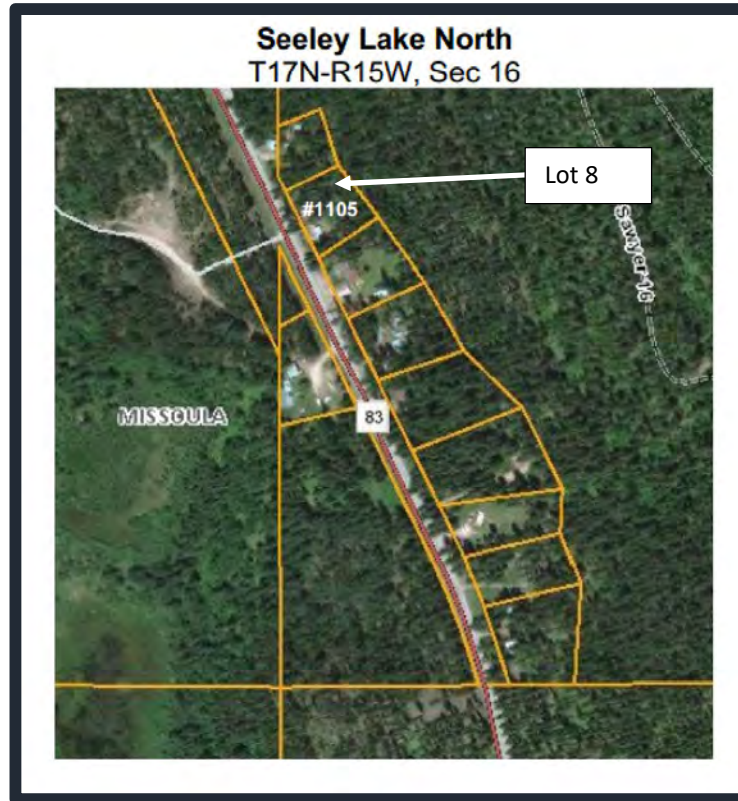


*APPRAISAL REPORT OF:*

**LOT 8 OF COS # 5994  
SEELEY LAKE, MISSOULA COUNTY, MONTANA**



*PREPARED FOR:*

**State of Montana, Montana Board of Land Commissioners,  
& Montana Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, Montana 59620-1601  
Attention: Ms. Renee Kelley, Program Specialist**

*MARKET VALUE AS OF:*

**July 14, 2020**

*PREPARED BY:*

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



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

---

## LETTER OF TRANSMITTAL

September 18, 2020

Ms. Renee Kelley, Program Specialist  
State of Montana, Montana Board of Land Commissioners,  
& Montana Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, Montana 59620-1601

Re: Lot 8 of COS #5994, Section 16, Township 17 North, Range 15 West, Seeley Lake, Missoula County, Montana

Dear Ms. Kelley:

In compliance with your request, Elliott M. Clark, MAI and Christopher D. Clark viewed the above referenced property on July 14, 2020. Applicable information regarding zoning was reviewed and trends in real estate activity in the area were researched and analyzed. This visual inspection, review and analyses were made in order to prepare the attached summary appraisal report.

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

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

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


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

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

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

Respectfully submitted,



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



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

20-046ec

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## SUMMARY OF SALIENT DATA AND CONCLUSIONS

### IDENTIFICATION OF CLIENT/INTENDED USE

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

### SUBJECT PROPERTY

<b>Property Identifications</b>	Lot 8 of COS #5994, Section 16, Township 17 North, Range 15 West, Missoula County, Montana
<b>Site Sizes</b>	See Property Description
<b>Description of Improvements</b>	See Property Description
<b>Assessor Number(s)</b>	See Property Description
<b>Census Tract</b>	30-063-0018.00
<b>Flood Zone</b>	Area of Minimal Flood Hazard Per Missoula County
<b>Zoning</b>	Area Not Zoned

### HIGHEST AND BEST USE(S)

<b>As Is</b>	Recreational and/or Residential Use
<b>As Improved</b>	Recreational and/or Residential Use

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

<b>Report Date</b>	September 18, 2020
<b>Inspection Date(s)</b>	July 14, 2020
<b>Effective Date of Value(s)</b>	July 14, 2020
<b>Property Rights Appraised</b>	Fee Simple

#### Estimate of Market Values

<b>Individual Lot Values</b>	Property Valuation Section of Report & Page 47 of Report
<b>Individual Improvement Values</b>	Property Valuation Section of Report & Page 47 of Report
<b>Individual Total Market Values</b>	Property Valuation Section of Report & Page 47 of Report

<b>Extraordinary Assumption(s)</b>	See Scope of the Appraisal
<b>Hypothetical Condition(s)</b>	See Scope of the Appraisal

### MARKETING & EXPOSURE TIME

The appraised value for the subject lot, as if vacant, is based upon 10 to 15 month marketing and exposure time. The appraised value for the subject lot, as improved, is based upon a 4 to 6 month marketing and exposure time. Estimated marketing and exposure times are addressed in detail in the Subject Market Analysis portion of this report.

### APPRAISER INFORMATION

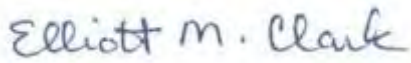
<b>Appraiser(s)</b>	Elliott M. Clark, MAI & Christopher D. Clark
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## **CERTIFICATION OF APPRAISAL**

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

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

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



---

Dated Signed: September 18, 2020  
Elliott M. Clark, MAI  
MT REA-RAG-LIC-683



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Date Signed: September 18, 2020  
Christopher D. Clark  
MT REA-RAL-LIC-841

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

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



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

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

## SCOPE OF THE APPRAISAL

The subject property is Lot 8 of COS #5994, Seeley Lake Development North, Seeley Lake, Missoula County, Montana.

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

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

### **Scope of Property Viewing**

Elliott M. Clark, MAI and Christopher D. Clark of Clark Real Estate Appraisal viewed the subject property on July 14, 2020. We measured the improvements on the subject lot and walked the lot.

### **Scope of Research**

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

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

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

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

An **Extraordinary Assumption** is defined in 2020-2021 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*an assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusions.*”

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

### **Hypothetical Conditions**

A **Hypothetical Condition** is defined in 2020-2021 version of the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Standards Board to be “*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for purpose of analysis.*”

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

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

### **Highest & Best Use**

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

### **Appraisal Process**

The Sales Comparison Approach is developed to determine the value of the subject site as if vacant. This is typically the most reliable approach for determining values of vacant sites. All three approaches to value were considered for the valuation of improvements on the subject property. 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 and was not developed in this report. The subject improvements and similar area homes are not typically utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the value of subject properties as improved.

### **Environmental**

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

### **General Data Sources**

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

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

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

## IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is identified on the table below;

Lot #	Sale #	Certificate of Survey	Section/Township/Range	County
8	1105	5994	S16/T16N/R15W	Missoula

## INTENDED USE & INTENDED USERS OF THE APPRAISAL

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

Lot #	Sale #	Lessee
8	1105	Lori A. Kennedy

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

## PURPOSE OF THE APPRAISAL

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

## DATES OF PROPERTY VIEWINGS

The property viewing date is the effective date of market values. This date is identified below;

Lot #	Sale #	Effective Date of Market Values
8	1105	7/14/2020

## EFFECTIVE DATE OF MARKET VALUES

July 14, 2020

## PROPERTY RIGHTS APPRAISED

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

## DEFINITIONS OF MARKET VALUE

At the request of the client, the following definitions of market value are utilized in this report.

**Market Value** is defined in the following manner:

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

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

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

**Current Fair Market Value** as defined in MCA 70-30-313 is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

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

## STATEMENT OF OWNERSHIP & USE HISTORY

The subject site is owned by the State of Montana. The improvements on the subject lot are owned by the lessee. The lessee and the most recent transfer documents located for the improvements are identified below;

Lot #	Sale #	Lessee	Last Transfer Document
8	1105	Lori A. Kennedy	2018 Bill of Sale

## USE/MARKETING HISTORIES

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

Lot #	Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
8	1105	Lori A. Kennedy	1915 with Updates	Listed on MLS from 6/20/2018 for \$28,500. Sold on 7/13/2018 for \$28,500

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

## PROPERTY DESCRIPTION

### GENERAL DESCRIPTIONS

The subject property is Lot 8 of Certificate of Survey #5994 in Section 16, Township 17 North, Range 15 West, in Missoula County, Montana. The subject site size is below;

Lot #	Sale #	Gross Acres
8	1105	1.142

An enlarged view of the subject site as part of COS #5994 is below.



## ACCESS AND VIEWS

The subject property has vehicular access directly from Montana Highway 83 North. The subject street address is 3694 Montana Highway 83 North, Seeley Lake, Montana. The subject property does not include water frontage.

## IMPROVEMENTS

The subject lot includes a residence and outbuildings. These are described below;

<b>Sale #</b>	<b>1105</b>
<b>Lot #</b>	<b>8</b>
<b>Residence SF</b>	1,277
<b>Construction Type</b>	Wood Frame
<b>Foundation</b>	Wood
<b>Quality</b>	Average
<b>Condition</b>	Good
<b>Year Built</b>	1915 (Renovated 2018)
<b># of Bedrooms</b>	2
<b># of Bathrooms</b>	1.5
<b>Porches</b>	186 SF Covered Porch & 110 SF Part Open & Covered Porch
<b>Outbuildings</b>	683 SF Garage, 193 SF Shed, & 283 SF Lean-to Type Storage
<b>Well/Septic</b>	Well/Septic
<b>Landscaping</b>	Lawn

The subject residence was reportedly gutted and renovated after the 2018 purchase. Reported renovations include; installation of a new well, repairs to septic system, exterior siding sealed, and all new plumbing fixtures installed.

## EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

A Land Status Report was provided by MT DNRC. This report identifies easements affecting the subject lot. The easements identified are below;

<b>Lot #</b>	<b>Sale #</b>	<b>Lessee</b>	<b>Address</b>	<b>Easement Affecting Property</b>
8	1105	Lori A. Kennedy	3694 MT Highway 83 North	Easement to Missoula Electric Cooperative, Inc. for an Overhead Electrical Distribution Line, Easement to Missoula County for Public Highway, & Easement to Blackfoot Telephone for Buried Telephone Cable

The easements noted above are considered typical for similar properties. If additional easements, restrictions, or encroachments are identified for the subject lot, the values concluded in this report may be affected.

## ZONING

The subject property is in an area of Missoula County that is not zoned. The subject property is within the 2010 Seeley Lake Regional Plan area. The plan area is not a regulatory document; however, developers are strongly encouraged to adhere to the development patterns and policies and the land designation map. The subject property is in an area with a density recommendation



of 1 dwelling unit per 160 acres. A map depicting the land use designations for the subject property and surrounding property is below.



### ASSESSMENT/REAL PROPERTY TAXES

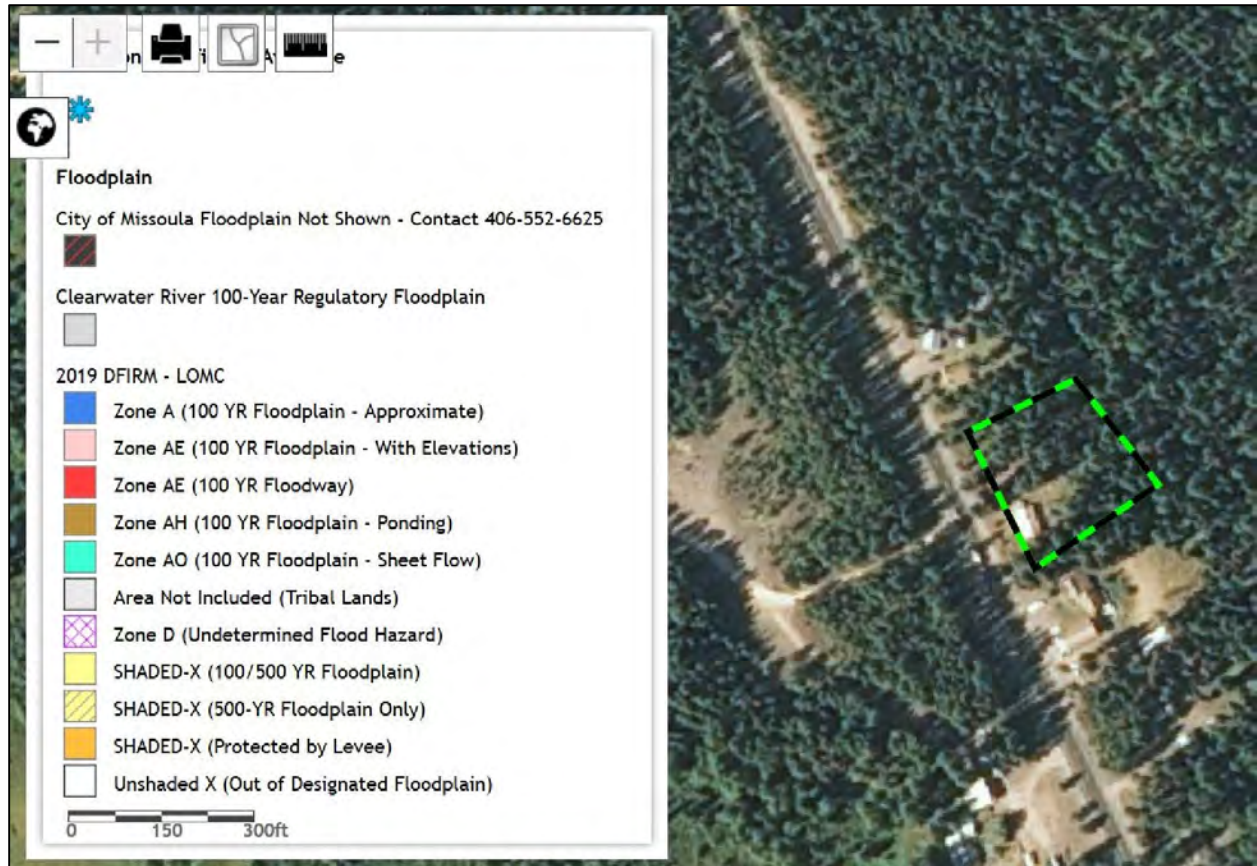
The subject lot is tax exempt; however, the lot is valued by the Montana Department of Revenue to assist with determination of the lease rate. The 2018 lot taxable market value as determined by the Montana Department of Revenue was provided by MT DRNC and is included on the table below for informational purposes.

The improvements on the site are taxable. The 2019 tax bill and taxable market value for the **subject improvements** (as per the Montana Department of Revenue) are included on the table below;

Tax Information						
Sale #	Lot #	Lessee	2018 Taxable Market Value for Site as if Vacant	Assessor # for Improvements	2019 Taxable Market Value for Improvements	2019 Tax Bill Amount for Improvements
8	1105	Lori A. Kennedy	\$46,638	000307552	\$44,880	\$510.22

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

According to the Missoula County GIS flood mapping feature, The subject lot is in an area of minimal flood hazard. An exhibit from the Missoula County GIS flood mapping feature depicting the subject lot is on the following page.



The subject lot is relatively level. The subject lot include native vegetation and/or landscaping.

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

## UTILITIES

The subject lot has access to electricity and phone lines. Information regarding septic systems, wells, and water rights for the subject lot is below;

Sale #	Lot #	Lessees	Septic Tank	Water Source	Water Right	Notes
8	1105	Lori A. Kennedy	Yes	Well (75 Feet)	Yes (2)	2018 Septic Permit on File with Missoula County

## PUBLIC SAFETY AND SERVICES

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

## SITE SUITABILITY

The subject lot is legally and physically suited for residential improvements.

# SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

## SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO						
File No.:	Parcel No.:					
Property Address: Seeley Development North Cabin Site #8						
City: Seeley Lake	County:	State: MT	Zip Code: 59868			
Owner:						
Client: MT DNRC		Client Address:				
Appraiser Name: Clark Real Estate Appraisal			Inspection Date:			
SKETCH						
Sketch by Apex Sketch						
AREA CALCULATIONS SUMMARY					COMMENT TABLE 1	
Code	Description	Factor	Net Size	Perimeter	Net Totals	
GLA1	First Floor	1.0	1276.8	159.0	1276.8	
GAR	Garage	1.0	682.7	104.8		
	Lean-to	1.0	282.5	76.5	965.2	
OTH	Wood Shed	1.0	193.3	64.3	193.3	
P/P	Porch	1.0	109.7	45.3		
	Covered Porch	1.0	186.0	55.0	295.7	
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <span>Net LIVABLE</span> <span>cnt</span> <span>1</span> <span>(rounded)</span> <span>1,277</span> </div>						<div style="text-align: center; padding: 5px; background-color: #f2f2f2;">COMMENT TABLE 2</div> <div style="height: 100px;"></div>
						<div style="text-align: center; padding: 5px; background-color: #f2f2f2;">COMMENT TABLE 3</div> <div style="height: 100px;"></div>



## SUBJECT PHOTOGRAPHS



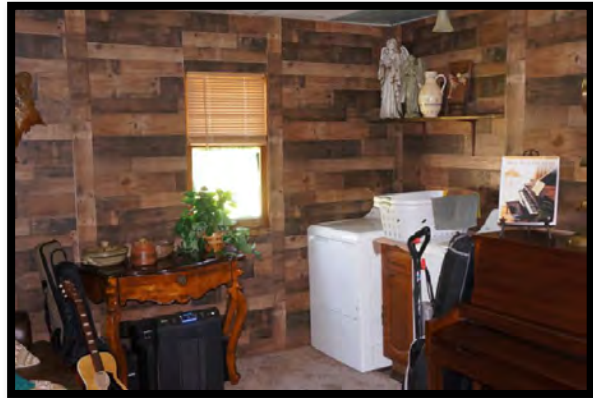
Front of Residence on Lot 8



East Side of Residence



North Side of Residence and Covered Porch



Den



Dining Area



Kitchen

## ADDITIONAL PHOTOGRAPHS



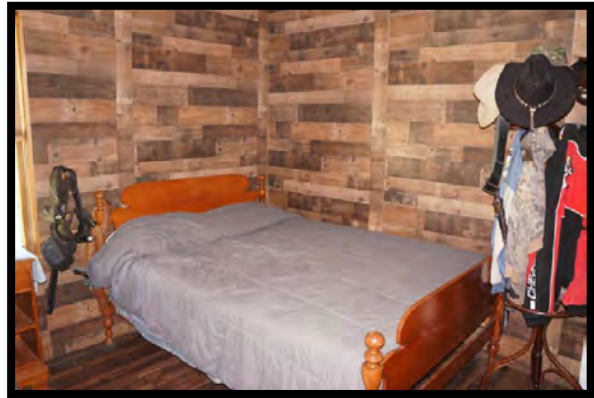
Living Room



Bedroom



½ Bath



Bedroom



Bathroom



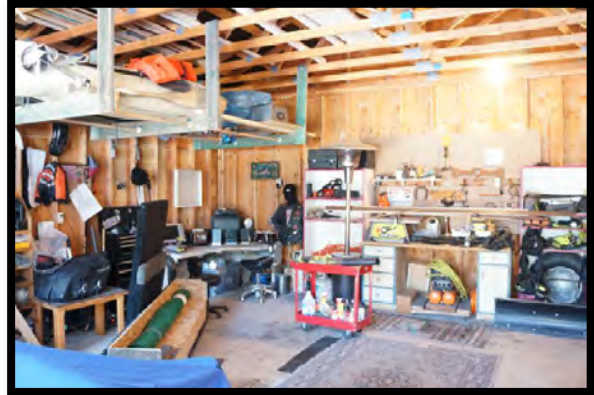
Garage



## ADDITIONAL PHOTOGRAPHS



North Side of Garage



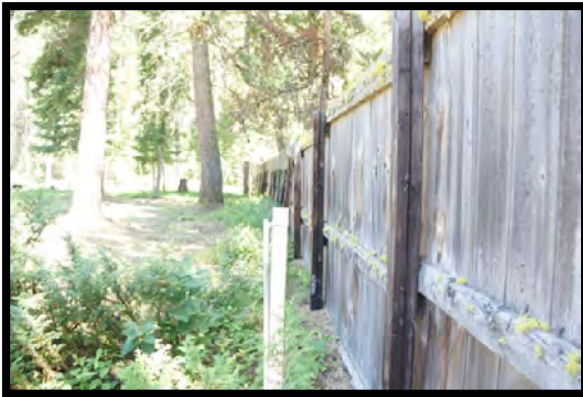
Garage Interior



Wood Storage on East Side of Garage



Well



View East along South Property Boundary



View North along West Property Boundary



## ADDITIONAL PHOTOGRAPHS



View East along North Property Boundary



View South along West Property Boundary



View West along South Property Boundary



View South along East Property Boundary



View West along South Property Boundary



View North along East Property Boundary

## ADDITIONAL PHOTOGRAPHS



MT Highway 83 Looking North



MT Highway 83 Looking South



## SUBJECT MARKET ANALYSIS

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

### Subject Productivity Analysis

#### General Property Description

The subject site is 1.142 acres. The subject lot does not include water frontage. The subject property is located in the community of Seeley Lake and in Missoula County, Montana.

#### Area Land Use Trends

Seeley Lake is a residential/resort community in Missoula County, Montana. The community consists of year round residents and second or vacation homeowners who are in the area on a seasonal basis. Properties with and without frontage along area lakes, rivers, and streams are frequently purchased for vacation or seasonal use.

### Potential Users of Subject Property

The potential users of the subject properties would be market participants seeking to own recreational/residential property with frontage along a non-navigable body of water in the greater Seeley Lake area.

### Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand. We conducted a search of the area MLS for sales of vacant residential sites with no water frontage and up to 4.00 acres in size. Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the regional MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of this search are below.

Seeley Lake Vacant Lot Market Activity			
Up to 4.00 Acres in Size - Interior			
Year	# of Sales	Average Sales Price	Average Days on Market
2016	14	\$46,289	152
2017	21	\$47,822	432
2018	15	\$43,893	244
2019	10	\$60,885	322
2020 Year-to-Date	30	\$60,833	451
ACTIVE	37	\$88,651	416
Average List Price Shown for Active Listings			

This data indicates that the average sales price for interior home sites have fluctuated since 2016. It is advisable to utilize caution with statistical analysis of small data sets.

### **Residential Improved Properties in Seeley Lake**

There was sufficient market data regarding improved homes on sites with 3 acres or less in the community of Seeley Lake to prepare a credible analysis. This data is for sales of homes on interior sites. Montana is a non-disclosure state and every sale does not transfer via the area MLS; however, the MLS data is considered to provide an accurate depiction of general trends in real estate transfers. The results of our search are below;

<b>Seeley Lake Residential Improved Properties - Market Activity</b>			
<b>Homes on Interior Sites up to 3 Acres in Size</b>			
<b>Year</b>	<b># of Sales</b>	<b>Average Sales Price</b>	<b>Average Days on Market</b>
2016	30	\$210,795	247
2017	22	\$216,325	174
2018	27	\$253,348	198
2019	28	\$263,825	143
2020 Year-to-Date	21	\$291,524	159
<b>ACTIVES</b>	<b>21</b>	<b>\$356,667</b>	<b>114</b>
<b>Average List Price is Shown for Actives</b>			

This data indicates that the average home prices have increased steadily each year since 2016.

### **Competitive Supply**

#### **Vacant Home Sites**

There 37 active listings of home sites with 4.00 acres or less. The average list price for these listings was \$88,651.

### **Residential Improved Properties in Seeley Lake**

There were 21 active listings of homes on interior sites with 3 acres or less in Seeley Lake as of the report effective date. The average list price was \$356,667.

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

#### **Vacant Home Sites**

Based upon the sales that have closed in 2020 Year-to-Date, there is an approximately 1 year supply of sites with 4.00 acres or less. Supply and demand are in relative balance; however, the average list price is approximately 31% higher than the average sales price received in 2020 Year-to-Date. Although the supply and demand are in relative balance, there will likely be downward price pressure for the active listings.

### **Residential Improved Properties in Seeley Lake**

Based upon the average sales volume from 2019 and 2020 Year-to-Date, there is an approximately 1 year supply of residences on 3.00 acres or less on interior sites. Supply and demand are in relative balance; however, the average list price is approximately 22% higher than the average sales price

received in 2020 Year-to-Date. Although the supply and demand are in relative balance, there will likely be downward price pressure for the active listings.

## **Subject Marketability Conclusion**

### **Vacant Home Sites**

The subject lot (as if vacant) is considered most similar to area lots with less than 4.00 acres in size and no water frontage.

### **Residential Improved Properties in Seeley Lake**

The residence on the subject lot is considered to have similar marketability compared to homes in the Seeley Lake area with similar sizes and of similar quality and condition.

## **Estimated Marketing and Exposure Times**

The average days on market for sales of vacant home sites averaged 322 days in 2019 and 451 in 2020 Year-to-Date. Based upon this data, a **marketing time** between 10 to 15 months is appropriate for the subject lot as if vacant. If the subject lot had sold as if vacant on the effective date of this report, at the appraised value concluded, a 10 to 15 month **exposure time** would have been reasonable.

The 28 homes sales in Seeley Lake that closed in 2019 were marketed for an average of 143 days. The 21 home sales in Seeley Lake that closed in 2020 Year-to-Date were marketed for 159 days. A **marketing time** between 4 to 6 months are appropriate for the subject property as improved. If the subject property as improved had sold on the effective date of this report, at the appraised value concluded in this report, a 4 to 6 month **exposure time** would have been reasonable.

## HIGHEST AND BEST USE

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

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

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

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

Legally Permissible:

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

Physically Possible:

The physical adaptability of the site for a particular use.

Financially Feasible:

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

Maximally Productive:

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

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

## **SUBJECT PROPERTIES - AS IF VACANT**

### *Legally Permissible*

The subject property is in an area of Missoula County that is not zoned. The subject property is within the 2010 Seeley Lake Regional Plan area. The plan area is not a regulatory document; however, developers are strongly encouraged to adhere to the development patterns and policies and the land designation map. The subject property is in an area with a density recommendation of 1 dwelling unit per 160 acres.

The Certificate of Survey which includes the subject lot was recorded in 2007. The subject lot was created prior to the 2010 Seeley Lake Regional Plan. Additionally, the plan is a regulatory document which recommends uses but does not include requirements. Since there is no zoning in the subject area, there are many legally permissible uses for the subject lot as if vacant.

### *Physically Possible*

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

### *Financially Feasible*

Most similar lots in the area are improved with single family residences. According to our research, some area residences are occupied year round and some are utilized seasonally for recreational purposes. Use of the subject lot for construction of single family residence is financially feasible.

### *Maximally Productive*

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

## **AS IMPROVED**

The subject lot includes a single family residence and outbuildings. There is market acceptance of many types of residences in Seeley Lake. Alteration of the subject residence for any use other than as a single family residence would require large capital expenditures. Continued use as a single family residence for the subject property is the highest and best use as improved.

## THE APPRAISAL PROCESS

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

### APPROACHES IN THE VALUATION OF REAL PROPERTY

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

#### Cost Approach

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

#### Sales Comparison Approach

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

#### Income Capitalization Approach

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

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

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

All three approaches to value were considered for the valuation of improvements on the subject property. 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 and was not developed in this report. The subject improvements and similar area homes are not typically utilized for income generation. For this reason, the Income Approach is not considered applicable and was not developed in this report. The Sales Comparison Approach is developed to determine the values of subject property as improved.

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

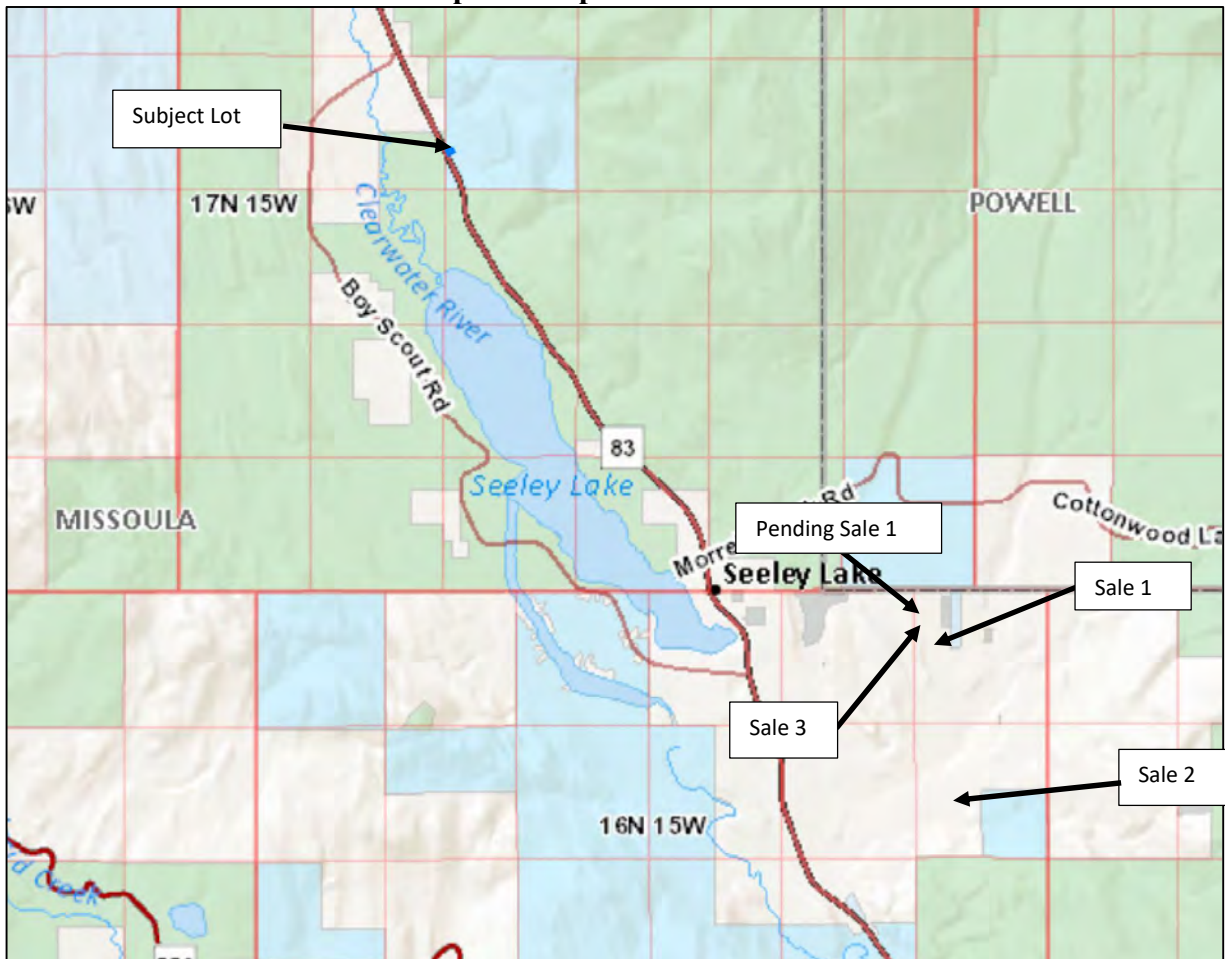
## VACANT SITE SALES

We conducted a search for sales of vacant home sites similar to the subject lot in Seeley Lake. We located 4 sales that were reasonable comparables for the subject lot. Based upon our analysis, the appropriate unit of comparison is price per site. These comparables are described on the table below;

Sale #	Address	City	Site Size/Acres	Sale Date	Sales Price
1	590 Frontier Ct	Seeley Lake	1.000	2020	\$50,000
2	311 Whitefish Dr	Seeley Lake	2.400	2020	\$40,000
3	267 Eagle Dr	Seeley Lake	0.613	2019	\$27,750
PENDING LAND SALE 1	NHN Eagle Dr	Seeley Lake	0.689	2020	\$27,750

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

**Map of Comparable Lot Sales**



## LAND SALE 1

COMPARABLE SALE INFORMATION

<b>Location</b>	590 Frontier Court
<b>City/State</b>	Seeley Lake
<b>County</b>	Missoula
<b>Assessor Number</b>	0003007400
<b>Zoning</b>	Unzoned Portion of Missoula Co.
<b>Site Size: Acres</b>	1.000
<b>Square Feet</b>	43,560
<b>Date of Sale</b>	June 25, 2020
<b>Sales Price</b>	\$50,000
<b>Less Cost of Improvements*</b>	\$0
<b>Sales Price Adjusted</b>	\$50,000
<b>MLS #</b>	22008044

ANALYSIS OF SALE

<b>Price per Acre</b>	\$50,000	<b>Price per Square Foot</b>	\$1.15
		<b>Price Per Front Foot</b>	N/A

TRANSFER INFORMATION

<b>Grantor</b>	Hugh Martinsen	<b>Grantee</b>	WG Northair, LLC
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	202012750
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time</b>	19 Days on Market
		<b>Verified By</b>	Hugh Martinsen, Grantor & Agent
<b>Legal Description</b>	Lot 86 of Frontier Addition, Missoula County, Montana	<b>Intended Use/Comments</b>	Purchased for Residential Use
<b>Section/Township/Range</b>	S1/T16N/R15W		

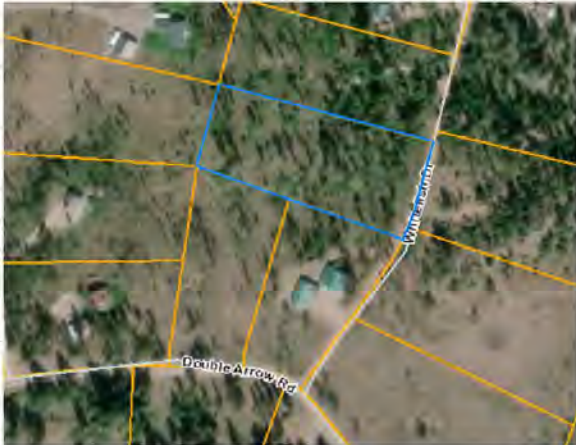
PROPERTY DETAILS

<b>Access</b>	Gravel County Road	<b>View</b>	Trees, Interior
<b>Topography</b>	Level	<b>Lot Dimensions</b>	189.86' x 285.00' x 175.51' X 212.64'
<b>Flood Plain</b>	According to Flood Map #300630740E, the parcel is not located in an area of elevated flood risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	N/A	<b>Value of Improvements</b>	\$0
<b>Utilities</b>	Electricity, Telephone at Road	<b>Miscellaneous</b>	Property is located within Frontier Addition and is subject to CC&R's. Double Wide Mobile Homes and modular homes are permitted.


Report File # 20-047ec



## LAND SALE 2


COMPARABLE SALE INFORMATION			
	<b>Location</b>	311 Whitefish Drive	
	<b>City/State</b>	Seeley Lake	
	<b>County</b>	Missoula	
	<b>Assessor Number</b>	0005902070	
	<b>Zoning</b>	Unzoned Portion of Missoula County	
	<b>Site Size: Acres</b>	2.400	
	<b>Square Feet</b>	104,544	
	<b>Date of Sale</b>	May 5, 2020	
	<b>Sales Price</b>	\$40,000	
	<b>Less Cost of Improvements*</b>	\$0	
<b>Sales Price Adjusted</b>	\$40,000		
<b>MLS #</b>	21910049		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$16,667	<b>Price per Square Foot</b>	\$0.38
		<b>Price Per Front Foot</b>	\$160
TRANSFER INFORMATION			
<b>Grantor</b>	Thomas Paul Engelson	<b>Grantee</b>	John P. McDonald
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	202008235
		<b>Marketing Time</b>	319 Days on Market
<b>Financing/Conditions</b>	Cash/Market	<b>Verified By</b>	Kevin Wetherell, Listing Agent & Selling Agent
<b>Legal Description</b>	Lot 129 of Trail Creek Addition to the Double Arrow Ranch		<b>Intended Use/Comments</b>
			Purchased for Residential Use
<b>Section/Township/Range</b>	S12/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Subdivision Road	<b>View</b>	Trees , Mountains
<b>Topography</b>	Level	<b>Lot Dimensions</b>	500' x 232.46' x 482.25' x 190'
<b>Flood Plain</b>	According to Flood Map # 30063C0740E, this property is not located in an area of elevated flood risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	N/A	<b>Value of Improvements</b>	\$0
<b>Utilities</b>	Electricity & Telephone Available	<b>Miscellaneous</b>	Double Arrow Ranch Subdivision is governed by CC&R's that limit property use to Residential.
			<b>Report File #</b> 20-047ec

## LAND SALE 3

COMPARABLE SALE INFORMATION			
	<b>Location</b>	267 Eagle Drive	
	<b>City/State</b>	Seeley Lake	
	<b>County</b>	Missoula	
	<b>Assessor Number</b>	0000002908	
	<b>Zoning</b>	Unzoned Portion of Missoula Co.	
	<b>Site Size: Acres</b>	0.613	
	<b>Square Feet</b>	26,702	
	<b>Date of Sale</b>	April 25, 2019	
	<b>Sales Price</b>	\$27,750	
	<b>Less Cost of Improvements*</b>	\$0	
<b>Sales Price Adjusted</b>	\$27,750		
<b>MLS #</b>	21803773		
ANALYSIS OF SALE			
<b>Price per Acre</b>	\$45,269	<b>Price per Square Foot</b>	\$1.04
		<b>Price Per Front Foot</b>	N/A
TRANSFER INFORMATION			
<b>Grantor</b>	Ken Grimm	<b>Grantee</b>	Noah Madinger & Dilara Madinger
<b>Type of Instrument</b>	Warranty Deed	<b>Document #</b>	201905624
<b>Financing/Conditions</b>	Cash/Market	<b>Marketing Time Verified By</b>	377 Days on Market Carey Kanavel, Listing Agent
<b>Legal Description</b>	Lot 7, Block 5, Seeley Lake Pines Addition #1	<b>Intended Use/Comments</b>	Purchased for Residential Use
<b>Section/Township/Range</b>	S2/T16N/R15W		
PROPERTY DETAILS			
<b>Access</b>	Gravel Private Rd.	<b>View</b>	Trees, Interior
<b>Topography</b>	Level	<b>Lot Dimensions</b>	180.65' x 150' x 175' x 144.51'
<b>Flood Plain</b>	According to Flood Map #300630740E, the parcel is not located in an area of elevated flood risk.	<b>Improvements</b>	None
<b>Feet of Water Frontage</b>	N/A	<b>Value of Improvements</b>	\$0
<b>Utilities</b>	Electricity, Telephone at Road	<b>Miscellaneous</b>	Property is located within Seeley Lake Pines Addition #1 Subdivision and is subject to CC&R's.
<b>Report File #</b> 19-022ec			



## PENDING LAND SALE 1

COMPARABLE SALE INFORMATION						
	<b>Location</b>		NHN Eagle Drive			
	<b>City/State</b>		Seeley Lake			
	<b>County</b>		Missoula			
	<b>Assessor Number</b>		0002193606			
	<b>Zoning</b>		Unzoned Portion of Missoula Co.			
	<b>Site Size: Acres</b>		0.689			
	<b>Square Feet</b>		30,013			
	<b>Date of Sale</b>		July 20, 2020			
	<b>Sales Price</b>		\$27,750			
	<b>Less Cost of Improvements*</b>		\$0			
	<b>Sales Price Adjusted</b>		\$27,750			
<b>MLS #</b>		22007498				
ANALYSIS OF SALE						
<b>Price per Acre</b>		\$40,276	<b>Price per Square Foot</b>	\$0.92		
			<b>Price Per Front Foot</b>	N/A		
TRANSFER INFORMATION						
<b>Grantor</b>		Rowena C. Sturdevant	<b>Grantee</b>		Cody A. Thompson	
<b>Type of Instrument</b>		Warranty Deed	<b>Document #</b>		202014934	
			<b>Marketing Time</b>		53 Days on Market	
<b>Financing/Conditions</b>		Cash/Market	<b>Verified By</b>		Laurie Page, Listing Agent	
<b>Legal Description</b>		Lot 6 in Block 7 of Seeley Lake Pines Addition No.1, Missoula County, Montana		<b>Intended Use/Comments</b>		Purchased for Residential Use
<b>Section/Township/Range</b>		S2/T16N/R15W				
PROPERTY DETAILS						
<b>Access</b>		Gravel Private Rd.		<b>View</b>		Trees, Interior
<b>Topography</b>		Level		<b>Lot Dimensions</b>		144.52' x 186.46' x 150.00' x 180.65'
<b>Flood Plain</b>		According to Flood Map #300630740E, the parcel is not located in an area of elevated flood risk.		<b>Improvements</b>		None
<b>Feet of Water Frontage</b>		N/A		<b>Value of Improvements</b>		\$0
<b>Utilities</b>		Electricity, Telephone at Road		<b>Miscellaneous</b>		Property is located within Seeley Lake Pines Addition #1 Subdivision and is subject to CC&R's.
Report File # 20-047ec						

**Note:** This sale was under contract as of the report effective dates of value for Subject Lots 30 and 37 and it closed prior to the report publish date. This sale closed on the effective dates of value for Lots 18, 23, and 45.

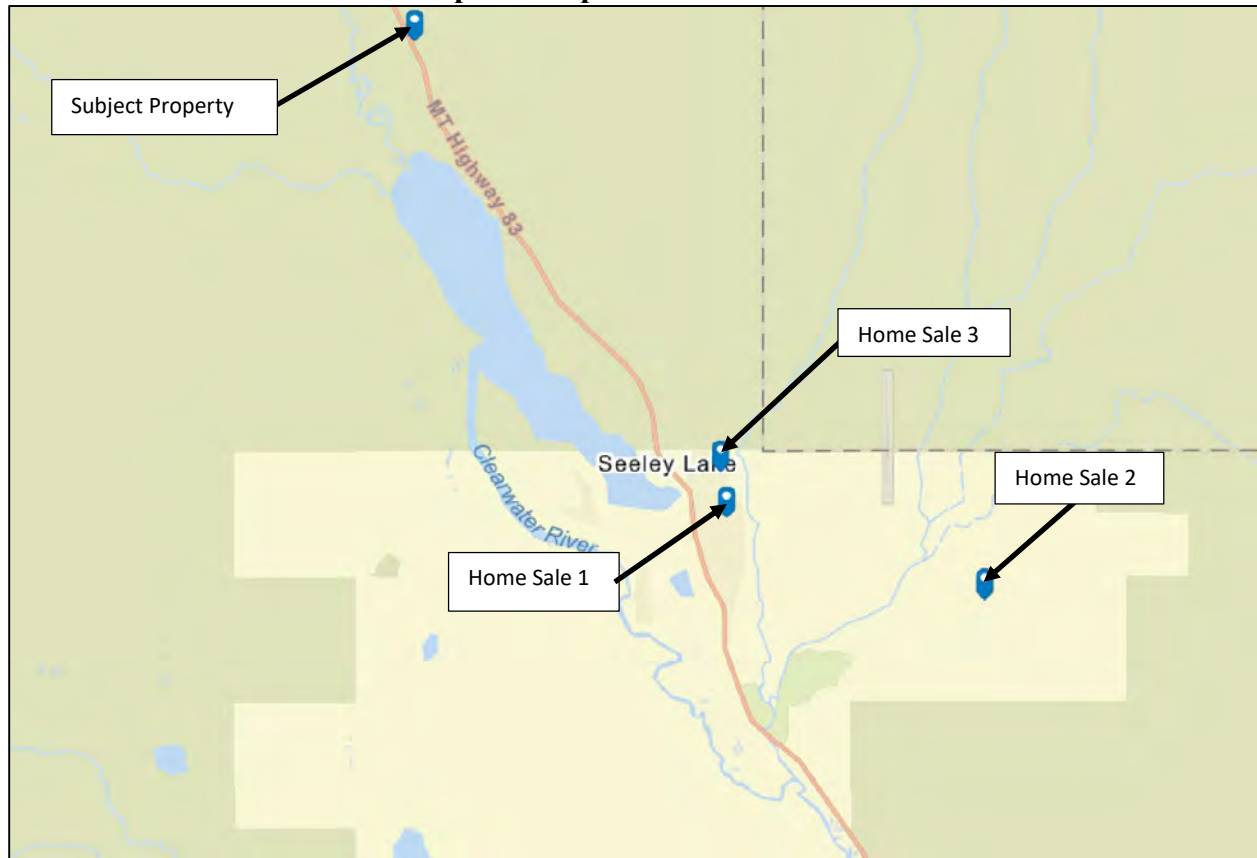
## HOME SALES

We conducted a search for sales of homes in Seeley Lake similar to the home on the subject lot. The contributory site value for each comparable home sale was concluded based upon sales of vacant sites near each sale. The most applicable and recent home sales located are described on the table below;


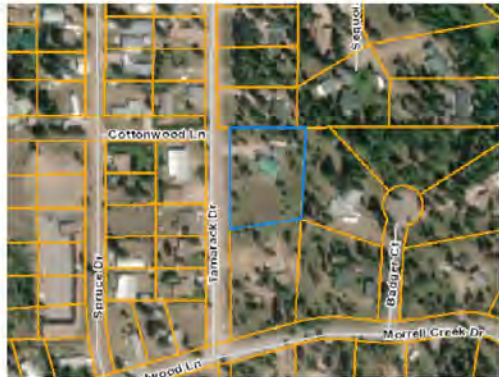
Home Sales						
Sale #	Address	City	Sale Date	Sales Price	Less Site Value	Sale Price of Improvements
Home Sale 1	580 Tamarack Dr	Seeley Lake	2020	\$227,000	\$50,000	\$177,000
Home Sale 2	220 Montana Dr	Seeley Lake	2019	\$248,200	\$60,000	\$188,200
Home Sale 3	1021 Willow Dr	Seeley Lake	2019	\$185,000	\$35,000	\$150,000

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

**Map of Comparable Home Sales**



## HOME SALE 1

COMPARABLE SALE INFORMATION																											
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;"><b>Location</b></td><td>580 Tamarack Drive</td></tr> <tr><td><b>City/State</b></td><td>Seeley Lake, MT</td></tr> <tr><td><b>County</b></td><td>Missoula</td></tr> <tr><td><b>Assessor Number</b></td><td>0001477103</td></tr> <tr><td><b>Zoning</b></td><td>Unzoned Portion of Missoula Co.</td></tr> <tr><td><b>Site Size: Acres</b></td><td>1.010</td></tr> <tr><td><b>Square Feet</b></td><td>43,996</td></tr> <tr><td><b>Date of Sale</b></td><td>June 18, 2020</td></tr> <tr><td><b>Sales Price</b></td><td>\$227,000</td></tr> <tr><td><b>Adjustment to Sales Price</b></td><td>\$0</td></tr> <tr><td><b>Adjusted Sales Price</b></td><td>\$227,000</td></tr> <tr><td><b>MLS #</b></td><td>22004306</td></tr> </table>		<b>Location</b>	580 Tamarack Drive	<b>City/State</b>	Seeley Lake, MT	<b>County</b>	Missoula	<b>Assessor Number</b>	0001477103	<b>Zoning</b>	Unzoned Portion of Missoula Co.	<b>Site Size: Acres</b>	1.010	<b>Square Feet</b>	43,996	<b>Date of Sale</b>	June 18, 2020	<b>Sales Price</b>	\$227,000	<b>Adjustment to Sales Price</b>	\$0	<b>Adjusted Sales Price</b>	\$227,000	<b>MLS #</b>	22004306
<b>Location</b>	580 Tamarack Drive																										
<b>City/State</b>	Seeley Lake, MT																										
<b>County</b>	Missoula																										
<b>Assessor Number</b>	0001477103																										
<b>Zoning</b>	Unzoned Portion of Missoula Co.																										
<b>Site Size: Acres</b>	1.010																										
<b>Square Feet</b>	43,996																										
<b>Date of Sale</b>	June 18, 2020																										
<b>Sales Price</b>	\$227,000																										
<b>Adjustment to Sales Price</b>	\$0																										
<b>Adjusted Sales Price</b>	\$227,000																										
<b>MLS #</b>	22004306																										
TRANSFER INFORMATION																											
<b>Grantor</b>	Donald E. Fowler & Tamara Hanson Fowler	<b>Grantee</b>	Robert A. Broyles																								
<b>Recording Data</b>	Warranty Deed #202012122	<b>Marketing Time</b>	76 Days on Market																								
<b>Financing/Conditions</b>	Conventional/Market	<b>Verified By</b>	Jason Baker, Listing Agent																								
<b>Legal Description</b>	Lot 61 of Double Arrow Ranch, Phase II, Missoula County, Montana	<b>Intended Use</b>	Residential																								
<b>Section/Township/Range</b>	S02/T16N/R15W																										
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE																									
<b>Water Frontage</b>	N/A	<b>Sales Price</b>	\$227,000																								
<b>Access</b>	Tamarack Drive (SD Road)	<b>Estimated Site Value</b>	\$50,000																								
<b>House Square Feet</b>	952	<b>Sales Price of Improvements</b>	\$177,000																								
<b>Bedroom/Bathrooms</b>	3BR/2BA	<b>Improvement Price/SF</b>	\$186																								
<b>Year Built or Renovated</b>	1995																										
<b>Basement</b>	Crawl Space																										
<b>Construction</b>	Wood Frame																										
<b>Quality</b>	Average																										
<b>Condition</b>	Good																										
<b>Water/Sewer</b>	Community Water/Septic																										
<b>Utilities</b>	Electricity/Telephone																										
<b>Topography</b>	Level																										
<b>Garage</b>	2 Car Garage & Shed																										
<b>Outbuildings</b>	N/A																										
<b>Miscellaneous</b>																											

**Report File # 20-045ec**



## HOME SALE 2

[illegible]

## HOME SALE 3

[illegible]

## **PROPERTY VALUATION**



## LOT 8

### Site Value Estimate

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

COMPARABLE SALES ANALYSIS FOR SUBJECT SITE					
LOT 8, COS #5944, SEELEY LAKE DEVELOPMENT NORTH, SEELEY LAKE, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	1524 Boy Scout Rd	590 Frontier Ct	311 Whitefish Dr	267 Eagle Dr	NHN Eagle Dr
CITY	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$50,000	\$40,000	\$27,750	\$27,750
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	\$0	\$0
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0	\$0
FINANCING	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT		\$0	\$0	\$0	\$0
CONDITIONS OF SALE	Market	Market	Market	Market	Market
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0	\$0
ADJUSTMENTS FOR BUYER EXPENDITURES					
DEMOLITION		\$0	\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0	\$0
OTHER		\$0	\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0	\$0
DATE OF SALE		06/25/20	05/05/20	04/25/19	07/20/20
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$50,000	\$40,000	\$27,750	\$27,750
SITE SIZE/ACRES	1.142	1.000	2.400	0.613	0.689
ADJUSTED SALES PRICE		\$50,000	\$40,000	\$27,750	\$27,750
ADJUSTMENT FOR:					
LOCATION	Seeley Lake	Seeley Lake	Double Arrow SD	Seeley Lake	Seeley Lake
		Equal =	Superior -	Equal =	Equal =
WATER FRONTAGE	None	None	None	None	None
		Equal =	Equal =	Equal =	Equal =
SHAPE	Irregular	Irregular	Irregular	Irregular	Irregular
		Equal =	Equal =	Equal =	Equal =
TOPOGRAPHY	Level	Level	Level	Level	Level
		Equal =	Equal =	Equal =	Equal =
FLOOD ZONE	None	None	None	None	None
		Equal =	Equal =	Equal =	Equal =
FRONTAGE/ACCESS	County Road	County Road	SD Road	Private Road	Private Road
		Equal =	Equal =	Equal =	Equal =
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		Equal =	Equal =	Equal =	Equal =
EASEMENTS AFFECTING USE	No	No	No	No	No
		Equal =	Equal =	Equal =	Equal =
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		Equal =	Equal =	Equal =	Equal =
SITE SIZE/ACRES	1.142	1.000	2.400	0.613	0.689
		Equal =	Equal =	Equal =	Equal =
OVERALL RATING COMPARED TO SUBJECT		Equal =	Superior -	Equal =	Equal =
VALUE INDICATIONS		= \$50,000	< \$40,000	= \$27,750	= \$27,750

### **Discussion of Quantitative Adjustments**

*Adjustment for List Price:* Land Sales 1, 2, and 3 were closed as of the report effective date and these comparables required no adjustment in this category. Pending Sale 1 was under contract as of the report effective date and closed prior to the report publish date. The sales price was utilized and no adjustment was necessary in this category for Pending Sale 1.

*Adjustment for Improvements:* No improvements transferred with the comparables and no adjustments were necessary in this category.

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

*Financing:* All sales were cash or cash equivalent; therefore, no adjustments were necessary in this category.

*Conditions of Sale:* There were no atypical conditions of sale reported by the verifying parties for any of the comparables. No adjustments were made to the comparables in this category.

*Buyer Expenditures:* There were no buyer expenditures noted for the land sales utilized in this analysis. No adjustments were necessary in this category.

*Market Conditions:* The comparables sold in 2019 and 2020. There are typically few sales each year of similar sites in the subject market area. There were not a sufficient number of sales and re-sales of vacant similar sites to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

### **Discussion of Qualitative Adjustments**

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

*Location:* The subject site and Land Sales 1 and 3 and Pending Sale 1 are located in the greater Seeley Lake area. Land Sales 1 and 3 and Pending Sale 1 are identified as Equal = to the subject in location. Land Sale 2 is within the Double Arrow Subdivision. According to the American Community Survey 2014-2018, there were 1,147 housing units in Seeley Lake during the survey period. According to the Double Arrow Landowners Association, there are 740 lots in the Double Arrow Subdivision. The Double Arrow Subdivision comprises a significant portion of Seeley Lake. For this reason, use of a comparable sale within the Double Arrow Subdivision was necessary for a credible appraisal report. The location of Land Sale 2 is identified as Superior - compared to the subject site due to access to subdivision amenities.

*Water Frontage:* The subject site and comparables do not include water frontage. The comparables are identified as Equal = compared to the subject in this category.

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

*Topography:* The subject property and comparables have sufficient level areas for residential improvements. The subject and comparables are identified as Equal = in this category.

*Flood Zone:* The subject lot and comparables are not within flood zones. The comparables are identified as Equal = compared to the subject in this category.

*Frontage/Access:* The subject property and comparables have vehicular access from public roads or private roads. The subject and comparables are identified as Equal = in this category.

*Zoning:* The subject site and comparables are in areas with no zoning. The highest and best use of the subject and comparables is use for construction of a single family residence. Based upon analysis of highest and best use, the comparables are considered Equal = compared to the subject in this category.

*Easements Affecting Use:* There are no atypical easements associated with the subject site or comparables. The comparables are identified as Equal = compared to the subject in this category.

*Electricity/Telephone:* The subject and comparables all have access to electricity and telephone service. The comparables are identified as Equal = compared to the subject in this category.

*Size/Acres:* The subject site totals 1.142 acres. The comparables bracket the subject site in size. We did not locate any market evidence that there are price differences due to size for sites within the size ranges of the subject and comparables. For this reason, the comparables are identified as Equal = compared to the subject in this category.

### **Reconciliation of Sales Comparison Approach for Subject Property As If Vacant**

No weight is accorded the adjusted indication from Land Sale 2 as this sale is identified as Superior - compared to the subject site. The adjusted indications from Land Sales 1 and 3 and Pending Sale 1 are Equal = to the subject. All weight is accorded the adjusted indications from these sales. The average of the indications from Land Sales 1 and 3 and Pending Sale 1 is \$35,167. The rounded average or \$35,000 is a credible market value for the subject site as if vacant.

**Site Value as Vacant**

**\$35,000**

### Improvement Value Estimate

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

SALES COMPARISON ANALYSIS FOR LOT 8, SEELEY LAKE DEVELOPMENT NORTH, SEELEY LAKE, MONTANA				
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3
IDENTIFICATION	1524 Boy Scout Rd	580 Tamarack Dr	220 Montana Dr	1021 Willow Dr
LOCATION	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT	Seeley Lake, MT
SALES PRICE		\$227,000	\$248,200	\$185,000
LIST ADJUSTMENT				
<b>PROPERTY RIGHTS</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>	<b>Fee Simple</b>
PROPERTY RIGHTS ADJUSTMENT		\$0	\$0	\$0
<b>FINANCING</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
FINANCING ADJUSTMENT		\$0	\$0	\$0
<b>CONDITIONS OF SALE</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>	<b>Market</b>
CONDITIONS OF SALE ADJUSTMENT		\$0	\$0	\$0
<b>ADJUSTMENTS FOR BUYER EXPENDITURES</b>				
DEMOLITION		\$0	\$0	\$0
ENVIRONMENTAL		\$0	\$0	\$0
OTHER		\$0	\$0	\$0
LEGAL/ZONING		\$0	\$0	\$0
DATE OF SALE		06/18/20	12/18/19	11/08/19
<b>MARKET CONDITIONS FACTOR</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
ADJUSTED PRICE		\$227,000	\$248,200	\$185,000
LESS SITE VALUE		(\$50,000)	(\$60,000)	(\$35,000)
ADJUSTED IMPROVEMENT PRICE		\$177,000	\$188,200	\$150,000
<b>ADJUSTMENT FOR:</b>				
<b>LOCATION/SITE</b>	<b>Interior Site</b>	<b>Interior Site</b>	<b>Interior Site</b>	<b>Interior Site</b>
		\$0	\$0	\$0
<b>QUALITY</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
		\$0	\$0	\$0
<b>CONDITION</b>	<b>Good</b>	<b>Good</b>	<b>Average</b>	<b>Average</b>
		\$0	\$18,820	\$15,000
<b>BATHROOMS</b>	<b>1.5</b>	<b>2</b>	<b>1</b>	<b>2</b>
		-\$2,500	\$2,500	-\$2,500
<b>HOUSE SIZE/SF</b>	<b>1,277</b>	<b>952</b>	<b>1,190</b>	<b>832</b>
		\$29,250	\$7,830	\$40,050
<b>FINISHED BASEMENT SIZE/SF</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>458</b>
		\$0	\$0	-\$20,610
<b>OUTBUILDINGS</b>	<b>Garage &amp; Storage</b>	<b>Inferior</b>	<b>Inferior</b>	<b>Inferior</b>
		\$7,000	\$9,000	\$9,000
<b>TOTAL ADJUSTMENT</b>		<b>\$33,750</b>	<b>\$38,150</b>	<b>\$40,940</b>
<b>NET ADJUSTMENT PERCENTAGE</b>		<b>19%</b>	<b>20%</b>	<b>27%</b>
<b>ADJUSTED PRICE INDICATION</b>		<b>\$210,750</b>	<b>\$226,350</b>	<b>\$190,940</b>

### **Discussion of Adjustments**

*List Adjustment:* Home Sales 1, 2, and 3 were closed sales as of the report effective date and required no adjustment in this category.

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

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

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

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

*Market Conditions:* The comparables sold in 2019 and 2020. There are typically few sales each year of similar homes in the subject market area. There were not a sufficient number of sales and re-sales of similar homes to prepare credible paired sales analyses to determine the appropriate adjustment in this category. No adjustments were made in this category; however, the most recent sales available were selected for this analysis.

*Location:* The contributory site values for the sales were removed. This results in the comparison of the subject improvements to the improvements associated with each sale. The site sales utilized to determine the contributory site values for the improved sales are retained in the appraisal work file.

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

*Condition:* The subject residence and Home Sale 1 are similar in overall condition. No adjustment was necessary in this category for this sale. Home Sales 2 and 3 were considered to be in inferior condition compared to the subject residence. Upward adjustments of 10% were made to these sales in this category. This adjustment percentage is considered to be reflective of the actions of market participants relative to residence condition.

*Bathrooms:* The subject residence has 1.5 bathrooms. The comparables either have 1 full bathroom or 2 full bathrooms. Upward or downward adjustments were made of \$2,500 per difference in half bathroom to each sale as appropriate. The adjustment amount is considered to reflect the actions of market participants with regard to an additional half bathroom.

*House Size:* Based upon the indications of sales prices per residence square footage for each sale, an adjustment for size differences between the comparables and the subject of \$90 per square foot is considered reasonable and appropriate. This equates to approximately half of the averages of the sales prices per square foot for the comparable residences without the contributory site values. Market participants do not typically pay dollar for dollar for size differences. This adjustment

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

*Finished Basement Size:* The subject and Home Sales 1 and 2 do not include basements. No adjustment was necessary in this category for these sales. Home Sale 3 included 458 square feet of finished basement area. Market participants do not view finished basement areas the same as finished above grade area. An adjustment \$45/SF (half of the adjustment amount for the above grade area) was considered appropriate for this sale.

*Outbuildings/Amenities:* Adjustments were made for any differences between our estimates of contributory values of outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings and fencing were estimated based upon depreciated costs calculated on the table on the following page.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Detached Garage	683	Section 17/Page 13	\$29.63	\$20,237
Lean-to Storage	283	Section 17/Page 16	\$13.65	\$3,863
Storage Building	193	Section 17/Page 16	\$24.24	<u>\$4,678</u>
<b>Total Cost New</b>				\$28,779
<b>Less Depreciation - Age/Life - 10/30 Years = 33%</b>				<u>-\$9,497</u>
<b>Depreciated Cost Estimate</b>				\$19,282
<b>Rounded To</b>				\$19,000

### Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$210,750, \$226,350 and \$190,940. The overall adjustment percentages form a tight range. Approximately equal weight is accorded the adjusted indications from all three comparables. A market value of \$,000 (the rounded average of the indications from all three sales) is reasonable and well supported for the subject improvements.

<b>Improvement Value</b>	<b>\$209,000</b>
--------------------------	------------------

### Total Value Conclusion

The total value conclusions are derived by adding the subject site values to the estimated value of improvements. The calculations assuming a septic system is permissible are below;

Subject Site Value	\$ 35,000
Subject Improvements Value	<u>\$209,000</u>
<b>Total Value Indication</b>	<b>\$244,000</b>

## RECAPITULATION OF VALUE INDICATIONS

The market value for the subject property is recapitulated on the table below;

Lot #	Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
8	1105	\$35,000	\$209,000	\$244,000	7/14/2020

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

# **QUALIFICATIONS OF THE APPRAISERS**

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

### **PROFESSIONAL DESIGNATIONS**

MAI Designated Member of the Appraisal Institute (2004)

### **FORMAL EDUCATION**

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

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

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

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

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



**IAAO**

1991 - Standards of Practice and Professional Ethics

**Citadel Evening College**

1993 - Residential Appraisal Reports Using URAR Form

**William H. Sharp & Associates**

1995 - The Home Inspection

**Trident Technical College**

1997 - Uniform Standards of Appraisal

**Historic Preservation Consulting**

1998 - Appraising Historic Property

**The Beckman Company**

2004 - The Technical Inspection of Real Estate

**APPRAISAL SEMINARS ATTENDED**

2000 – JT&T Seminars: Financial Calculator HP-12C

2000 – Appraisal Institute: Highest and Best Use Applications

2004 – Appraisal Institute: Evaluating Commercial Construction

2005 – Appraisal Institute: Scope of Work: Expanding Your Range of Services

2006 – Appraisal Institute: Subdivision Valuation

2006 – Appraisal Institute: Appraising from Blueprints and Specifications

2007 – Appraisal Institute: Analyzing Commercial Lease Clauses

2007 – Appraisal Institute: Condominiums, Co-ops, and PUDs

2008 – Appraisal Institute: Spotlight on USPAP

2008 – Appraisal Institute: Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans

2008 – Appraisal Institute: Office Building Valuation: A Contemporary Perspective

2009 – Appraisal Institute: Appraisal Curriculum Overview (2-Day General)

2010 – Appraisal Institute: Hotel Appraising – New Techniques for Today's Uncertain Times

2010 – Appraisal Institute: The Discounted Cash Flow Model: Concepts, Issues & Applications

2011 – Appraisal Institute: Understanding & Using Investor Surveys Effectively

2011 – Appraisal Institute: Advanced Spreadsheet Modeling for Valuation Applications

2012 – Appraisal Institute: Appraising the Appraisal: Appraisal Review-General

2013 – Appraisal Institute: Business Practices and Ethics

2018 – Appraisal Institute: Real Estate Finance, Value, and Investment Performance

2019 – Appraisal Institute: The Cost Approach: Unnecessary or Vital to a Healthy Practice

**WORK EXPERIENCE**

2003 - Present      Clark Real Estate Appraisal – Owner/Commercial Real Estate Appraiser

1995 - 2003        Sass, Herrin & Associates, Inc. – Commercial Real Estate Appraiser

1990 - 1995        Charleston County Assessor's Office – Sr. Staff Real Estate Appraiser

1986 - 1989        First Sun Capital Corporation - Mortgage Loan Officer

1985 - 1986        First National Bank of Atlanta - Mortgage Loan Processor

1984 - 1985        South Carolina Federal Savings Bank - Mortgage Loan Processor

**STATE LICENSES/CERTIFICATIONS**

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

**PARTIAL LIST OF CLIENTS**

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

## **CHRISTOPHER D. CLARK**

### **FORMAL EDUCATION**

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

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

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

### **WORK EXPERIENCE**

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

### **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Appraiser # REA-RAL-LIC-841

## APPRAISERS LICENSES



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

**REA-RAG-LIC-683**

Status: **Active**  
Expires: **03/31/2021**

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

This certificate verifies licensure as:  
**CERTIFIED GENERAL APPRAISER**

With endorsements of:  
\* **REAL ESTATE APPRAISER MENTOR**



Montana Department of  
**LABOR & INDUSTRY**  
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<https://ebiz.mt.gov/pol>



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

**REA-RAL-LIC-841**

Status: **Active**  
Expires: **03/31/2021**

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

This certificate verifies licensure as:  
**LICENSED APPRAISER**

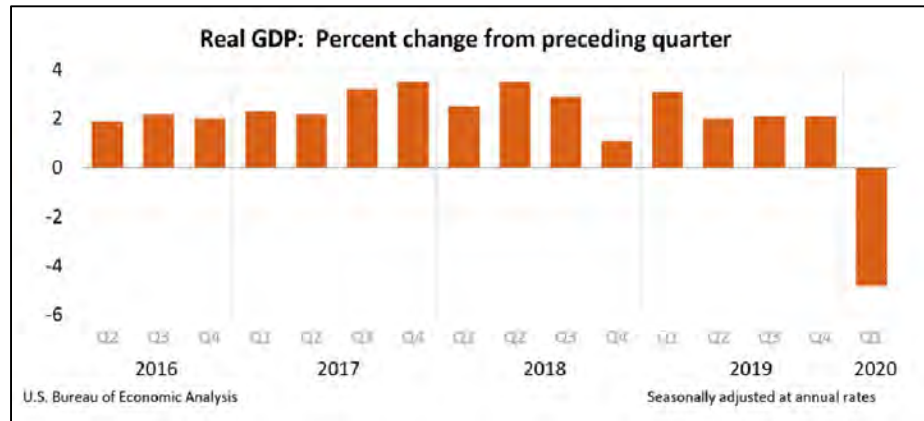


Montana Department of  
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## **ADDENDUM**

## NATIONAL ECONOMIC DATA

According to the advance estimate from the Bureau of Economic Analysis of the US Department of Commerce (BEA), real GDP decreased by 4.8% in the first quarter of 2020 after increasing 2.1% in the fourth quarter of 2019. A second more complete estimate will be available on May 28, 2020. According to the BEA, “the decline in the first quarter GDP was, in part due to the response to the spread of COVID-19, as governments issued stay at home orders in March. This led to rapid changes in demand, as businesses and schools switched to remote work or cancelled operations, and consumers cancelled, restricted, or redirected spending. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the first quarter of 2020 because the impacts are generally embedded in source data and cannot be separately identified.”



**The National Bureau of Economic Research (also known as NBER - a private research group led by the nation’s top economists and long been considered the official arbiter of sorts for determining when business cycles start and end) announced June 8, 2020 that the United States had been in a recession since February 2020. A recession is typically defined as two straight quarters of negative GDP, but the NBER has leeway to take into account the depth of a contraction, how quickly it occurs and how much of the economy is affected.**

## STATE ECONOMIC DATA

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

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

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

According to ESRI, as of 2019 the median household income was estimated at \$53,087 and is projected to increase to \$58,431 (an increase of about 10.1%) by 2024. This compares to the United States, which has an estimated median household income of \$60,548 as of 2019 and is projected to increase to \$69,180 (an increase of about 14.3%) by 2024.

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

<b>State of Montana</b>					
<b>Year</b>	<b>Month</b>	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment Rate</b>
2010	Annual Average	500,525	463,998	36,527	7.3%
2011	Annual Average	501,225	466,403	34,822	6.9%
2012	Annual Average	506,485	476,174	30,311	6.0%
2013	Annual Average	510,781	483,071	27,710	5.4%
2014	Annual Average	512,245	488,336	23,909	4.7%
2015	Annual Average	517,656	496,042	21,614	4.2%
2016	Annual Average	522,497	500,830	21,667	4.1%
2017	Annual Average	525,575	504,871	20,704	3.9%
2018	Annual Average	528,834	509,568	19,266	3.6%
2019	Annual Average	533,497	514,917	18,580	3.5%
2020	Y-T-D Average (through June)	531,475	495,991	35,484	6.7%
2020	June	542,444	504,456	37,988	7.0%
				<b>Average</b>	<b>5.1%</b>
Source: United States Department of Labor, Bureau of Labor Statistics					

As shown in the previous table, the annual average unemployment rate has decreased every year since 2010. As of April 2020, the unemployment rate in Montana was reported at 11.9%. This spike in the rate is likely due in large part to the coronavirus pandemic, which began in March 2020.

### **COVID-19 Update for State of Montana**

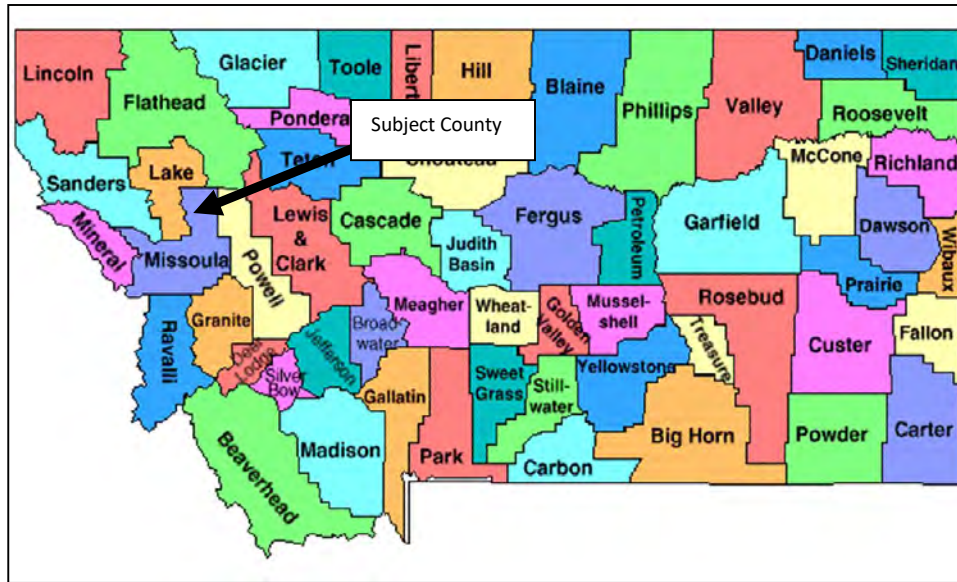
The University of Montana Bureau of Economic Research prepared a study titled “The Impacts of COVID-19 in Montana, Preliminary Analysis” in April of 2020. The principal findings from the study are below;

- Job losses in the state of 7.3% are forecasted for calendar year 2020; however, some improvement is forecasted for the fourth quarter.
- Personal income will be \$3.9 billion lower in Montana than was projected by the Bureau in December of 2019.
- Job losses will be seen all over Montana; however, job losses will be particularly severe for northwest regions of the state.

The Bureau forecasts stronger economic growth in 2021 and 2022.

## MISSOULA COUNTY DATA

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



### Geographical Information

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

### City and Communities

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

### Population

Missoula County is the 2nd most populous county in Montana. The 2019 county population estimate from ESRI based upon US Census Bureau data was 122,370. The population is projected to increase to 129,983 by 2024 or 1.24% per year.

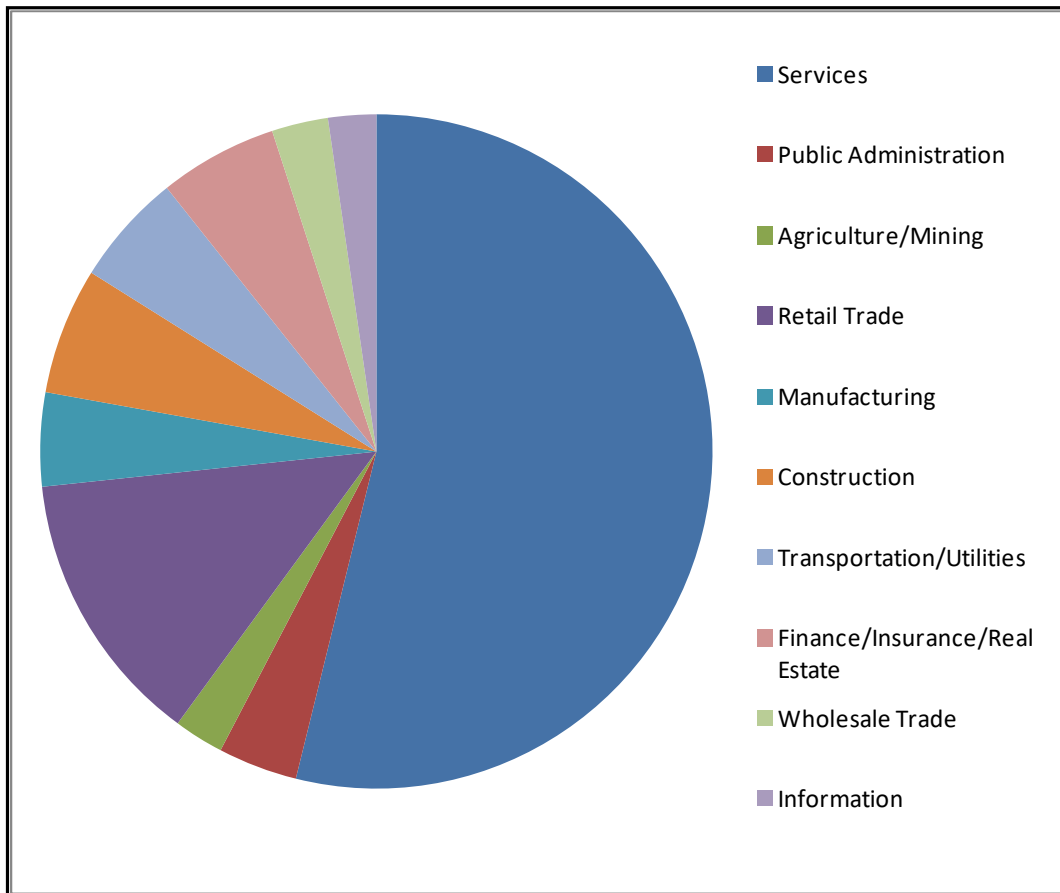


## Income

According to estimates from ESRI based upon US Census data, the median household income for Missoula County was \$53,890 in 2019. Approximately 15.9% of the population of Missoula County was below the poverty level in 2017. This is higher than the national average at 13.1%.

## Employment

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

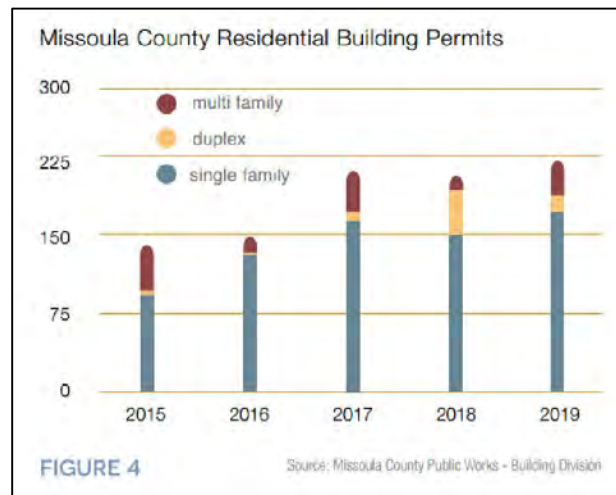


Services comprise the largest employment by substantial margin. The next largest category is retail trade.

## Real Estate

According to ESRI estimates based upon US Census data there were 56,424 housing units in Missoula County in 2019. The home ownership rate was estimated at 48.9% in 2019. The median home value was estimated to be \$290,265 in 2019. It is expected to increase by approximately 2.42% per year to \$325,415 in 2024.

Residential building permits of all types issued in Missoula since 2015 are depicted on the graph below;



The total number of permits issues increased between 2018 and 2019.

### Education & Healthcare

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

### Linkages & Transportation

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

### County Data Conclusion

Missoula County is one of the most populous counties in Montana. The population is slated to increase approximately 1.24% per year through 2024. Missoula County is the home of the University of Montana. The location of the university provides some stability in employment. The economy and the real estate market have remained relatively stable for the past several years. Missoula County did experience the most recent real estate “bubble”; however, the market appears to have stabilized. The economy of Missoula County is considered stable with growth likely in the foreseeable future

**According to the Bureau of Business and Economic Research at the University of Montana, economic impacts on Northwest Montana Counties (which include Missoula County) due to COVID-19 have been forecasted to be significant.**

## SEELEY LAKE DATA

### General Information

The subject property is located in a relatively remote, rural area generally known as the “Seeley-Swan Valley”. There is relatively little privately owned land in the area.

For report purposes the neighborhood boundaries consists of the community of Seeley Lake. The boundaries of Seeley Lake, CDP (Census-Designated Place) are depicted on the image below. Montana Highway 83 runs north to south through the area. Seeley Lake is approximately 1 hour drive from Missoula and approximately 1.5 hour drive from Kalispell.



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

## **Geography**

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

## **Population**

According to ESRI 2020 estimates based upon US Census data the population of Seeley Lake, CDP was 1,855. According to ESRI forecasts the population is expected to increase to 1,975 by 2025. This equates to an increase of approximately 1.29% per year.

## **Economy/Income**

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2020 median household income for area was \$51,089. The median household income is projected to increase to \$54,176 or by approximately 1.21% per year through 2025.

## **Housing & Real Estate**

According to the ESRI there were 1,417 housing units in the area in 2020. Approximately 46.4% of the housing units were identified as owner occupied, approximately 13.6% were identified as renter occupied, and approximately 40.0% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for Seeley Lake, CDP in 2020 was \$260,824. The home value is projected to increase to \$287,500 or approximately 2.05% per year by 2025. The most expensive homes are typically on navigable water or on large acreage tracts.

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

## **Recreation**

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

## **Conclusion**

The immediate subject neighborhood is a remote area comprised of rural properties that are mostly residential in nature. There is little employment in the area. There is relatively little privately

owned land in the area. The area is very attractive for recreation. Recreational opportunities include hiking, mountain biking, Nordic skiing, snowmobiling, hunting, boating, and fishing.

# SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

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## **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:  
2020 Seeley Lake North Appraisal*

#### **CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:**

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

#### **DEFINITIONS:**

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

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

**State laws guiding authority. (MCA 70-30-313)** Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

**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 4 (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.

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

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

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

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

The subject property must be valued with the actual or hypothetical condition that the 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.

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**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

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

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**ATTACHMENT B**

**DNRC TLMD Real Estate Management Bureau**

**Cabin/Home Site Sale Program**

*Supplemental Appraisal Instructions: 2020 Seeley Lake North Appraisal*

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

**Subject Properties Located in Missoula County:**

Sale Number	Acres	Legal Description	Address
1105	1.142 ±	Lot 8, Seeley Lake North, COS 5995, T17N-R15W, Sec. 16, Missoula County	3694 MT Highway 83 North Seeley Lake, MT 59868

**DNRC Contact Information:**

Renee Kelley, Program Specialist  
DNRC TLMD Real Estate Management Bureau  
PO Box 201601  
Helena, MT 59620-1601  
Phone: (406) 444-4289  
[renee.kelley@mt.gov](mailto:renee.kelley@mt.gov)

**Lessees:**

(see DNRC contact for lessee information)

**Sale No. 1105**

Lori A. Kennedy

***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 12 C.F.R. § 34.42 (h) and 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.

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### MISSOULA COUNTY SALES



### Seeley Lake North T17N-R15W, Sec 16



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