to Sale No. 1 is 10%, Sale No. 2 is -15% and Sale No. 7 is -40% after adjustment for power and water amenity. No adjustment is necessary to Sale No.4 which has a similar location.

Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however larger Sale No. 1 indicates a -25% downward adjustment based on the paired sales which indicate an 18% value difference for a parcel 55% smaller, and a 36% value difference for a parcel 63% smaller. No adjustment for size is indicated for the remaining sales.

Size			
Sale 1	Sale 4	Sale 3	Sale 5
41	3737	Lot 10	NHN
South rock Rd	Good Creek Rd	Boehler Ranch Dr	Shoreline Dr
Noxon	Olney	Plains	Thompson Falls
Sep-18	Jun-18	Nov-18	Jul-18
2175488	21804095	21612562	21606705
725	51	714	753
4.40	1.97	1.50	0.55
\$67,500	\$39,000	\$35,000	\$22,500
Less imps			
(\$20,000)			
\$47,500	\$39,000	\$35,000	\$22,500
Rock Crk	Good Crk	Boyer Crk	Reservior access
no power	no power	power	power
value difference	size difference	value difference	size difference
18%	55%	36%	63%

Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 1, 2, 7 and 4 bracket the subject Lot 19 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$39,000 for Sale No. 4 to as high as \$75,000 for Sale No. 7 on the Bull River. After adjustment for power, water amenity and size, the value indication is much closer from \$39,000 to \$46,750. A market value of \$42,000 (R) for the subject Lot 19 is well supported by this analysis.

Lot 19 Site Value Indication- 2.42 acres with South Fork of the Little Thompson River

\$42,000 (R)

Improvement Value Estimate

Three improved sales and one listing are analyzed to estimate the contributory value of the improvements. The following adjustment grid details the adjustments to each comparable sale as it relates to the subject improvements:

IMPROVED SALES ADJUSTMENT GRID for Lot 19 Sale # 957 SF Little Thompson River									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
4 Forthfork Rd Plains, MT 59859		Cabin 20 Mudd Creek Plains, MT		1393 Sawbuck Trail Seeley Lake, MT 59868		13 Donlan Flats Rd St. Regis, MT 59866		Little Thompson River Rd Plains, MT 59859	
Data Source/MLS#		21814298		21608736		21802613		21809167	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$58,500		\$160,000		\$125,000		\$37,000
Sale Price			\$51,500		\$155,000		\$113,250		\$37,000
List to sale %			88%		97%		91%		active listing
Closing Date			2/25/2019		3/22/2017		9/13/2018		4/23/2019
Days on Market			82		233		177		286
Price/GLA SF			\$134.11		\$164.19		\$131.08		\$90.69
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	cash	\$0	cash	\$0	Listing -6%	-\$2,220
Concessions	na	none	\$0	none	\$0	none	\$0	listing	\$0
Date of sale	Apr-19	Feb-19	\$0	Mar-17	\$0	Sep-18	\$0	Apr-19	\$0
Locaton	Plains	Plains lease	\$0	Seeley Lake	\$0	St. Regis	\$0	Plains lease	\$0
Site size/value	lease	lease	\$0	5 acres	-\$70,000	1.58 acres	-\$18,000	lease	\$0
Site appeal	lease site	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Design & appeal	cabin	cabin	\$0	1.5 stry cabin	\$0	1 stry cabin	\$0	1 stry cabin	\$0
Quality construct.	average	inferior	\$2,000	similar	\$0	sup. Conc fdtn	-\$3,000	inferior	\$2,000
Age	19a/19e	69a/30e	\$10,000	36a/20e	\$0	11a/10e	-\$10,000	49a/40e	\$20,000
Condition	average	in eff age adj	\$0	similar	\$0	in eff age adj	\$0	in eff age adj	\$0
Bedrooms	1	2	\$0	2	\$0	1	\$0	1	\$0
Baths	1/outhse	outhse	\$0	1/outhse	\$0	1	-\$2,500	outhse	\$0
GLA/SF	944	384	\$19,600	944	\$0	864	\$2,800	408	\$18,760
Below grade SF	0	0	\$0	0	\$0	0	\$0	0	\$0
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	cabin in SF	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	average	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Heating Cooling	WS	WS	\$0	WS	\$0	WS	\$0	WS	\$0
Outbuilding	376 Sf sheds	80 sf shed	\$1,000	344 sf shed	\$0	224 sf shed	\$0	309 sf shed	\$0
Landscaping	lawn	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	300 Sf/porch	sim deck	\$0	sim porch	\$0	sim porch	\$0	sim porch	\$0
Other	solar/gw sptc	septic/gen	-\$5,000	well/gen	-\$2,500	solr/well/sptc	-\$5,000	snd pt well	\$3,000
Net Adjustment			\$27,600		-\$72,500		-\$35,700		\$41,540
Net Adjustment %		54%		-47%		-32%		112%	
Gross Adjustment %		32%		47%		34%		119%	
Adjusted Sale Price			\$79,100		\$82,500		\$77,550		\$78,540
								Average	\$79,423
								Median	\$78,820

Analysis of Improved Sales and Listings Adjustments

All of the comparable “off-grid” arm’s length sales and listing are located in the greater Sanders and Missoula County area and bracket the subject improvements in size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, quality and condition. The comparable sales and listings require adjustments to reflect these characteristics.

Financing

All sales are cash with no adjustment necessary.

Market Conditions/List to Sale Price ratio

All sales have occurred in the past 2 years; however there is insufficient data for a market conditions adjustment. No adjustment will be made for time or changing market conditions. Listing No. 4 is adjusted -6% based on average list to sale price ratio in Sanders County from the past year.

Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, revealing the contributory value of the improvements alone. Comparable Sale No. 1 and Listing No. 4 are both on State lease sites, with no adjustment necessary. Comparable Sale No. 2 is on 5 acres with an estimated site value of \$70,000 based on nearby (MLS# 21808287) 7.86 acres which sold for \$79,000 and (MLS# 21809200) 3.29 acres selling for \$65,000. Sale No. 3 is on 1.58 acres with an estimated site value of \$18,000 based on Land Sale No. 5 and No. 6 analyzed in this report which sold for \$22,500 and \$18,750 respectively.

Quality/Condition/Effective age

Quality and condition adjustments are based on observation of each comparable as it relates to the subject property, as well as discussions with the Realtors in which they detail the overall condition of the property, remodeling or deficiencies.

Comparables bracket the subject's quality and condition, with Sale No. 1 and Listing No. 4 having inferior quality of construction adjusted at a \$2,000. Sale No. 3 has a superior concrete foundation resulting in a downward \$3,000 adjustment. Sale No. 1 and 4 have higher effective ages/inferior condition, and Sale No. 3 has a lower effective age which is adjusted at \$1,000 per year based on market data.

Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$2,500 for a full useable bath. Although the subject has a bath, it has limited use due to the gray water septic, therefore has minimal value.

Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$35/SF for square footage differences based on market data for similar sales.

The subject sleeping cabin is included in the gross living area.

Heating/Cooling

All of the comparables have similar wood stoves with no adjustment necessary.

Outbuildings

All of the comparables have similar sheds; however Sale No. 1 has a smaller 80 SF shed resulting in a \$1,000 upward adjustment..

Porch/Deck

All of the comparables have similar porches and decks with no adjustment necessary.

Generator/well/septic

Sale No. 1 has a new septic and a generator which is adjusted at -\$5,000 compared to the subject solar and gray water septic. Sale No. 2 has a generator

and well with a \$2,500 downward adjustment indicated. Sale No. 3 has solar power, well and septic with a -\$5,000 adjustment indicated. Sale No. 4 has a sand point well with an upward \$3,000 adjustment necessary.

Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$77,550 shown by Sale No. 3 to \$82,500 illustrated by Sale No. 2. Equal weight placed on all four comparables as they bracket the subject's characteristics, which provide a reasonable estimate of market value for the subject improvements. A value of \$79,000 (R) is reasonable and well supported for the subject improvements alone.

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	Sale #957 Lot 19
Lot size/amenity	2.42 ac. SF LTR
Improvement size/Year	944 SF 1980
Land-segregated value	\$42,000
Improvements-segregated value	\$79,000
Total fee simple market value (Hypothetical Condition)	\$121,000

Lot 1-Sale #955

Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject site as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for Lot 1 Sale # 955 No waterfront					
General Data	subject	Sale 6	Sale 5	Sale 3	Sale 4
Lot 10	Lot 1	NHN	NHN	Lot 10	3737
Address	20 519 Spur Rd	Woodside Rd	Shoreline Dr	Boehler Ranch Dr	Good Creek Rd
City, MT	Plains	Thompson Falls	Thompson Falls	Plains	Olney
Sale Date	Apr-19	Aug-17	Jul-18	Nov-18	Jun-18
MLS or Doc#		20156677	21606705	21612562	21804095
Market Time		644	753	714	51
Land size/AC	1.490	0.68	0.55	1.50	1.97
List Price		\$23,900	\$25,000	\$35,000	\$39,800
Sale Price		\$18,750	\$22,500	\$35,000	\$39,000
List to sale %		78%	90%	100%	98%
Price/Site		\$18,750	\$22,500	\$35,000	\$39,000
Transaction Adjustments					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Improvement adjustment		none	none	none	none
		\$0	\$0	\$0	\$0
Sale Date	Apr-19	Aug-17	Jul-18	Nov-18	Jun-18
# months		20	9	5	10
Market Conditions adj.		0%	0%	0%	0%
Price/Site		\$18,750	\$22,500	\$35,000	\$39,000
Property Adjustments					
Location Characteristics:					
Easements affecting use	typical	typical	typical	typical	typical
Frontage/access	average	similar	similar	similar	similar
Shape/Topography	rect/level	similar	similar	similar	similar
Site Utility	average	similar	similar	similar	similar
Zoning	none	none	none	none	none
Utilities	none	sup. Pwr/wtr	sup. Pwr/wtr	superior powr	none
water/amenity	none	none	Noxon Res. Access	Boyer Crk	Good Crk
Overall Adjustment		superior	superior	superior	superior
		-30%	-30%	-40%	-30%
Physical Characteristics					
Land size/AC	1.490	0.68	0.55	1.50	1.97
		0%	0%	0%	0%
Net Adjustment %		-30%	-30%	-40%	-30%
Gross Adjustment %		30%	30%	40%	30%
Final Adjusted \$/Site		\$13,125	\$15,750	\$21,000	\$27,300
Statistics	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$18,750	\$13,125			
High	\$39,000	\$27,300			
Median	\$28,750	\$18,375			
Average	\$28,813	\$19,294			

Analysis of Land Sale Adjustments

Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All of the sales have occurred in the past 20 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

Property Rights/ Condition of Sale/Financing Terms of Sale

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

Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, utilities and water amenity, where the sales bracket the subject lot's characteristics. Sale No. 5, 6 and No. 3 are adjusted -30% for power based on the following paired sales:

<i>Power</i>			
Sale 2	Sale 4	Sale 7	Sale 4
105	3737	NHN	3737
Leota Peak Ct	Good Creek Rd	Conifer Ln	Good Creek Rd
Seeley Lake	Olney	Noxon	Olney
May-18	Jun-18	Apr-19	Jun-18
21804769	21804095	21804648	21804095
1164	51	364	51
2.16	1.97	2.01	1.97
\$55,000	\$39,000	\$75,000	\$39,000
		<i>Sup River</i>	
		-20%	
\$55,000	\$39,000	\$60,000	\$39,000
Drew Creek	Good Crk	Bull River	Good Crk
power	no power	power	no power
<i>Value Difference</i>			
29%		35%	

Sale No. 3 is adjusted downward 10% for superior seasonal stream and Sale No. 4 is adjusted downward 30% for superior creek based on the following paired

water amenity sales where amenity differences can range from 17% to 40% depending on the water amenity::

Water amenity							
Sale 3	Sale 6	Sale 2	Sale 3	Sale 7	Sale 2	Sale 5	Sale 6
Lot 10	NHN	105	Lot 10	NHN	105	NHN	NHN
Boehler Ranch Dr	Woodside Rd	Leota Peak Ct	Boehler Ranch Dr	Conifer Ln	Leota Peak Ct	Shoreline Dr	Woodside Rd
Plains	Thompson Falls	Seeley Lake	Plains	Noxon	Seeley Lake	Thompson Falls	Thompson Falls
Nov-18	Aug-17	May-18	Nov-18	Apr-19	May-18	Jul-18	Aug-17
21612562	20156677	21804769	21612562	21804648	21804769	21606705	20156677
714	644	1164	714	364	1164	753	644
1.50	0.68	2.16	1.50	2.01	2.16	0.55	0.68
\$35,000	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
Sup. Size							
-10%							
\$31,500	\$18,750	\$55,000	\$35,000	\$75,000	\$55,000	\$22,500	\$18,750
Boyer Creek	none	Drew Creek	Boyer Creek	Bull River	Drew Creek	Reservior access	none
power	power	power	power	power	power	power	power
Value Difference							
40%		36%		27%		17%	

Net location adjustment to Sale No. 5 is -30% and Sale No. 6 is -30%, Sale No. 3 is -40% and Sale No. 4 is -30% after adjustment for power and water amenity.

Size

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

Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 3, 4, 5 and 6 bracket the subject Lot 1 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$18,750 for Sale No. 6 to as high as \$39,000 for Sale No. 4 which is off grid, but has water amenity. After adjustment for power and water amenity, the value indication is from \$13,125 to \$27,300. A market value of \$18,000 (R) for the subject Lot 1 is well supported by this analysis.

Lot 1 Site Value Indication- 1.49 acres

\$18,000 (R)

Improvement Value Estimate

The subject Lot 1 is improved with a log “shell” dry cabin, shed and outhouse which were built in 1930. No comparable sales were located with similar improvements. For that reason, the contributory value of improvements is estimated using depreciated cost. This analysis does not constitute a full Cost Approach but is adequate for determination of the contributory value of the improvements on this property. Depreciated cost analysis is as follows:

<i>Cost analysis for improvements on Lot 1 Sale # 955</i>				
Building Description	Size SF	Marshall Valuation	Cost/ SF	Total Cost New
Low Cost				
Log home	400	Section 12/Page 30	\$68.50	\$27,400
Shed	96	Section 17/Page 12	\$7.95	<u>\$763</u>
Total Cost New				\$28,163
Less Depreciation-Age/Life- 40/50 = 80%				<u>-\$22,531</u>
Depreciated Cost Estimate				\$5,633
Rounded To				\$5,600

Total Value Conclusion

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

<i>Total Value Conclusion</i>	
Description	Sale #955 Lot 1
Lot size/amenity	1.49 ac.
Improvement size/Year	400 SF 1930
Land-segregated value	\$18,000
Improvements-segregated value	\$5,600
Total fee simple market value (Hypothetical Condition)	\$23,600

Reconciliation

The Sales Comparison approach employed in this report has produced the following results with the hypothetical condition of whole fee simple ownership:

<i>Fair Market Value indications by the Sales Comparison approach April 23, 2019</i>				
Description	Sale #954 Lot 21	Sale #956 Lot 6	Sale #957 Lot 19	Sale #955 Lot 1
Lot size/amenity	1.01 ac. Mudd Crk	2.24 ac. Mudd Crk	2.42 ac. SF LTR	1.49 ac.
Improvement size/Year	628 SF 1980	800 SF 1970*	944 SF 1980	400 SF 1930
Land-segregated value	\$30,000	\$38,000	\$42,000	\$18,000
Improvements-segregated value	\$44,000	\$79,000	\$79,000	\$5,600
Total fee simple market value (Hypothetical Condition)	\$74,000	\$117,000	\$121,000	\$23,600

The Sales Comparison Approach is developed for the individual lots as if vacant by analyzing seven sales of similar properties in Sanders, Missoula and Flathead Counties that have occurred within 20 months. Land sales are adjusted to reflect each individual lot's characteristics. The Sales Comparison approach is also developed to estimate the contributory value of the improvements on each site, with the exception of the older dry cabin improvements on Lot 1. Comparable sales and listing are adjusted to reflect each improvements site value, size, overall quality/condition, outbuildings and site improvements. The value indication from this approach is reasonably indicative of the investor attitudes in the Sanders and Missoula County influence area.

Exposure Period

Based on the Highest and Best use of the subject properties, market evidence indicates an exposure period of up to one year may be required to sell each of the subject lots "as if vacant" and each improved property as a whole. A one year exposure period assumes an aggressive marketing effort, and similar economic conditions to the current real estate market. An additional 30 to 60 days may be required for sale consummation. Exposure Period and marketing time are synonymous in this discussion.

Average days on market of all residential sales in Sanders County from the past year are 257 days. Median days on market for all residential sales in Sanders

County from the past year are 160 days, as shown in Statistical Market Analysis below:

[Sanders County residential market activity](#)

Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Total Sq. Ft.	List Price	Sold Price	Days on Market	Cumulative Days on Market
									Per Total Sq. Ft.	Per Total Sq. Ft.		
Active	152	75,947,997	0	Low	45,000	0	0.00	384	31.86	0.00	0	0
				Avg	499,658	0	0.00	2,426	215.10	0.00	199	275
				Med	339,300	0	0.00	1,902	179.43	0.00	170	249
				High	3,200,000	0	0.00	8,165	1,310.10	0.00	1,452	1,452
Under Contract with Bump Clause	1	275,000	0	Low	275,000	0	0.00	1,254	219.30	0.00	167	167
				Avg	275,000	0	0.00	1,254	219.30	0.00	167	167
				Med	275,000	0	0.00	1,254	219.30	0.00	167	167
				High	275,000	0	0.00	1,254	219.30	0.00	167	167
Under Contract Taking Back-Up Offers	26	10,306,900	0	Low	49,900	0	0.00	784	63.65	0.00	3	3
				Avg	396,419	0	0.00	2,103	168.30	0.00	161	270
				Med	299,450	0	0.00	2,216	141.71	0.00	74	232
				High	2,950,000	0	0.00	4,410	668.93	0.00	599	957
Pending	8	1,555,700	0	Low	77,900	0	0.00	768	78.12	0.00	14	14
				Avg	194,462	0	0.00	1,650	123.17	0.00	165	186
				Med	144,900	0	0.00	1,347	94.78	0.00	123	134
				High	397,500	0	0.00	4,160	225.36	0.00	424	424
Closed	176	44,943,440	42,547,901	Low	25,000	14,000	0.40	0	21.73	14.60	0	0
				Avg	255,360	241,749	0.94	2,167	947.04	669.87	191	257
				Med	215,000	209,000	0.96	1,662	118.12	113.19	125	160
				High	1,700,000	1,500,000	1.35	40,000	142,857.14	95,238.10	1,232	2,004

[Sanders County vacant land market activity](#)

Average days on market of all vacant land sales in Sanders County from the past year are 426 days or 14 months. Median days on market for all land sales in Sanders County from the past year are 207 days, as shown in Statistical Market Analysis below:

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Lot Acres	List Price	Sold Price	Days on Market	Cumulative Days on Market
									Per Lot	Per Lot		
Active	240	35,794,800	0		Low 12,500	0	0.00	0	250.00	0.00	3	3
					Avg 149,145	0	0.00	45	33,562.27	0.00	383	720
					Med 65,450	0	0.00	5	12,763.16	0.00	307	435
					High 2,890,000	0	0.00	2,960	832,222.22	0.00	1,766	4,013
Under Contract Taking Back-Up Offers	12	2,071,400	0		Low 35,000	0	0.00	1	2,424.06	0.00	5	5
					Avg 172,617	0	0.00	32	21,392.26	0.00	372	511
					Med 102,000	0	0.00	13	9,935.12	0.00	353	532
					High 726,000	0	0.00	242	125,000.00	0.00	1,509	1,509
Pending	4	409,025	0		Low 34,125	0	0.00	1	3,750.00	0.00	14	14
					Avg 102,256	0	0.00	19	11,840.54	0.00	309	1,146
					Med 64,950	0	0.00	12	7,934.13	0.00	234	234
					High 246,000	0	0.00	50	27,743.90	0.00	732	4,103
Closed	122	11,972,053	10,705,533		Low 14,900	10,000	0.40	0	718.12	630.00	22	22
					Avg 98,132	87,750	0.91	24	29,410.31	26,690.69	268	426
					Med 59,948	55,000	0.93	5	12,410.62	11,284.09	169	207
					High 499,000	450,000	1.18	240	250,000.00	200,000.00	1,474	4,076
Overall	378	50,247,278	10,705,533		Low 12,500	10,000	0.40	0	250.00	630.00	3	3
					Avg 132,929	87,750	0.91	37	31,606.01	26,690.69	345	623
					Med 65,000	55,000	0.93	5	12,298.77	11,284.09	279	363
					High 2,890,000	450,000	1.18	2,960	832,222.22	200,000.00	1,766	4,103

Addenda

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

FOR DNRC USE ONLY		
Amount under this Agreement: <u>\$8,000.00</u>		
<u>Source of Funds</u>		
<u>Fund Name</u>	<u>Fund No.</u>	
Cabin Site Sale Private Closing Costs	02031	
Trust Administration Account	02938	
<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>
555HA	6049-50	50%
	6048DROTO-02	50%


Approved

No. 175167

Division Legal

Legal [Signature]

F.S.O. [Signature]



TRUST LAND MANAGEMENT DIVISION
APPRAISAL OF POTENTIAL LAND BANKING SALES IN MUDD CREEK

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 PO Box 201601, 1539 Eleventh Avenue, Helena, MT 59620-1601, (406) 444-4165 and Jennifer McGinnis, McGinnis Real Estate Appraisal Group, LLC, (Contractor), whose address and phone number are PO Box 996, Polson, MT 59860 and (406) 883-1659.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term: The contract's initial term is upon contract execution, through September 27, 2019, 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, Kelly Motichka, at PO Box 201601, 1539 Eleventh Avenue, Helena, MT 59620-1601 by May 31, 2019.

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

The Contractor shall provide the State the following; the Contractor shall be responsible for providing a credible appraisal for the parcels in Sanders County as described in Attachment B, *Supplemental Appraisal Instructions: 2019 Mudd Creek Appraisals*. 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 support 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 the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program: 2019 Mudd Creek Appraisals*, 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 Contractor for retention in his/her files. The Contractor must submit an electronic copy as well as a printed copy of the appraisal report.
- 2) Each sale parcel listed in Attachment B, *Supplemental Appraisal Instructions: 2019 Mudd Creek Appraisals* must be assigned separate values.
- 3) The definition of market value is that as defined in 70-30-313, MCA.

4. WARRANTIES

4.1 Warranty of Services: The 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 \$8,000.00. 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 *eight thousand dollars and NO/100* (\$8,000.00).

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. The 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: The 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 20, without incurring liability, for the Contractor's refusal to allow access as required by this section (18-1-118, MCA).

7.2 Retention Period: The 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

The Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent (18-4-141, MCA). The 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 the Contractor. No contractual relationships exist between any subcontractor and the State under this contract. The 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 his/her 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 the 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. The Contractor shall be responsible for implementation of all aspects of the Affordable Care Act as this Act may apply to the 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 the Contractor to meet his/her obligations under Sections 13 and 14.

9.2 The Contractor agrees to protect, defend, and save the 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 the 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 the 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: The 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 the 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: The 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: The 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 the 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: The 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, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If "occurrence" coverage is unavailable or cost prohibitive, the 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 the Contractor, the 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 coverages, must be received by the State at DNRC, PO Box 201601, Helena, MT 59620-1601. The Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverages, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

13. COMPLIANCE WITH WORKERS' COMPENSATION ACT

The Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State 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 the 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 at DNRC, PO Box 201601, Helena, MT 59620-1601.

14. COMPLIANCE WITH LAWS

14.1 Federal, State, or Local laws, Rules, and Regulations: The 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 the 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 (PI 111-148, 124 Stat. 119). The Contractor represents and warrants that all individuals who perform services for an agency of the State for the Contractor under this contract are without exception the Contractor's common law employees at all times and that the Contractor acknowledges that the 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. The Contractor is responsible for providing healthcare benefits for its employees under the Patient Protection and Affordable Care Act.

14.2.1 State Benefits Plans: The 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: The 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 Internal Revenue Code §§ 4980H and otherwise satisfy the requirements of Code §§ 4980H if provided by the State. It shall be the Contractor's sole responsibility to determine applicability and compliance requirements that may apply to the Contractor under the Patient Protection and Affordable Care Act.

14.2.3 Contractor Reporting Requirements: The Contractor acknowledges that if it is subject to any reporting requirements under Code §§ 6055 and 6066 that the 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, 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, the 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. COMPLIANCE WITH DARK MONEY SPENDING DISCLOSURE REQUIREMENTS: N/A

16. 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 advanced notice as possible.

17. 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>.

18. INTELLECTUAL PROPERTY/OWNERSHIP

18.1 Mutual Use: The Contractor shall make available to the State, on a royalty-free, nonexclusive 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 (1) all deliverables and other materials, products, modifications that the Contractor has developed or prepared for the State under this contract; (2) any program code, or site-related program code that the Contractor has created, developed, or prepared under or primarily in support of the performance of its specific obligations under this contract; and (3) manuals, training materials, and documentation. All information described in (1), (2), and (3) is collectively called the "Work Product".

18.2 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 the 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.

18.3 Ownership of Work Product: The 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.

18.4 Copy of Work Product: The 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.

18.5 Ownership of Contractor Pre-Existing Materials: The 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 the Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed

by the Contractor in connection with the services provided to the State (the "Contractor Pre-Existing Materials"). Contractor Pre-Existing Materials are not Work Product. The Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, the Contractor fails to disclose to the State such Contractor Pre-Existing Materials, the 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 Contractor Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in **Section 18.3** or as may be expressly agreed in any statement of work, the Contractor shall retain title to and ownership of any hardware it provides under this contract.

19. PATENT AND COPYRIGHT PROTECTION – N/A

20. CONTRACT PERFORMANCE ASSURANCE – N/A

21. CONTRACT TERMINATION

21.1 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 the 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.

21.2 Termination for Cause with Notice to Cure Requirement: The 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.

21.3 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 the Contractor the date the State's termination shall take effect. The State shall not be liable to the 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 the Contractor up to the date the State's termination takes effect. This is the Contractor's sole remedy. The State shall not be liable to the 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.

22. EVENT OF BREACH – REMEDIES

22.1 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 27.1, obligations; or
- Voluntary or involuntary bankruptcy or receivership.

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

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

- Terminate this contract under section 21.1; 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 21.2 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.

23. 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.

24. 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.

25. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State's 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.

26. LIAISONS AND SERVICE OF NOTICES

26.1 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. The Contractor shall designate a liaison that will provide the single point of contact for management and coordination of the Contractor's work. All work performed under this contract must be coordinated between the State's liaison and the Contractor's liaison.

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

Jennifer McGinnis is Contractor's liaison
Address: PO Box 996
City, State, Zipcode: Polson, MT 59860
Telephone: (406) 883-1659
E-Mail: jennifer@mtreaq.com

26.2 Notifications: The State's liaison and the 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 3 business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

26.3 Identification/Substitution of Personnel: N/A

27. MEETINGS

27.1 Technical or Contractual Problems: The 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.

27.2 Progress Meetings: N/A

27.3 Failure to Notify: N/A

27.4 State's Failure or Delay: N/A

28. 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, the 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 the 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 the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of the Contractor's breach.

29. 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).

30. 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 (PI 111-148, 124 Stat. 119).

31. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated (MCA), and the Administrative Rules of Montana (ARM), Title 2, Chapter 5.

32. 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.

33. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

32.1 Contract: This Contract consists of 17 numbered pages, Attachment A – *Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program: 2018 Mudd Creek Appraisals* and Attachment B – *Supplemental Appraisal Instructions: 2018 Mudd Creek Appraisals* on pages 12 through 17. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

33.2 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.

34. 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.

35. 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
PO Box 201601
1539 Eleventh Avenue
Helena, MT 59620-1601

CONTRACTOR
Jennifer McGinnis
McGinnis Real Estate Appraisal Group, LLC
PO Box 996
Polson, MT 59860
FEDERAL ID #: _____

BY: Michael Atwood, Real Estate Management
Bureau Chief

(Name/Title)

BY: _____

(Name/Title)

(Signature)

(Signature)

DATE: _____

DATE: _____

ATTACHMENT A

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

*Scope of Work for the Appraisal of Potential Property Sales Through the Cabin/Home Site Sales Program:
2019 Mudd Creek Appraisals*

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 State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC), and Lessees Brenda Dutra; Eric Dickson, et al.; Randy & Marcia Johnson; and the Charles A. Bishop Irrevocable Residuary Trust. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties and is intended for use in the decision-making process concerning the potential sale of said subject properties.

DEFINITIONS:

Current fair market value. (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 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 five (5) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

APPRAISED VALUES REQUIRED:

The appraisal for each cabin and home site must:

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

ATTACHMENT B**DNRC TLMD Real Estate Management Bureau****Cabin/Home Site Sale Program****Supplemental Appraisal Instructions: 2019 Mudd Creek Appraisals**

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

Subject Properties Located in the Mudd Creek area in Sanders County:

Sale #	Acres	Legal Description
954	0.64 ±	Lot in Mudd Creek T22N-R27W, Sec. 12, Sanders County
955	1.48 ±	Lot 1, Mudd Creek T22N-R27W, Sec. 12, Sanders County
956	1.76 ±	Lot 6, Mudd Creek T22N-R27W, Sec. 12, Sanders County
957	2.14 ±	Lot 19, Mudd Creek T22N-R27W, Sec. 12, Sanders County

DNRC Contact Information:

Kelly Motichka, Lands Section Supervisor

PO Box 201601

Helena, MT 59620-1601

Phone: (406) 444-4165

kmotichka@mt.gov

Lessees:

Sale 954 Brenda Dutra (see DNRC contact for lessee information)	Sale 955 Eric Dickson, et al (see DNRC contact for lessee information)
Sale 956 Randy & Marcia Johnson (see DNRC contact for lessee information)	Sale 957 Charles A. Bishop Irrevocable Residuary Trust (see DNRC contact for lessee information)

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

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

The definition of market value is that as defined in 70-30-315 MCA.

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

SANDERS COUNTY SALE LOCATION MAP



Mudd Creek T22N-R27W, Sec. 12, Sanders County



SALE PARCELS SURVEYS

Rev 201610

Page 16

A survey is currently being completed to define all Mudd Creek area parcels.

Site visits for the appraisal of these parcels may not be scheduled prior to the availability of a draft of this survey. At the site visits, this draft will be made available for basic reference.

The final appraisal report must refer to a completed and recorded Certificate of Survey. The Certificate of Survey will be provided to the appraiser as soon as it becomes available. This is currently expected by January 31, 2018. The appraiser will be responsible for ensuring that the information within the appraisal report is accurate according to the completed and recorded Certificate of Survey, including but not limited to gross and net acreages, easements, and legal descriptions.

McGinnis Real Estate Appraisal Group, LLC

Qualifications of Jennifer L. McGinnis, MAI

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

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

Membership/Affiliations:

Member: Appraisal Institute- MAI Designation
Past President: Montana Chapter- Appraisal Institute 2016-17
Past Board Chair: Montana Board of Real Estate Appraisers
Appointed by Governor Brian Schweitzer (2007-2013)

EDUCATION:

University of Montana
B.A. Communication Studies-1991

Appraisal Institute Courses & Seminars

- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications-2017
- Marketability studies-Advanced Considerations & applications-2017
- Marketability studies- 6 step process & basic applications-2017
- Uniform Standards of Professional Appraisal Practice Update-2018
- Real Estate finance, statistics, & valuation modeling-2015
- Business Practices and Ethics -2018
- Valuation of Conservation Easements -2012
- Appraising the Appraisal: Appraisal Review-2012
- Fundamental of Separating Real Property, Personal Property, & Intangible Business Assets-2012
- Advanced Spreadsheet Modeling for Valuation Applications-2011
- The Discounted Cash Flow Model: Concepts, Issues & Applications-2010
- Hotel Appraising-New techniques for today's uncertain times-2010
- Valuation by Comparison-2010

- Using Spreadsheet Programs in Real Estate Appraisals-2010
- Report Writing & Valuation Analysis-2009
- General Demonstration Report Writing-2009
- Advanced Applications-2009
- Advanced Income Capitalization-2008
- Uniform Appraisal Standards for Federal Land Acquisitions-2007
- Advanced Sales Comparison and Cost Approaches-2006
- Highest & Best Use and Market Analysis-2005
- The Professional's Guide to the URAR-2005
- General Applications-2004
- Basic Income Capitalization-2004
- Advanced Residential Form & Narrative Report Writing-2003
- Appraisal Procedures-2002
- Standards of Professional Practice, Part A & B-2002
- Appraisal Principles-2002
- 15 Hour USPAP Course 2002, 2006

Additional Seminars

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

EXPERIENCE:

2013-Present

Partner, McGinnis Real Estate Appraisal Group, LLC

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

2003 - 2013

Real Estate Appraiser

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PRIVACY NOTICE

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

Types of Nonpublic Personal Information We Collect

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

Parties To Whom We Disclose Information

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

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

Confidentiality and Security

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

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