

APPRAISAL REPORT OF:

**MT DNRC SALE # 1117
TRACT 1 OF CERTIFICATE OF SURVEY # 2955
MANHATTAN, GALLATIN 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:

December 8, 2020

PREPARED BY:

Elliott M. Clark, MAI		Sandra S. Kennedy, MAI
Clark Real Estate Appraisal		Kennedy Real Estate Appraisal
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704-C East 13th Street, #509
Whitefish, Montana 59937

LETTER OF TRANSMITTAL

January 26, 2021

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: MT DNRC Sale # 1117, Tract 1 of Certificate of Survey #2995, Section 8, Township 1 South,
Range 4 East, Manhattan, Gallatin County, Montana

Dear Ms. Kelley:

In compliance with your request, Sandra S. Kennedy, MAI of Kennedy Real Estate Appraisal viewed the above referenced property on December 8, 2020. Elliott M. Clark, MAI with Clark Real Estate Appraisal did not view the subject property but assisted with the valuation analysis and report preparation. 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 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 on similar area sites and 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.

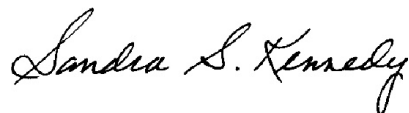
We certify that, to the best of our knowledge and belief, the statements and opinions contained in this appraisal report are full true and correct. We certify that we have no interest in the subject properties and that neither the employment to make this appraisal nor the compensation is contingent upon 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



Sandra S. Kennedy, MAI
Montana Certified General Real Estate Appraiser
REA-RAG-LIC-758

20-077ecs

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SUMMARY OF SALIENT DATA AND CONCLUSIONS

IDENTIFICATION OF CLIENT/INTENDED USE

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

SUBJECT PROPERTY

Property Identifications	3688 Amsterdam Road, Manhattan, Montana (Tract 1 of COS #2955, Section 8, Township 1 South, Range 4 East, Gallatin County, Montana)
Site Size	See Property Description
Description of Improvements	See Property Description
Assessor Number(s)	See Property Description
Census Tract	30-031-0004.00
Flood Zone	Zones X & AE Floodway
Zoning	Area Not Zoned

HIGHEST AND BEST USE(S)

As If Vacant	Residential Use
As Improved	Residential Use

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

Report Date	January 26, 2021
Inspection Date(s)	December 8, 2020
Effective Date of Value(s)	December 8, 2020
Property Rights Appraised	Fee Simple

Estimate of Market Values

Site Value	Property Valuation Section of Report & Page 54 of Report
Improvement Value	Property Valuation Section of Report & Page 54 of Report
Total Market Values	Property Valuation Section of Report & Page 54 of Report

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

MARKETING & EXPOSURE TIME

The appraised value for the subject site, as if vacant, is based upon a 3 to 6 month marketing and exposure time. The appraised value for the subject site, as improved, is based upon a 3 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

Appraiser(s)	Elliott M. Clark, MAI & Sandra S. Kennedy, MAI
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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.
- Sandra S. Kennedy, MAI and Elliott M. Clark, MAI 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.
- Sandra S. Kennedy, MAI personally viewed the subject property. Elliott M. Clark, MAI did not personally view the subject property but assisted with the development of the appraisal report.
- 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 Sandra S. Kennedy, MAI and Elliott M. Clark, MAI have completed the continuing education requirements of the Appraisal Institute.

Elliott M. Clark

Dated Signed: January 26, 2021
Elliott M. Clark, MAI
MT REA-RAG-LIC-683

Sandra S. Kennedy

Date Signed: January 26, 2021
Sandra S. Kennedy, MAI
MT REA-RAG-LIC-758

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the values of the property. Since the appraisers have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in concluding the 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 identified 3688 Amsterdam Road, Manhattan, Montana and as Tract 1 of Certificate of Survey # 2955, Gallatin County, Montana.

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

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

Scope of Property Viewing

Sandra S. Kennedy of Kennedy Real Estate Appraisal viewed the subject property on December 8, 2020. She measured the improvements on the subject site and walked the site.

Scope of Research

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

Area trends in development were researched based upon information from various offices of Gallatin 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 are based upon the **Hypothetical Conditions** 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 property as improved.

Environmental

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

- Gallatin 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;

Sale #	Certificate of Survey	Section/Township/Range	County
1117	2955	S08/T01S/R04E	Gallatin

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 site is an additional intended user of this report. The Lessee is identified below;

Sale #	Lessee
1117	Robert L. Steinmann

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

PURPOSE OF THE APPRAISAL

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

DATE OF PROPERTY VIEWING

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

Sale #	Effective Date of Market Values
1117	12/8/2020

EFFECTIVE DATE OF MARKET VALUES

December 8, 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."*¹

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

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

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

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

STATEMENT OF OWNERSHIP & USE HISTORY

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

Sale #	Lessee	Last Transfer Document
1117	Robert L. Steinmann	2019 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 site is in this program. According to the available information, the subject site has been used for residential purposes for the three years prior to the report effective date. A house was constructed on the subject site. The house construction date and any recent listing information for the improvements via the area MLS for the property are below;

Sale #	Lessee	House Built	Listing History of Improvements via Area MLS
1117	Robert L. Steinmann	1900 with Updates	Not Listing in Prior Three Years

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

ACCESS AND VIEWS

The subject property has vehicular access directly from Amsterdam Road which is also identified as County Highway 347. The subject street address is 3688 Amsterdam Road, Manhattan, Montana. The subject property does not include water frontage.

IMPROVEMENTS

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

Sale #	1117
Residence SF	1,024
Construction Type	Wood Frame
Foundation	Unfinished Basement & Crawl Space
Quality	Average
Condition	Average
Year Built	1910 (Renovated)
# of Bedrooms	2
# of Bathrooms	1
Porches	None
Outbuildings	409 SF Bunk House, 634 SF Detached Garage, 60 SF Shed, 2,544 SF Barn, and 336 SF Shop
Well/Septic	Well/Septic
Landscaping	Lawn & Fencing

The subject has been renovated to some degree and maintained since the construction date.

EASEMENTS, RESTRICTIONS, AND ENCROACHMENTS

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

Sale #	Lessee	Address	Easement Affecting Property
1117	Robert L. Steinmann	3688 Amsterdam Road	Right of Way for Northwestern Energy for Overhead Distribution Line, Right of Way to Gallatin County for a County Road, Right of Way to Gallatin County for a Public Highway, & Right of Way to the State of Montana for a Highway.

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

ZONING

The subject property is in an area of Gallatin County that is not zoned but is within the Belgrade Planning Jurisdiction.

The subject site is tax exempt; however, the site is valued by the Montana Department of Revenue to assist with determination of the lease rate. The Assessor # for the subject site is 00RFF69484. The 2020 site 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.

Tax Information					
Sale #	Lessee	2020 Taxable Market Value for Site as if Vacant	Assessor # for Improvements	2020 Taxable Market Value for Improvements	2020 Tax Bill Amount for Improvements
1117	Robert L. Steinmann	\$174,793	00RFF19687	\$101,140	\$772.54

According to FEMA Map Panel #30031569D dated September 2, 2011, the subject property is partially within Zone X (an area of minimal flood hazard) and partially with the Floodway Zone AE (regulatory floodway). The subject portion of the FEMA Map panel is below.



Property uses in the Floodway are regulated by Gallatin County. Uses allowed without permits are; agricultural uses, accessory uses (loading or parking areas, or emergency landing strips associated with industrial-commercial facilities); private and public recreational uses; forestry uses; residential uses (lawns, gardens, parking areas, and play areas); irrigation and livestock supply wells; fences; and storage of recreational vehicles.

Uses requiring permits are; excavation of material from pits and pools; steam crossings; limited filling for transportation related embankments; buried or suspended utility transmission lines; storage of materials and equipment; domestic water supply wells; buried and sealed vaults for sewage disposal in recreational areas; public or private campgrounds and RV parks; structures accessory to the uses permitted; substantial improvements to any structure; and all other artificial obstructions, structural improvements or non-conforming uses not specifically listed in or prohibited by these regulations. Please see Flood Plain Regulation document for additional information.

The subject site is relatively level. The subject site includes 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 site. Should any of these conditions be present, the values concluded in this report may be affected.

UTILITIES

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

Lot #	Lessees	Septic Tank	Water Source	Water Right	Notes
1117	Robert L. Steinmann	Yes	Well	Yes (2)	Water Right # 42H-34852-00 & Water Right # 41H-34853-00

PUBLIC SAFETY AND SERVICES

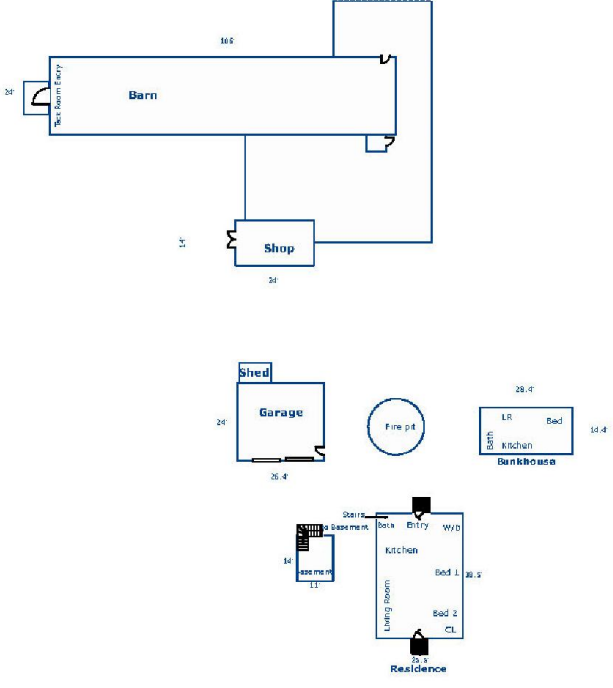
Police, fire protection, and other services are provided by Gallatin County and area volunteer emergency services.

SITE SUITABILITY

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

SUBJECT BUILDING SKETCHES & PHOTOGRAPHS

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO					
File No.: 20-077ecs		Parcel No.:			
Property Address: 3688 Amsterdam Rd.					
City: Manhattan	County:	State: MT	ZipCode: 59741		
Owner:					
Client: MT DNRC		Client Address:			
Appraiser Name:		Inspection Date:			
SKETCH					
 <p style="text-align: center;">3688 Amsterdam Road</p> <p style="text-align: right;">Sketch by Apex Sketch</p>					
AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	Barn	1.0	2544.0	260.0	2544.0
GLA1	First Floor	1.0	1024.1	130.2	1024.1
BSMT	Basement	1.0	154.0	50.0	154.0
GAR	Garage	1.0	633.6	100.8	633.6
OTH	Bunkhouse	1.0	409.0	85.6	
	Shop	1.0	336.0	76.0	
	Storage	1.0	30.0	22.0	775.0
P/P	Shed	1.0	60.0	32.0	
	Concrete Entry Pa	1.0	80.0	36.0	140.0
<div style="display: flex; justify-content: space-between;"> <div> <p>Net LIVABLE cnt 1 (rounded) 1,024</p> <p>Net BUILDING cnt 1 (rounded) 2,544</p> </div> <div style="width: 60%; border: 1px solid black; height: 100px;"></div> </div>					
COMMENT TABLE 1					
COMMENT TABLE 2			COMMENT TABLE 3		

SUBJECT PHOTOGRAPHS



Residence at 3688 Amsterdam Road



North Side of Residence



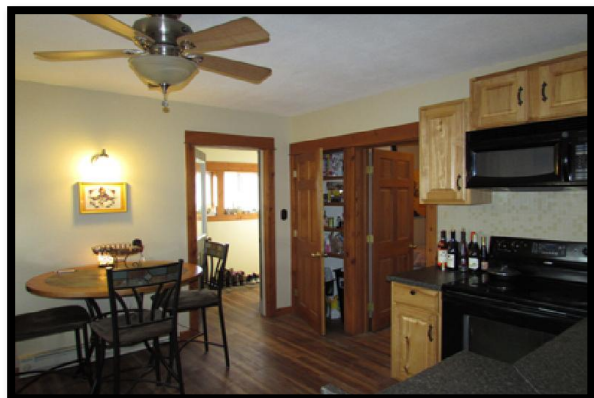
West and South Sides of Residence



South Side of Residence



Residence Living Room

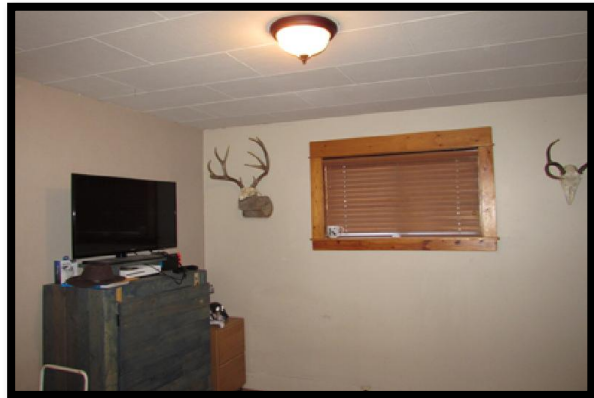


Kitchen and Dining Area

ADDITIONAL PHOTOGRAPHS



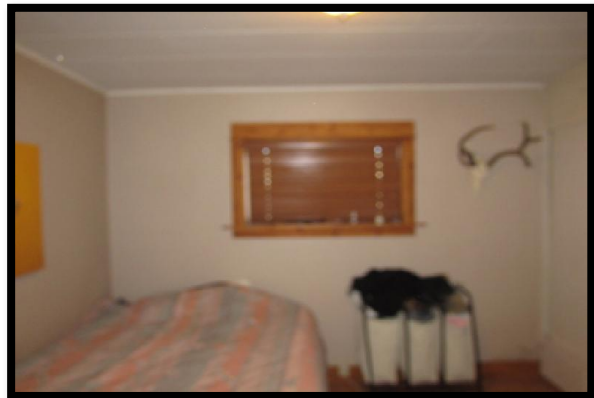
Living Room



Bedroom 1



Bedroom 1



Bedroom 2

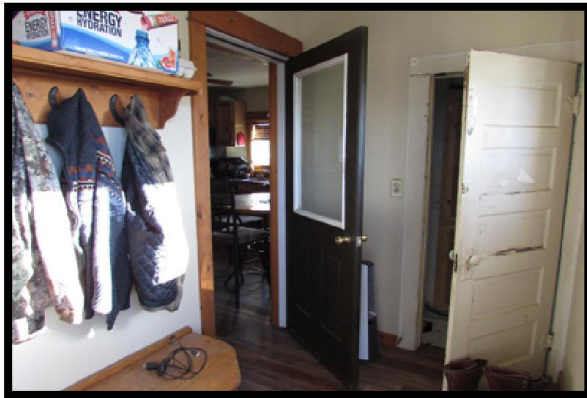


Bathroom



Laundry Room

ADDITIONAL PHOTOGRAPHS



Mud Room/Entry



Water Heater and Well Pressure Tank in Basement



Basement



Rear and North Side of Bunk House



Front and South Side of Bunk House



West Side of Bunk House

ADDITIONAL PHOTOGRAPHS



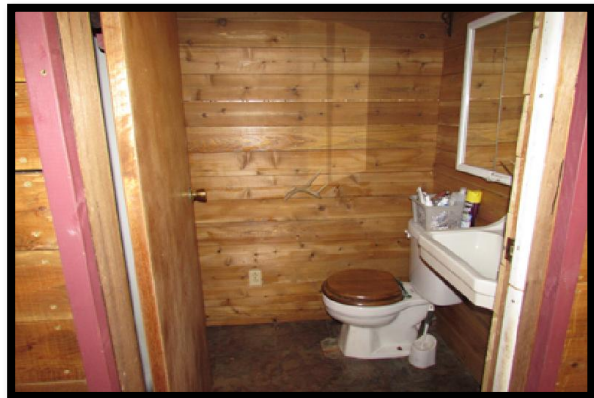
Bunk House Looking West



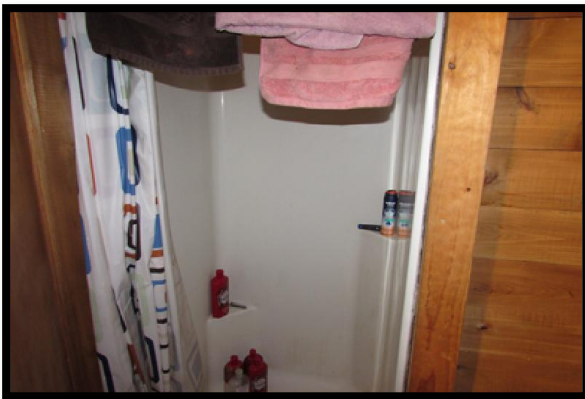
Bunk House Living Room



Bunk House Bedroom



Bunk House Bathroom



Bunk House Bathroom



Front of Shop Building

ADDITIONAL PHOTOGRAPHS



East and South Sides of Shop Building



View Looking Northwest from Shop Area



Shop Building Interior



Corral Looking Southwest



Barn/Stable Building



Barn/Stable Building

ADDITIONAL PHOTOGRAPHS



Barn/Stable Interior



Barn/Stable Interior



Barn/Stable Interior



Barn/Stable Interior



Barn/Stable Interior



Garage

ADDITIONAL PHOTOGRAPHS



Front and East Side of Garage



Entry on West Side of Garage



East and South Sides of Garage



Garage Interior



Garage Interior



View Looking East from Residence

ADDITIONAL PHOTOGRAPHS



View East from Subject Property Interior



Driveway Looking North



View North from West Portion of Property



View Looking Southeast from Residence



View Looking Southeast from Property Interior



View from Property Looking South

ADDITIONAL PHOTOGRAPHS



View South from West Portion of Property



View West from Property Interior



Neighboring Properties Looking North Across Amsterdam Rd.



Amsterdam Road Looking East



Amsterdam Road Looking West

SUBJECT MARKET ANALYSIS

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

Subject Productivity Analysis

General Property Description

The subject site totals 5.00 acres. The subject property does not include water frontage. The subject property is located in an unincorporated portion of Manhattan and in Gallatin County, Montana.

Area Land Use Trends

Manhattan is small, incorporated town in Gallatin County approximately 20 miles Northwest of Bozeman. The greater subject market area is considered to include Manhattan, Belgrade, and the Four Corners area of Bozeman. The immediate subject area is best categorized as rural/residential in nature.

The immediate subject area includes vacant and improved parcels generally ranging in size from approximately 2 to 30 acres. Most improvements are residential or agricultural in nature. Parcel sizes generally increase in size west of the subject area and generally decrease in size east of the subject area and closer to US Interstate 90.

Potential Users of Subject Property

The potential users of the subject properties would be market participants seeking to own a rural/residential property in the immediate or greater subject market areas of Manhattan, Belgrade, and Four Corners.

Demand Analysis

Analysis of historical activity (also known as Inferred Demand Analysis) can shed light on future demand.

Vacant Home Sites

We conducted a search of the area Multiple Listing Service (MLS) for sales and listings of vacant residential parcels, located south of US Interstate 90 (in Manhattan, Belgrade, and the Four Corners area of Bozeman) and ranging in size from 2.0 to 10.0 acres.

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 on the table on the following page.

SALES HISTORY OF VACANT LAND (2-10 ACRES) IN MANHATTAN (S OF I-90), BELGRADE (S OF I-90) AND FOUR CORNERS (NW BOZEMAN)							
Rolling Year ***	Volume	Average DOM	Average Price/Acre	% Change	Average Size	Average Sale to List	REO / Short Sales
2011	0						
2012	8	373	\$33,343	N/A	5.09	88%	
2013	11	213	\$51,817	55.40%	4.08	94%	
2014	12	87	\$52,424	1.17%	4.95	96%	
2015	16	179	\$52,918	0.94%	4.15	95%	
2016	15	358	\$61,281	15.80%	3.61	96%	
2017	17	300	\$77,782	26.93%	4.28	93%	
2018	12	662	\$75,150	-3.38%	4.23	95%	
2019	8	262	\$74,821	-0.44%	4.46	93%	
2020	25	72	\$86,702	15.88%	3.66	98%	
10-Year Average	12	278	\$62,915		4.28	94%	
Pending Sales	6	6	\$78,460	-9.51%	5.21		
Active Listings	8	80	\$100,483	15.89%	3.31		
Source: Big Sky Country MLS							
*** Rolling Years Ending December 8							
Criteria: 2010.12.09-2020.12.08, Vacant Land, 2-10 Acres, Manhattan, Belgrade & Four Corners (NW Bozeman)							

This data indicates that the average sales prices per acre have increased since 2011. It is important to note that sales prices per acre vary based upon a number of variables which includes parcel size.

Residential Improved Properties

We conducted a search of the area MLS for sales and listings of improved residential properties, located south of US Interstate 90 (in Manhattan, Belgrade, and the Four Corners area of Bozeman) and on sites ranging in size from 2.0 to 10.0 acres.

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 on the table on the following page.

SALES HISTORY OF SINGLE-FAMILY HOMES ON 2-10 ACRES IN MANHATTAN (S OF I-90), BELGRADE (S OF I-90) AND FOUR CORNERS (NW BOZEMAN)							
Rolling Year ***	Volume	Average DOM	Average Price/SF	% Change	Average Size	Average Sale to List	REO / Short Sales
2011	13	134	\$120		3,716	88%	1
2012	12	196	\$124	3.35%	2,974	96%	4
2013	14	189	\$170	36.99%	2,849	95%	3
2014	17	113	\$177	3.96%	2,777	94%	2
2015	15	154	\$184	4.44%	3,836	94%	
2016	13	77	\$198	7.24%	3,142	95%	
2017	16	216	\$213	7.81%	3,441	96%	
2018	15	69	\$221	3.72%	2,724	97%	1
2019	17	51	\$257	16.06%	2,982	98%	
2020	30	116	\$275	7.20%	2,906	97%	
10-Year Average	16	132	\$194		3,135	95%	
Pending Sales	11	44	\$277	0.49%	3,305		
Active Listings	0						
Source: Big Sky Country MLS							
*** Rolling Years Ending December 8							
Criteria: 2010.12.09-2020.12.08, Single-Family, 2-10 Acres, Manhattan, Belgrade & Four Corners (NW Bozeman)							

This data indicates that the average home prices per square foot have increased steadily each year since 2011. It is important to note that sales prices per square foot vary based upon a number of variables including site size, home size, quality, condition, and outbuildings.

Competitive Supply

Vacant Home Sites

There 8 active listings of home sites ranging in size from 2.0 to 10.0 acres. The average list price for these listings was \$100,483 per acre.

Residential Improved Properties

There were no active listings of homes on sites ranging in size in 2.0 to 10.0 acres in the greater subject area as of the report effective date.

Interaction of Supply and Demand

Vacant Home Sites

Based upon the sales that have closed in 2020 Year-to-Date, there is an approximately 4 month supply of sites ranging in size from 2.0 to 10.0 acres in the greater subject market area. Supply and demand are in relative balance; however, the average list price is approximately 16% higher than

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

Residential Improved Properties

There were 30 home sales during 2020 Year-to-Date in the search parameters identified and there are no active listings. Based upon the sales volume in 2020 Year-to-Date, Demand far exceeds supply.

Subject Marketability Conclusion

Vacant Home Sites

The subject site (as if vacant) is considered to compare well with other sites in the size range in the immediate and greater subject market areas. Overall, the marketability of the subject site is considered to be good.

Residential Improved Properties

The subject property as improved is considered to have similar marketability compared to homes in the immediate and greater subject market area on similar sized sites and with similar home sizes of similar quality and condition. Overall, the marketability of the subject property as improved is considered to be average.

Market Impacts Due to COVID-19

Based upon analysis of market data relative to the subject property, there was no discernable negative impact on the marketability of the subject property due to COVID-19 as of the report effective date.

Estimated Marketing and Exposure Times

The average days on market for sales of vacant sites averaged 262 days in 2019 and 72 in 2020 Year-to-Date. Based upon this data and analysis of the current supply of active listings, a **marketing time** between 3 to 6 months is appropriate for the subject site as if vacant. If the subject site had sold as if vacant on the effective date of this report, at the appraised value concluded, a 3 to 6 month **exposure time** would have been reasonable.

The 17 homes sales in the greater subject market area that closed in 2019 were marketed for an average of 51 days. The 30 home sales in the greater subject market area that closed in 2020 Year-to-Date were marketed for 116 days. A **marketing time** between 3 to 6 months is 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 3 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 Gallatin County that is not zoned. Since there is no zoning in the subject area, there are many legally permissible uses for the subject site as if vacant.

Physically Possible

There is sufficient space on the subject site for a single family residence and related outbuildings. There is also sufficient space on the site for other types of uses.

Financially Feasible

Most similar sites in the area are improved with single family residences. Based upon surrounding uses, commercial use of the subject property is not considered financially feasible. Use of the subject site for construction of a single family residence is financially feasible.

Maximally Productive

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

Highest and Best Use Conclusion

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

AS IMPROVED

The subject site includes a single family residence and outbuildings. There is market acceptance of improvements like those on the subject site in the immediate subject area. 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 opinions 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 omission of these two approaches does not affect the credibility of the value concluded. The Sales Comparison Approach is developed to determine the values of subject property as improved.

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

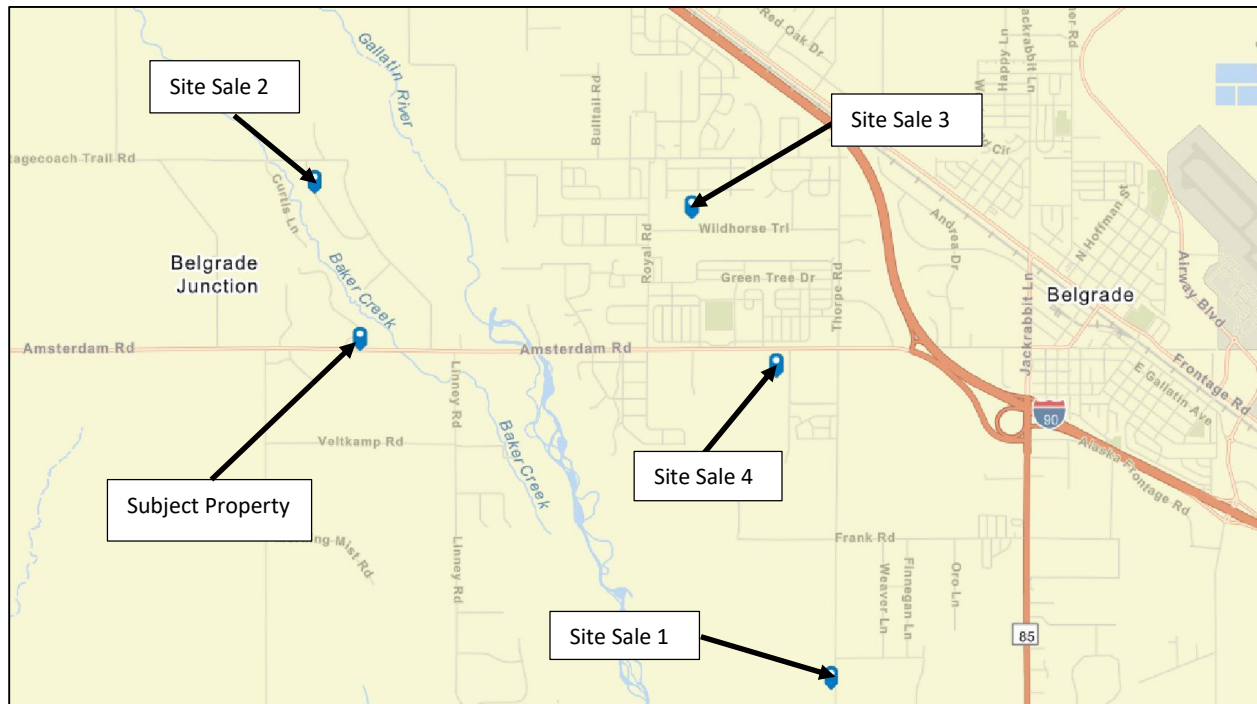
VACANT SITE SALES

We conducted a search for sales of vacant home sites similar to the subject site in the subject market area. We located 4 sales that were reasonable comparables for the subject site as if vacant. Based upon our analysis, the appropriate unit of comparison is price per acre. The comparables selected are described on the table below;

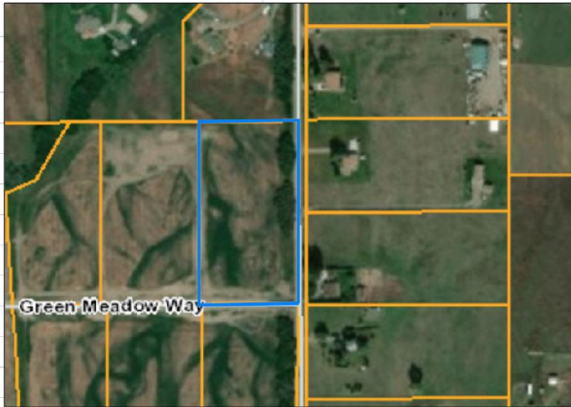
Land Sales Summary						
Land Sale #	Address	City	Acres	Sale Date	Sales Price	Price/Acre
1	TBD Green Meadow	Belgrade	5.000	2020	\$269,000	\$53,800
2	3332 Baker Ln	Manahttan	5.003	2020	\$275,000	\$54,967
3	63 Wildhorse Trail	Belgrade	3.810	2020	\$213,000	\$55,906
4	76 & 80 Pony Dr	Belgrade	4.100	2019	\$214,500	\$52,317

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;

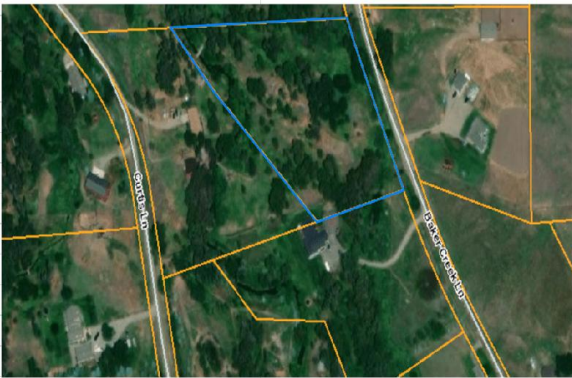
Map of Comparable Site Sales



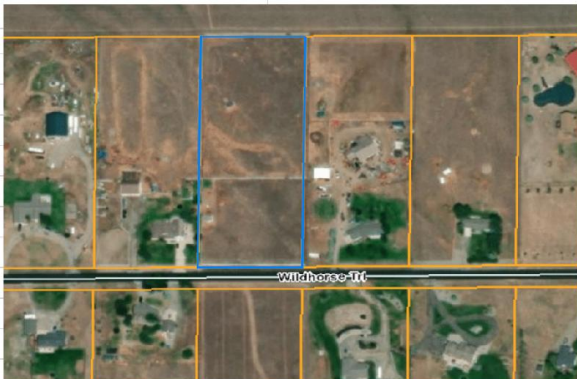
LAND SALE 1

COMPARABLE SALE INFORMATION			
	Location		TBD Green Meadow Way
	City/State		Bozeman, Montana
	County		Gallatin
	Assessor Number		00RFF70713
	Zoning		No Zoning
	Site Size: Acres		5.000
	Square Feet		217,800
	Date of Sale		September 10, 2020
	Sales Price		\$269,000
	Less Value of Improvements*		\$0
	Sales Price Adjusted		\$269,000
	MLS #		344588
ANALYSIS OF SALE			
Price per Acre	\$53,800	Price per Square Foot	\$1.24
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Jack L. Catron	Grantee	Clint S. Young, Heidi J. Young, Sheldon Young, and Robyn Young
Type of Instrument	Warranty Deed	Document #	2699304
Financing/Conditions	Conventional/Market	Marketing Time Verified By	102 Days on Market Jack Catron, Listing Agent & Grantor
Legal Description	Lot 4, Green Meadows Subdivision, Reference Plat J-626, Gallatin County, Montana	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S15/T01S/R04E		
PROPERTY DETAILS			
Access	Access via County Road & Subdivison Road	View	Farm Land, Meadow, Southern Exposure
Topography	Level	Lot Dimensions	342' X 638' (Approximate)
Flood Plain	According to Flood Map #30031C0780D, the parcel is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Electricity to Lot, Fiber Optic, Natural Gas to Lot, Telephone to Lot	Miscellaneous	This property includes subdivision covenants that limit property use to rural residential purposes and prohibits further subdivision.
Report File # 20-077ec			

LAND SALE 2

COMPARABLE SALE INFORMATION			
	Location		3332 Baker Creek Lane
	City/State		Manhattan, Montana
	County		Gallatin
	Assessor Number		00RFF43266
	Zoning		Rural, Residential
	Site Size: Acres		5.003
	Square Feet		217,931
	Date of Sale		January 21, 2020
	Sales Price		\$275,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$275,000
	MLS #		340817
ANALYSIS OF SALE			
Price per Acre	\$54,967	Price per Square Foot	\$1.26
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Robert Dixon	Grantee	Robert Charlton & Alison Charlton
Type of Instrument	Warranty Deed	Document #	2670789
		Marketing Time	7 Days on Market
Financing/Conditions	Cash/Market	Verified By	Carissa Paulson, Listing Agent
Legal Description	Baker Creek Meadows Amnd, Block 1, Lot 6B, Plot I-9-N, Gallatin County, Montana	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S05/T01S/R04E		
PROPERTY DETAILS			
Access	County Road	View	Creek & Similar Properties
Topography	Level, Sloped	Lot Dimensions	Various
Flood Plain	According to Flood Map #300031C0567D, a small portion of the parcel along Baker Creek is located in Floodway Zone AE and the remainder is in an area of low flood risk.	Improvements	None
Feet of Water Frontage	Baker Creek Frontage (Amount not Known)	Value of Improvements	\$0
Utilities	Electricity to Lot, Natural Gas to Lot	Miscellaneous	This property includes subdivision covenants that limit property use to rural residential and agricultural residential purposes.
Report File # 20-077ec			

LAND SALE 3

COMPARABLE SALE INFORMATION			
	Location		63 Wildhorse Trail
	City/State		Belgrade, Montana
	County		Gallatin
	Assessor Number		00RFF34424
	Zoning		No Zoning
	Site Size: Acres		3.810
	Square Feet		165,964
	Date of Sale		August 17, 2020
	Sales Price		\$213,000
	Less Cost of Improvements*		\$0
	Sales Price Adjusted		\$213,000
	MLS #		341523
ANALYSIS OF SALE			
Price per Acre	\$55,906	Price per Square Foot	\$1.28
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Katherine K. Lehman	Grantee	Cheryl Brianne Morgan & William John Morgan
Type of Instrument	Warranty Deed	Document #	2695379
		Marketing Time	130 Days on Market
Financing/Conditions	Cash/Market	Verified By	Nicole Blount, Listing Agent
Legal Description	Lot 5 of Minor Subdivision 165, Gallatin County, Montana	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S03/T01S/R04E		
PROPERTY DETAILS			
Access	Subdivision Road	View	Mountains
Topography	Level	Lot Dimensions	260' X 239' (Approximate)
Flood Plain	According to Flood Map #30031C0586D, the parcel is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Private Well	Miscellaneous	This property includes subdivision covenants that list limitations on dimensions of potential improvements. Most notably, the covenant states that only one single family dwelling can be built on the property.
Report File # 20-077ec			

LAND SALE 4

COMPARABLE SALE INFORMATION			
	Location		76 & 80 Pony Drive
	City/State		Belgrade, Montana
	County		Gallatin
	Assessor Number		00RFF81224
	Zoning		No Zoning
	Site Size: Acres		4.100
	Square Feet		178,596
	Date of Sale		May 24, 2019
	Sales Price		\$214,500
	Less Cost of Improvements*		\$0
Sales Price Adjusted		\$214,500	
MLS #		305566	
ANALYSIS OF SALE			
Price per Acre	\$52,317	Price per Square Foot	\$1.20
		Price Per Front Foot	N/A
TRANSFER INFORMATION			
Grantor	Pony Properties, LLC	Grantee	Dane Cotten & Andrea Cotten
Type of Instrument	Warranty Deed	Document #	2645669
		Marketing Time	584 Days on Market
Financing/Conditions	Cash/Market	Verified By	Evan McCaw, Listing Agent
Legal Description	Lot 2 of the Final Plat of Pony Properties Minor Subdivision 116D, Gallatin County, Montana	Intended Use/Comments	Purchased for Residential Use
Section/Township/Range	S10/T01S/R04E		
PROPERTY DETAILS			
Access	Counry Road	View	Farm Land, Mountains
Topography	Level	Lot Dimensions	Various
Flood Plain	According to Flood Map #30031C0590D, the parcel is not located in an area of elevated flood risk.	Improvements	None
Feet of Water Frontage	N/A	Value of Improvements	\$0
Utilities	Natural Gas Available in Area	Miscellaneous	This property includes subdivision covenants that state that future improvements must be approved by the Architectural Committee.
Report File # 20-077ec			

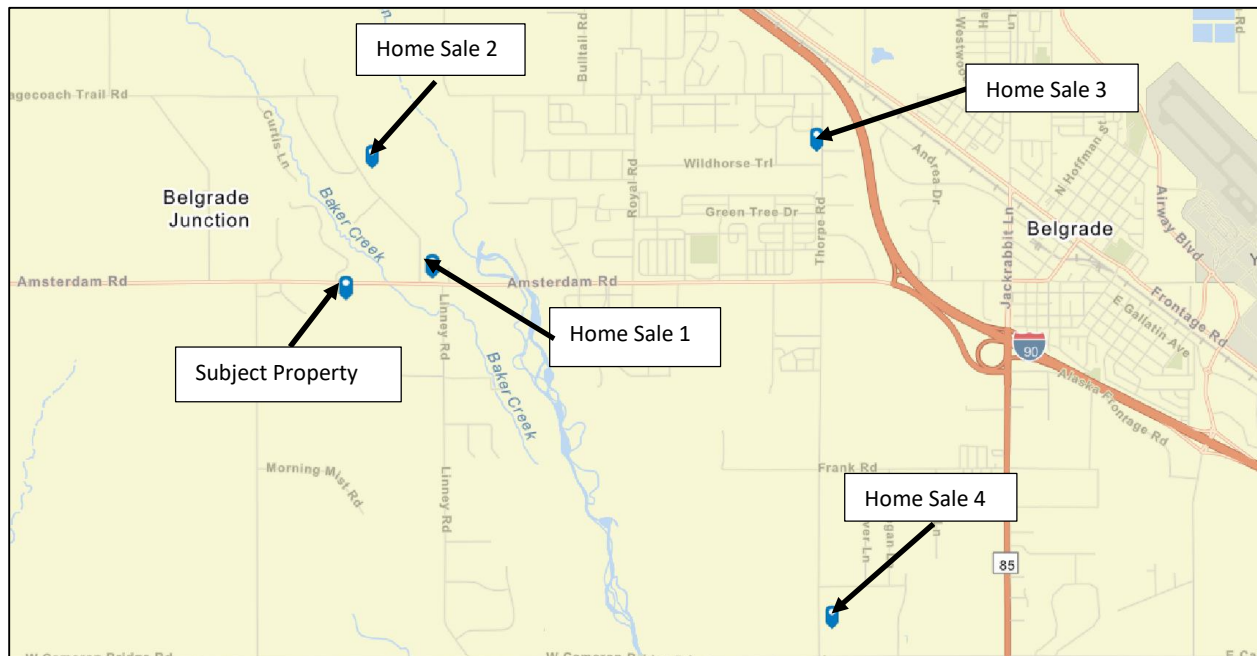
HOME SALES

We conducted a search for sales of homes in the subject market area similar to the subject property as improved. 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 Summary						
Home Sale #	Address	City	Sale Date	Sales Price	Less Contributory Site Value	Sale Price of Improvements
1	3201 Amsterdam Rd	Belgrad	2020	\$498,000	\$275,000	\$223,000
2	2167 Stagecoach Trail Rd	Manhattan	2020	\$549,000	\$275,000	\$274,000
3	7550 Thorpe Rd	Belgrade	2019	\$505,000	\$275,000	\$230,000
4	4745 Thorpe Rd	Belgrade	2019	\$450,000	\$210,000	\$240,000

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

[illegible]

HOME SALE 2

[illegible]

HOME SALE 3

[illegible]

HOME SALE 4

COMPARABLE SALE INFORMATION			
	Location		4745 Thorpe Road
	City/State		Belgrade, MT
	County		Gallatin
	Assessor Number		00RFF41134
	Zoning		No Zoning
	Site Size: Acres		3.590
	Square Feet		156,380
	Date of Sale		September 19, 2019
	Sales Price		\$450,000
	Adjustment to Sales Price		\$0
	Adjusted Sales Price		\$450,000
	MLS #		335622
TRANSFER INFORMATION			
Grantor		Shane R. Forsythe & Erin C. Hafla	
Grantee		Christopher J. Campanella & Colleen A. Campanella	
Recording Data		Warranty Deed #2658359	
Marketing Time		18 Days on Market	
Financing/Conditions		Conventional/Market	
Verified By		Andrew Hulburt, Listing Agent	
Legal Description		Lot 21 of the Plat of Wildhorse Trail Properties Subdivision, Gallatin County, Montana	
Intended Use		Residential	
Section/Township/Range		S03/T01S/R04E	
DESCRIPTION OF IMPROVEMENTS		ANALYSIS OF SALE	
Water Frontage		N/A	
Access		Paved, County Road	
House Square Feet		1,268	
Bedroom/Bathrooms		3BR/2BA	
Year Built or Renovated		1999	
Sales Price		\$450,000	
Basement		No Basement	
Estimated Site Value		\$210,000	
Construction		Wood Frame	
Quality		Average	
Condition		Good	
Water/Sewer		Private Well/Septic	
Utilities		Natural Gas	
Topography		Level	
Garage		2 Car Garage	
Outbuildings		Attached Garage, Barn, & Shed	
Improvement Price/SF		\$189	
Miscellaneous			
		</	

PROPERTY VALUATION

SITE VALUE ANALYSIS

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					
3688 AMSTERDAM ROAD, MANHATTAN, MONTANA					
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
IDENTIFICATION	3688 Amsterdam Rd	TBD Green Meadow	3332 Baker Ln	63 Wildhorse Trail	76 & 80 Pony Dr
CITY	Manhattan, MT	Belgrade, MT	Manhattan, MT	Belgrade, MT	Belgrade, MT
SALES PRICE		\$269,000	\$275,000	\$213,000	\$214,500
ADJUSTMENT FOR IMPROVEMENTS		\$0	\$0	-\$10,000	\$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		09/09/20	01/21/20	08/17/20	05/24/19
MARKET CONDITIONS FACTOR		1.00	1.02	1.01	1.03
ADJUSTED PRICE		\$270,327	\$279,852	\$204,257	\$221,129
SITE SIZE/ACRES	5.000	5.000	5.003	3.810	4.100
ADJUSTED SALES PRICE		\$270,327	\$279,852	\$204,257	\$221,129
ADJUSTED SALES PRICE/ACRE		\$54,065	\$55,937	\$53,611	\$53,934
ADJUSTMENT FOR:					
LOCATION	Manhattan	Belgrade	Manhattan	Belgrade	Belgrade
		Equal =	Equal =	Equal =	Equal =
WATER FRONTAGE	None	None	Baker Creek	None	None
		Equal =	Superior -	Equal =	Equal =
ADJACENT TO PUBLIC LAND	Yes	No	No	No	No
		Inferior +	Inferior +	Inferior +	Inferior +
SHAPE	Irregular	Irregular	Irregular	Rectangular	Irregular
		Equal =	Equal =	Equal =	Equal =
TOPOGRAPHY	Level	Level	Generally Level	Level	Level
		Equal =	Equal =	Equal =	Equal =
FLOOD ZONE	Portion in Floodway AE	None	Portion in Floodway AE	None	None
		Superior -	Equal =	Superior -	Superior -
FRONTAGE/ACCESS	County Highway	Subdivision Road	County Road	Subdivision Road	County Road
		Equal =	Equal =	Equal =	Equal =
ZONING	Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
		Equal =	Equal =	Equal =	Equal =
EASEMENTS AFFECTING USE	Yes	Yes	Yes	Yes	Yes
		Equal =	Equal =	Equal =	Equal =
ELECTRICITY/TELEPHONE	Available	Available	Available	Available	Available
		Equal =	Equal =	Equal =	Equal =
SITE SIZE/ACRES	5.000	5.000	5.003	3.810	4.100
		Equal =	Equal =	Equal =	Equal =
OVERALL RATING COMPARED TO SUBJECT		Equal =	Equal =	Equal =	Equal =
VALUE INDICATIONS PER ACRE		= \$54,065	= \$55,937	= \$53,611	= \$53,934

Discussion of Quantitative Adjustments

Adjustment for List Price: The comparables were closed as of the report effective date and no adjustment was necessary in this category.

Adjustment for Improvements: No improvements transferred with Sales 1, 2, or 4. These comparables required no adjustments were necessary in this category. Land Sale 3 included a well. A downward adjustment for the estimated contributory value of this improvement was made to this comparable 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; however, based upon available data, the average annual sales prices for similar vacant sites increased during 2020 and 2019.

We have made upward adjustments that equate to approximately 2.0% per year (comparison of the sale date to the report effective date) to the comparables in this category. This adjustment percentage is based upon changes in CPI-U All Urban Consumers (US Cities Average, All Items) during the 10 years prior to the report effective date (2010 through 2019). The average annual rate of change for the period was 1.8% per year. We have rounded this upward to 2.0%. A table with the historical changes in CPI-U is included in the Addendum of this report.

Changes in Market Conditions is also addressed in the Reconciliation portion of this section of this report.

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 comparables are located in the same market area. Overall, the comparables are identified as Equal = compared to the subject in this category.

Water Frontage: The subject site and Land Sales 1, 3, and 4 do not include water frontage. These comparables are identified as Equal = compared to the subject in this category. Land Sale 2 includes frontage along Baker Creek along the West side boundary. This sale is identified as Superior – compared to the subject in this category.

Adjacent to Public Land: The subject property is adjacent to land owned by the State of Montana. This land is available for recreation for state residents with a permit. This land provides a buffer around the adjacent portions for the subject property. The comparables are not adjacent to public land and do not have similar buffers. The comparables are identified as Inferior + compared to the subject in this category.

Shape: The subject and comparables have shapes suitable for residential improvements and are identified as 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 site includes portions within the Floodway and AE flood zone. Property development within the Floodway is regulated by Gallatin County. Location within the Floodway includes additional limitations not associated with properties outside of the Floodway. Land Sale 2 includes a portion within the Floodway and AE flood zone. This sale is identified as Equal = compared to the subject in this category. The remaining comparables comparables are not within the Floodway or flood zones. The remaining comparables are identified as Superior - 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: Easements and use restrictions for the subject site and comparables are on the table below.

	Subject Property	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4
Easements or Use Restrictions	Approximately 80' wide MDT Right-of-Way easement along subject road frontage.	Portions of Thorpe Road (45') and Green Meadow Way (60') within property east and south side boundaries and 20' wide utility easement within east and south side boundaries. Subdivision covenants restricting use to residential.	Utility easement (20' wide) within east side boundary. Subdivision covenants restricting use to residential.	Utility easements within all four lot boundaries ranging from 10' to 20' wide. Subdivision covenants restricting use to residential.	Utility easements within all four lot boundaries - 20' wide. Subdivision covenants restricting use to residential.

Overall, the easements and use restrictions associated with the subject site and 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 5.000 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. Even though no adjustment was made, size differences are addressed in the Reconciliation portion of this section of this report.

Reconciliation of Sales Comparison Approach for Subject Property As If Vacant

The adjusted indications of the comparables range from Equal to \$53,661 per acre to \$55,973 per acre. Most weight is accorded Land Sale 1 as this sale is most similar in size compared to the subject site and it is the most recent sale. All weight is accorded the adjusted indication from Land Sale 1. The rounded average of the indication from this sale or \$54,100 per acre is well supported by the available market data and is a credible market value for the subject site as if vacant. The value calculations for the subject site as if vacant are below.

\$54,100/Acre @5.000 Acres	\$270,500
Site Value as Vacant	\$270,500

IMPROVEMENT VALUE ANALYSIS

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

SALES COMPARISON ANALYSIS - AS IMPROVED 3688 AMSTERDAM ROAD, MANAHATTAN, MONTANA					
DESCRIPTION	SUBJECT	IMPROVED SALE 1	IMPROVED SALE 2	IMPROVED SALE 3	IMPROVED SALE 4
IDENTIFICATION	3688 Amsterdam Rd	3201 Amsterdam Rd	2167 Stagecoach Trail Rd	7550 Thorpe Rd	4745 Thorpe Rd
LOCATION	Manhattan, MT	Belgrade, MT	Manhattan, MT	Belgrade, MT	Belgrade, MT
SALES PRICE		\$498,000	\$549,000	\$505,000	\$450,000
LIST ADJUSTMENT		\$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		01/23/20	01/06/20	10/17/19	09/19/19
MARKET CONDITIONS FACTOR		1.01	1.01	1.01	1.02
ADJUSTED PRICE		\$502,721	\$554,716	\$512,499	\$457,373
LESS SITE VALUE		(\$275,000)	(\$275,000)	(\$275,000)	(\$210,000)
ADJUSTED IMPROVEMENT PRICE		\$227,721	\$279,716	\$237,499	\$247,373
ADJUSTMENT FOR:					
LOCATION/SITE	Interior Site	Interior Site	Interior Site	Interior Site	Interior Site
		\$0	\$0	\$0	\$0
QUALITY	Average	Average	Average	Average	Average
		\$0	\$0	\$0	\$0
CONDITION	Average	Good	Good	Good	Good
		-\$22,772	-\$27,972	-\$23,750	-\$24,737
BATHROOMS	1.00	2	1	2	2
		-\$10,000	\$0	-\$10,000	-\$10,000
HOUSE SIZE/SF	1,024	1,430	1,511	1,668	1,268
		-\$36,540	-\$43,830	-\$57,960	-\$21,960
FINISHED BASEMENT SIZE/SF	0	0	0	0	0
		\$0	\$0	\$0	\$0
OUTBUILDINGS	Bunk House, Garage, Barn, & Shop	Inferior	Equal	Inferior	Inferior
		\$53,600	\$0	\$21,500	\$17,300
NET ADJUSTMENT		-\$15,712	-\$71,802	-\$70,210	-\$39,397
NET ADJUSTMENT PERCENTAGE		-7%	-26%	-30%	-16%
GROSS ADJUSTMENT PERCENTAGE		54%	26%	48%	30%
ADJUSTED PRICE INDICATION		\$212,009	\$207,914	\$167,289	\$207,975

Discussion of Adjustments

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

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

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

Conditions of Sale: The conditions of sale for the comparables were reflective of market. 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; however, based upon available data, the average annual sales prices for similar improved properties increased during 2020.

We have made upward adjustments that equate to approximately 2.0% per year (comparison of the sale date to the report effective date) to the comparables in this category. This adjustment percentage is based upon changes in CPI-U All Urban Consumers (US Cities Average, All Items) during the 10 years prior to the report effective date (2010 through 2019). The average annual rate of change for the period was 1.8% per year. We have rounded this upward to 2.0%. A table with the historical changes in CPI-U is included in the Addendum of this report.

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 the same as those utilized to determine the value of the subject property as if vacant.

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 is considered to be in Average condition. The comparables were all considered to be Good condition. Condition ratings are based upon home age and updates completed. Downward adjustments of 10% were made to the comparables 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 full bathroom. The comparables either have 1 full bathroom or 2 full bathrooms. Downward adjustments were made of \$10,000 per difference in full bathroom to each sale as appropriate. The adjustment amount is considered to reflect the actions of market participants with regard to an additional full bathrooms.

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 comparables do not include finished basements. No adjustments were necessary in this category.

Outbuildings: Adjustments were made for any differences between our estimates of the contributory values of the outbuildings for the comparables compared to the subject property. The contributory values of the subject outbuildings were estimated based upon depreciated costs calculated on the table below.

Building Description	Size/SF	Marshall Valuation	Cost/SF	Total Cost New
Bunk House	409	Section 12/Page 29	\$84.50	\$34,561
Barn	2,544	Section 17/Page 30	\$25.25	\$64,236
Garage	634	Section 12/Page 35	\$32.00	\$20,288
Shop	336	Section 17/Page 13	\$25.25	\$8,484
Shed	60	Section 17/Page 12	\$13.75	\$825
Total Cost New				\$128,394
Less Depreciation - Age/Life - 15/30 Years = 50%				<u>-\$64,197</u>
Depreciated Cost Estimate				\$64,197
Rounded To				\$64,000

Reconciliation of Sales Comparison Approach for Subject Improvements

The comparables provided adjusted indications of market value for the subject improvements of \$212,009, \$207,914, \$167,289, and \$207,975. Improved Sales 2 and 4 required the lowest gross adjustment percentages. Approximately equal weight is accorded the adjusted indications from these two comparables. A market value of \$207,900 (the rounded average of the indications from these two sales) is reasonable and well supported for the subject improvements.

Improvement Value **\$207,900**

TOTAL VALUE CONCLUSION

The total value conclusions are derived by adding the subject site value to the value concluded for the subject improvements. The calculations are below;

Subject Site Value	\$270,500
Subject Improvements Value	<u>\$207,900</u>
Total Value Indication	\$478,400

RECAPITULATION OF VALUE INDICATIONS

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

Sale #	Site Value	Value of Improvements	Total Value	Effective Date of Market Values
1117	\$270,500	\$207,900	\$478,400	12/8/2020

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

QUALIFICATIONS OF THE APPRAISER

SANDRA S. KENNEDY, MAI

PROFESSIONAL DESIGNATIONS

MAI Designated Member of the Appraisal Institute - 2016

STATE LICENSES/CERTIFICATIONS

Montana Certified General Real Estate Appraiser REA-RAG-LIC-758

FORMAL EDUCATION

University of Montana Western, Dillon, MT, Bachelor of Science in Business, Magna Cum Laude - 1988

REAL ESTATE APPRAISAL EDUCATION

Appraisal Institute

Course 110 – Appraisal Principles, 2004

Course 120 – Appraisal Procedures, 2004

Course 410 – 15- Hour National USPAP Course, 2004

Course 203R- Residential Report Writing & Case Studies, 2006

Course - National Uniform Standards of Professional Appraisal Practice Update V.06, 2006

Course 320 – Basic Income Capitalization, 2006

Course 540 – Report Writing and Valuation, 2007

Course 510 – Advanced Income Capitalization, 2007

Course - National Uniform Standards of Professional Appraisal Practice Update, 2008-2010

Course N400G - General Appraiser Market Analysis and Highest and Best Use, 2009

Course 420 – Online Business Practices & Ethics-2009

Course - National Uniform Standards of Professional Appraisal Practice Update, 2010-2012

Course 503GD-Advanced Concepts & Case Studies, 2011

Course - National Uniform Standards of Professional Appraisal Practice Update, 2012-2014

Course – Comprehensive Review of Appraisal Concepts, 2013

Comprehensive Exams Passed: Modules I, II, III and IV, 2013

Course - National Uniform Standards of Professional Appraisal Practice Update, 2014-2016

Course – Litigation Appraising: Specialized Topics and Applications, 2015

Course - National Uniform Standards of Professional Appraisal Practice Update, 2016-2018

Course – Applications and Interpretations of Simple Linear Regression, 2016

Course – Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications, 2017

Course - National Uniform Standards of Professional Appraisal Practice Update, 2018-2020

Course – Business Practices & Ethics, 2018

Course – Condemnation Appraising: Principles & Applications, 2019

Course – The Appraiser as an Expert Witness: Preparation & Testimony, 2019

Course – National Uniform Standards of Professional Appraisal Practice Update, 2020-2021

WORK EXPERIENCE

2014 – Present Kennedy Real Estate Appraisal, Inc. – President & Montana Certified General Appraiser

2008 – 2014 Clark Real Estate Appraisal, Inc. – Montana Certified General Appraiser


2004 – 2008 Clark Real Estate Appraisal, Inc. – Real Estate Appraiser Trainee

2002 – 2004 Carroll College – Director of Planned Giving

1994 – 2002 Carroll College – Director of Development

1990 – 1992 Western Washington University – Director of Annual Giving

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**



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State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-758

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

SANDRA S KENNEDY
PO BOX 11956
BOZEMAN, MT 597191956

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER

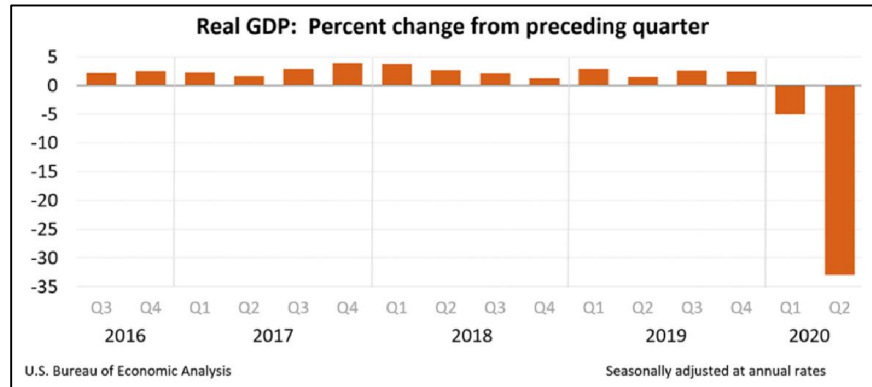


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ADDENDUM

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 32.9% in the second quarter of 2020 after decreasing 5.0% in the first quarter of 2020. According to the BEA, “the decline in the second quarter GDP reflected the response to COVID-19, as “stay at home” orders issued in March and April were partially lifted in some areas of the country in May and June, and government pandemic assistance payments were distributed to household and businesses. This led to rapid shifts in activity, as



businesses and schools continued remote work and consumers and businesses cancelled, restricted, or redirected their spending. The full economic effects of the COVID-10 pandemic cannot be quantified in the GDP estimate for the second 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 44th most populous state in the US. As of 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 forecasts using US Census data, the 2020 population of Montana was estimated to be 1,096,002. This estimate shows a 10.8% 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 2020 the median household income in Montana was estimated at \$54,754 and is projected to increase to \$58,261 (an increase of about 10.1%) by 2025. This compares to the United States, which has an estimated median household income of \$62,203 as of 2020 and is projected to increase to \$67,325 (an increase of about 8.2%) by 2025.

The following tables summarize unemployment rates in Montana over the past 10 years.

State of Montana					
Year	Month	Labor Force	Employment	Unemployment	Unemployment Rate
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 September)	533,924	500,644	33,281	6.3%
2020	September	533,615	508,948	24,667	4.6%
				Average	5.1%

Source: United States Department of Labor, Bureau of Labor Statistics

State of Montana - 2020 YTD Data					
Year	Month	Labor Force	Employment	Unemployment	Unemployment Rate
2020	January	534,089	510,463	23,626	4.4%
2020	February	535,223	512,749	22,474	4.2%
2020	March	535,146	512,504	22,642	4.2%
2020	April	518,037	456,449	61,588	11.9%
2020	May	523,912	479,325	44,587	8.5%
2020	June	541,884	503,665	38,219	7.1%
2020	July	543,757	510,883	32,874	6.0%
2020	August	539,657	510,808	28,849	5.3%
2020	September	533,615	508,948	24,667	4.6%

Source: United States Department of Labor, Bureau of Labor Statistics

The annual average unemployment rate decreased every year since 2010. However, likely due in large part to the coronavirus pandemic (which began in March 2020), the unemployment rate in Montana spiked to 11.9% in April. This rate has trended down over the past several months to the rate of 4.6% as of September 2020.

COVID-19 Update for State of Montana

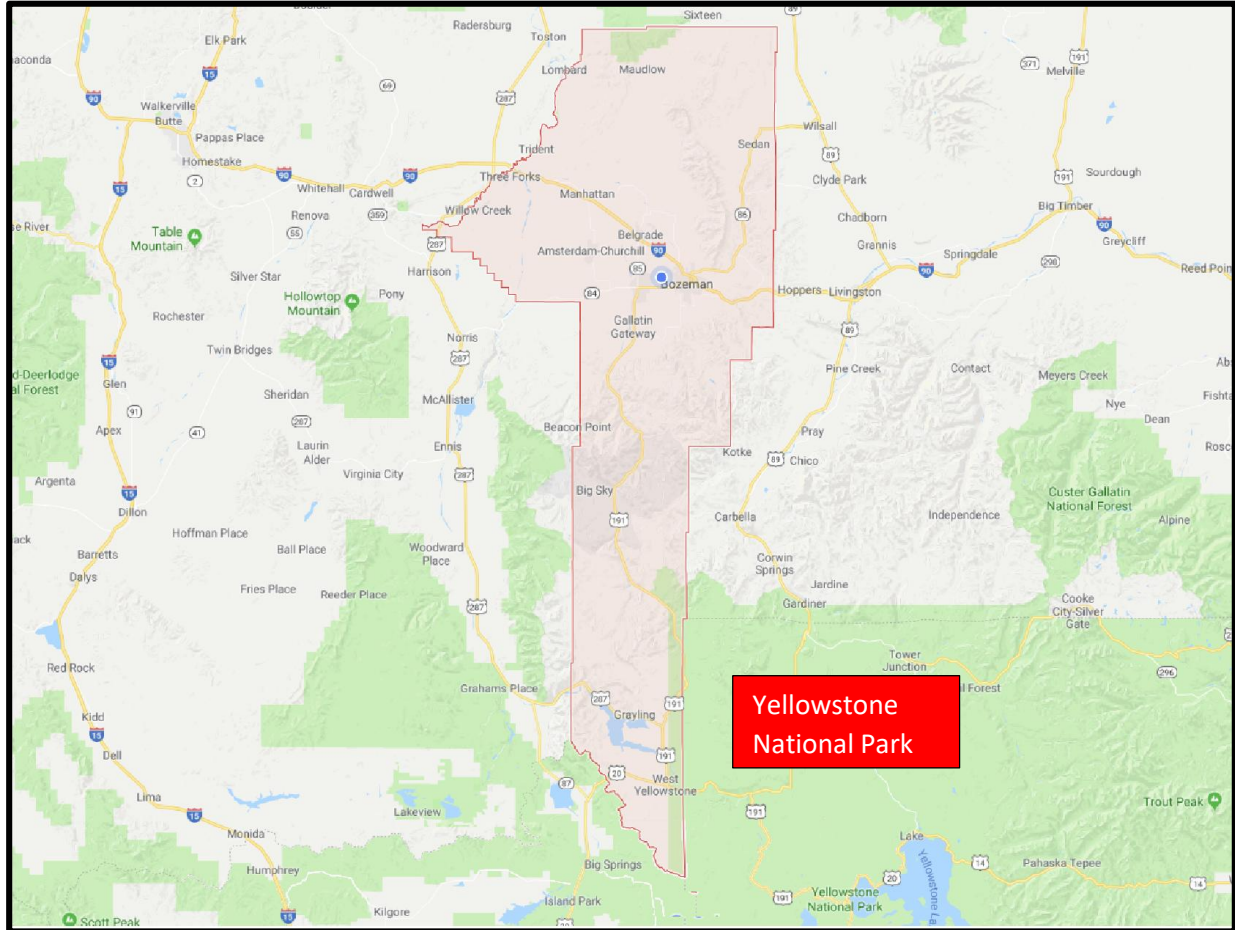
The University of Montana Bureau of Economic Research prepared a study titled “The Impacts of COVID-19 in Montana, Preliminary Analysis” in April of 2020. The principal findings from the study are shown as follows;

- 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.

GALLATIN COUNTY ECONOMIC OVERVIEW

The subject property is located in Gallatin County, in the southwestern quadrant of the state. The total area of the county is approximately 2,632 square miles, of which 2,603 square miles are land and 29 square miles are water. The county was established in 1805 and the county seat is Bozeman.

Map of Gallatin County



Source: <https://www.maps.google.com>

Geographical Information

Counties adjacent to Gallatin County are Madison County to the west, Jefferson County to the northwest, Broadwater County to the north, Meagher County to the northeast, Park County to the east, Park and Teton Counties, Wyoming to the southeast, and Freemont County, Idaho to the southwest. The Gallatin National Forest and northwest corner of Yellowstone National Park are protected areas located in Gallatin County.

Cities and Communities

Bozeman, Belgrade, and Three Forks are incorporated cities in Gallatin County. The incorporated towns in Gallatin County are Manhattan and West Yellowstone. County population centers include Amsterdam-Churchill, Big Sky, Four Corners and Willow Creek. Communities include Gallatin Gateway, Logan and Maudlow.

Education & Healthcare


There are multiple elementary schools, middle schools, and high schools in the various population centers of Gallatin County. Montana State University is located in Gallatin County in the city of Bozeman. MSU is the largest university in the state with a total enrollment in the fall of 2019 of 16,766. In addition to Bozeman Health Hospital (formerly Bozeman Deaconess) there are numerous medical clinics located in the various population centers of Gallatin County.

Linkages & Transportation

US Interstate 90 extends east to west through Gallatin County and extends along the north side of the city of Bozeman and the south side of Belgrade. Three Forks and Manhattan are also located along the US Interstate 90 corridor. US Highway 191 extends north to south connecting Bozeman with Big Sky and West Yellowstone to the south. Airports in Gallatin County include Bozeman Yellowstone International Airport near the city of Belgrade and Gallatin County Airport at Progreba Field, located near the city of Three Forks. Bozeman Yellowstone International Airport set records for the airport and for Montana with 1,573,860 passengers in 2019, up 17.3% from 2018. Montana Rail Link, a privately held, Class II railroad, traverses east to west alongside US Interstate 90.

Population


The population of Gallatin County grew 2.58% annually over the past 8 years, totaling 113,255 residents in 2019. A summary from the Environment Systems Research Institute (ESRI) is below:

	
Executive Summary	
Gallatin County, MT Gallatin County, MT (30031) Geography: County	
Prepared by Esri	
Gallatin Coun...	
Population	
2000 Population	67,831
2010 Population	89,513
2019 Population	113,255
2024 Population	127,735
2000-2010 Annual Rate	2.81%
2010-2019 Annual Rate	2.58%
2019-2024 Annual Rate	2.44%
2019 Male Population	51.6%
2019 Female Population	48.4%
2019 Median Age	34.3
In the identified area, the current year population is 113,255. In 2010, the Census count in the area was 89,513. The rate of change since 2010 was 2.58% annually. The five-year projection for the population in the area is 127,735 representing a change of 2.44% annually from 2019 to 2024. Currently, the population is 51.6% male and 48.4% female.	

Economic Factors

Gallatin County's economy is driven by a variety of industries and influences. Home to Montana State University, Bozeman Health Hospital, Oracle (Cloud Technologies Division), Simms Fishing Products, Big Sky Resort, Zoot Enterprises, Gibson Guitars and FICO, Gallatin County's corporate footprint is diverse. Additionally, Bozeman is home to a growing number of technology and pharmaceutical companies. For the 3rd consecutive year, Bozeman's economy was ranked strongest of all US micropolitan areas. The primary employment sectors are retail trade and services, driven largely by tourism. Bozeman is the most popular destination for entry into Yellowstone National Park, as evidenced by record airline passenger numbers for the past 9 years.

In addition to the park, tourism is driven by vast public lands, world-class fisheries and the largest (by area) ski resort in the US. These same factors are driving population growth, as residents are drawn by the natural beauty, open spaces, quality of life and growing employment sectors. Finally, the agricultural roots of the county still represent a substantial contribution to overall financial health. A breakdown of employment by sector and a demographic profile are presented below.



Business Summary

Gallatin County, MT

Gallatin County, MT (30031)

Geography: County

Prepared by Esri

Data for all businesses in area		Gallatin Coun...			
Total Businesses:		6,186			
Total Employees:		55,584			
Total Residential Population:		113,255			
Employee/Residential Population Ratio (per 100 Residents)		49			
by SIC Codes	Businesses		Employees		
	Number	Percent	Number	Percent	
Agriculture & Mining	201	3.2%	1,188	2.1%	
Construction	508	8.2%	3,727	6.7%	
Manufacturing	208	3.4%	2,470	4.4%	
Transportation	136	2.2%	1,086	2.0%	
Communication	54	0.9%	564	1.0%	
Utility	23	0.4%	161	0.3%	
Wholesale Trade	191	3.1%	2,150	3.9%	
Retail Trade Summary	1,171	18.9%	15,510	27.9%	
Home Improvement	90	1.5%	1,569	2.8%	
General Merchandise Stores	28	0.5%	1,089	2.0%	
Food Stores	93	1.5%	1,831	3.3%	
Auto Dealers, Gas Stations, Auto Aftermarket	130	2.1%	1,749	3.1%	
Apparel & Accessory Stores	68	1.1%	472	0.8%	
Furniture & Home Furnishings	108	1.7%	777	1.4%	
Eating & Drinking Places	340	5.5%	5,713	10.3%	
Miscellaneous Retail	314	5.1%	2,310	4.2%	
Finance, Insurance, Real Estate Summary	548	8.9%	3,336	6.0%	
Banks, Savings & Lending Institutions	68	1.1%	774	1.4%	
Securities Brokers	81	1.3%	395	0.7%	
Insurance Carriers & Agents	108	1.7%	447	0.8%	
Real Estate, Holding, Other Investment Offices	291	4.7%	1,720	3.1%	
Services Summary	2,452	39.6%	23,211	41.8%	
Hotels & Lodging	143	2.3%	2,791	5.0%	
Automotive Services	155	2.5%	795	1.4%	
Motion Pictures & Amusements	206	3.3%	1,274	2.3%	
Health Services	358	5.8%	6,318	11.4%	
Legal Services	107	1.7%	431	0.8%	
Education Institutions & Libraries	130	2.1%	3,140	5.6%	
Other Services	1,353	21.9%	8,462	15.2%	
Government	181	2.9%	2,017	3.6%	
Unclassified Establishments	513	8.3%	164	0.3%	
Totals	6,186	100.0%	55,584	100.0%	



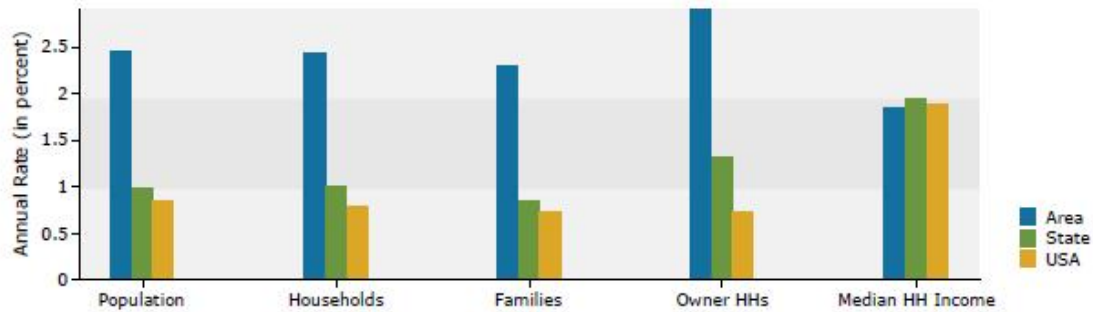
Demographic and Income Comparison Profile

Gallatin County, MT
Gallatin County, MT (30031)
Geography: County

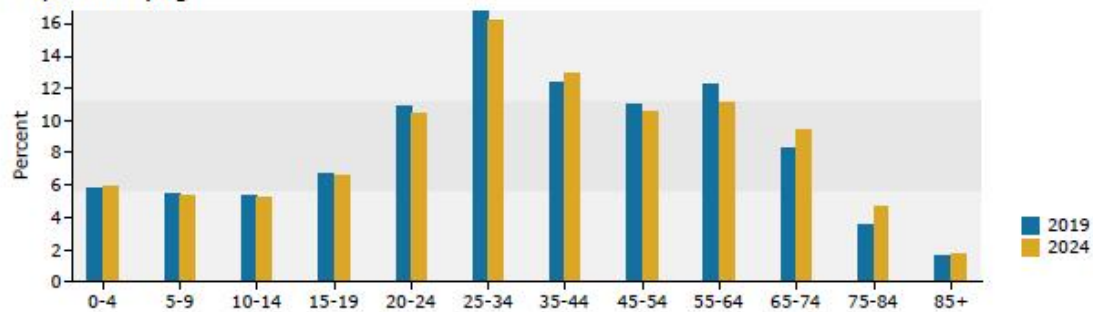
Prepared by Esri

Gallatin Coun...

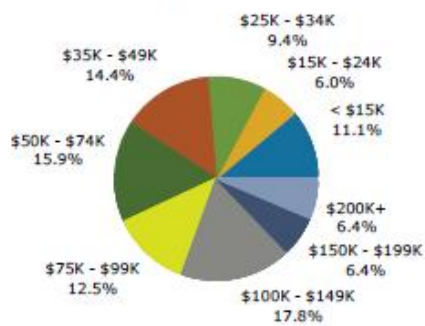
Trends 2019-2024



Population by Age



2019 Household Income



2019 Population by Race



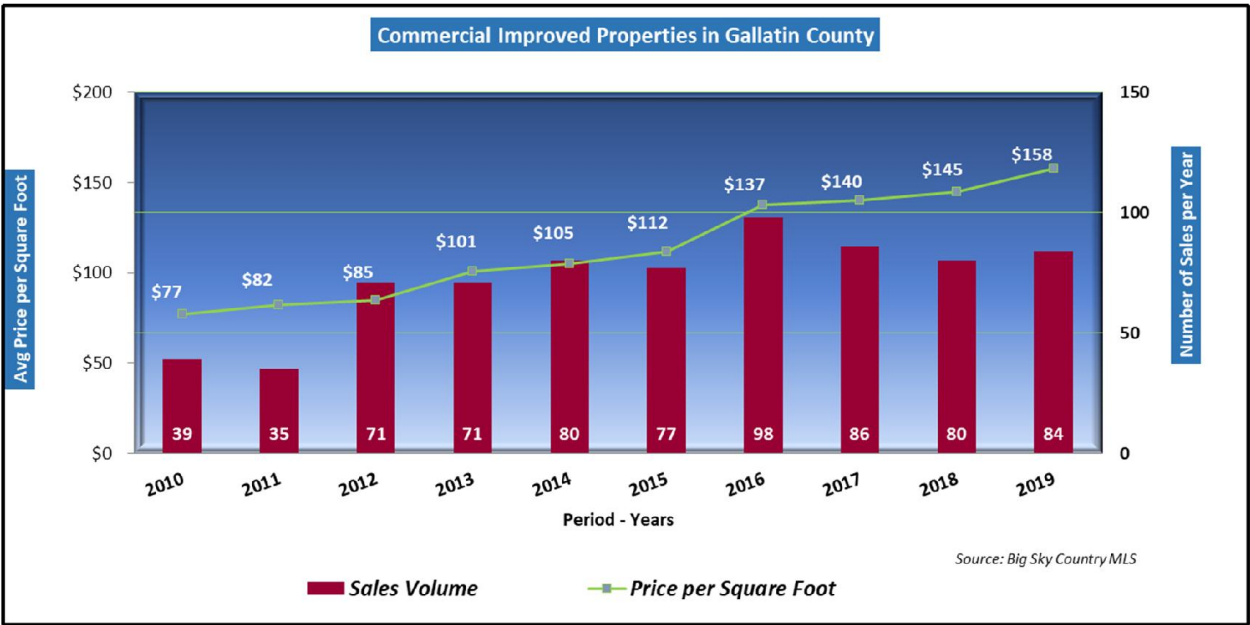
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

February 21, 2020

Gallatin County Real Estate Market

Commercial

The (ESRI) Business Summary indicates 6,186 businesses employing 55,584 individuals in Gallatin County. Commercial real estate activity has been shaped by both the recession that began in 2008 and the offsetting influence of healthy population growth. The exhibit below depicts the 2010-2019 historical activity in Gallatin County’s commercial improved properties market.

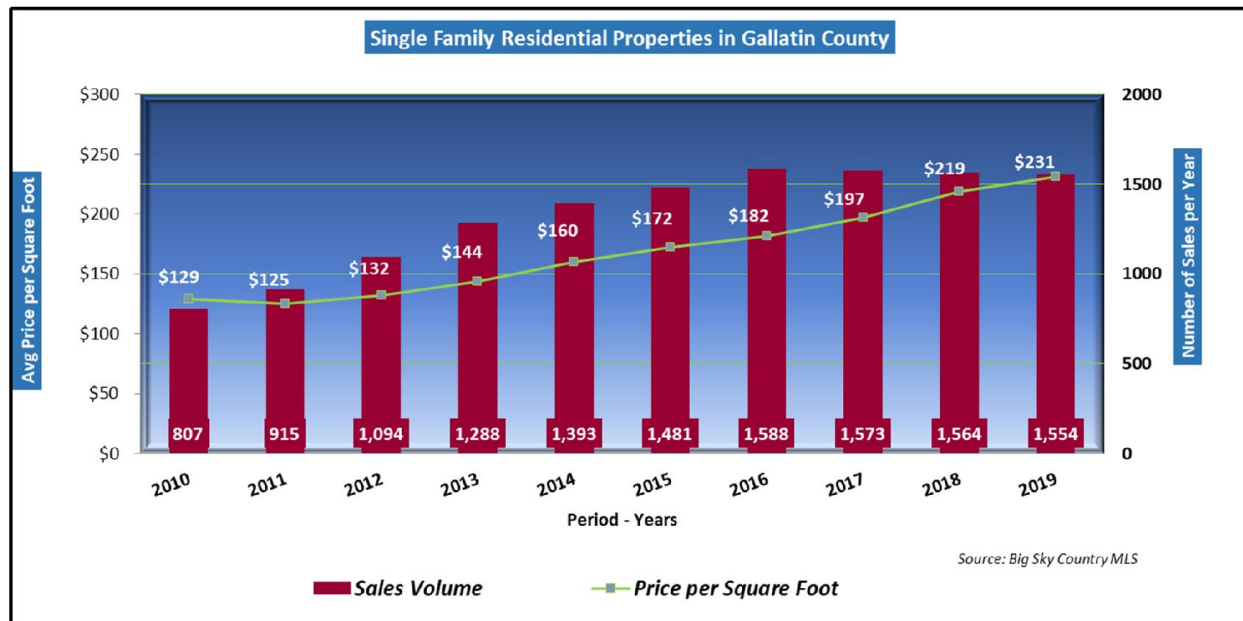


The market fell sharply between 2008 and 2010, remained flat through 2012, rebounded steadily to reach pre-recession prices in 2015 and continued strong growth through 2019. All Gallatin County averages are boosted significantly by prices in Bozeman and in the Meadow area of Big Sky (Big Sky Mountain area is in Madison County).

Residential

According to the ESRI Executive Summary estimate there were 53,958 housing units in Gallatin County in 2019 and 28,803 were owner occupied. The higher-than-typical ratio of rental units is attributable primarily to the student population at Montana State University. According to the ESRI ACS Housing Summary data from 2013-2017, which is the most recent data available, 67.1% of the homes in Gallatin County were single family (detached & attached); 25% were multi-family units; and 7.9% were mobile homes.

The exhibit below depicts 2010 - 2019 historical activity in Gallatin County's residential market.



According to the Southwest Montana Multiple Listing Service, there were 1,564 single-family residential sales in 2019. The median sale price was \$435,950 and the average price was \$567,706, with an average Days on Market of 68 days. The annual average price has risen over 85% since the most recent low in 2011, averaging 8% annual growth over the past 5 years.

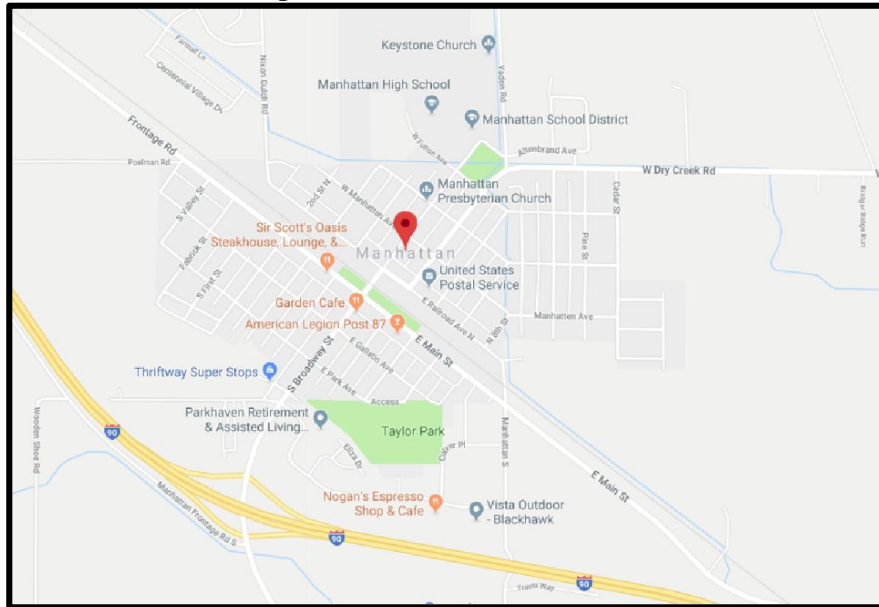
County Data Conclusion

The population of Gallatin County has increased approximately 67% since 2000. The county unemployment rate, at 2.6%, is lower than that of the state and the nation. As housing prices in Bozeman reach record levels, other areas of the county are seeing new growth in residential markets and associated commercial development. There are no readily apparent county economic factors that indicate downward trends in any market segments. **However, in the short-term, the COVID-19 global pandemic has caused a disruption to the state economy. The long-term consequences of the pandemic may be lower tourism in 2020 and generally slower growth than in prior years.**

TOWN OF MANHATTAN ECONOMIC OVERVIEW

The town of Manhattan is located in southwest Montana, in Gallatin County. Founded in 1865 as Hamilton, Montana, the town was renamed Manhattan in 1890 by a group of New York businessmen who acquired nearby farmland for growing barley (malting for beer).

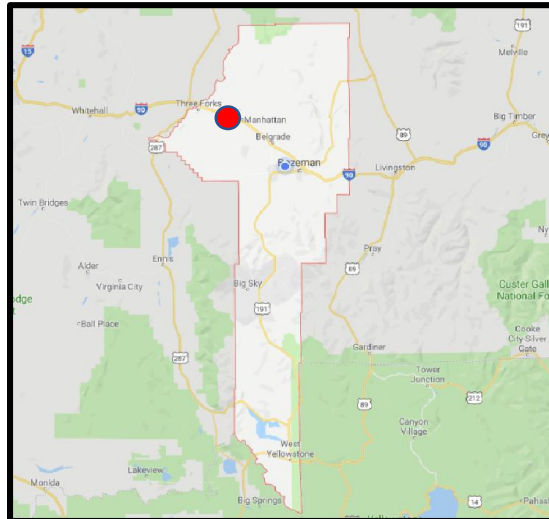
Map of the Town of Manhattan



Source: <https://www.google.com>


The town of Manhattan is located in the northwest quadrant of Gallatin County near the center. The map below identifies Manhattan within Gallatin County.

Map of Gallatin County – Manhattan in Red




Population and Income

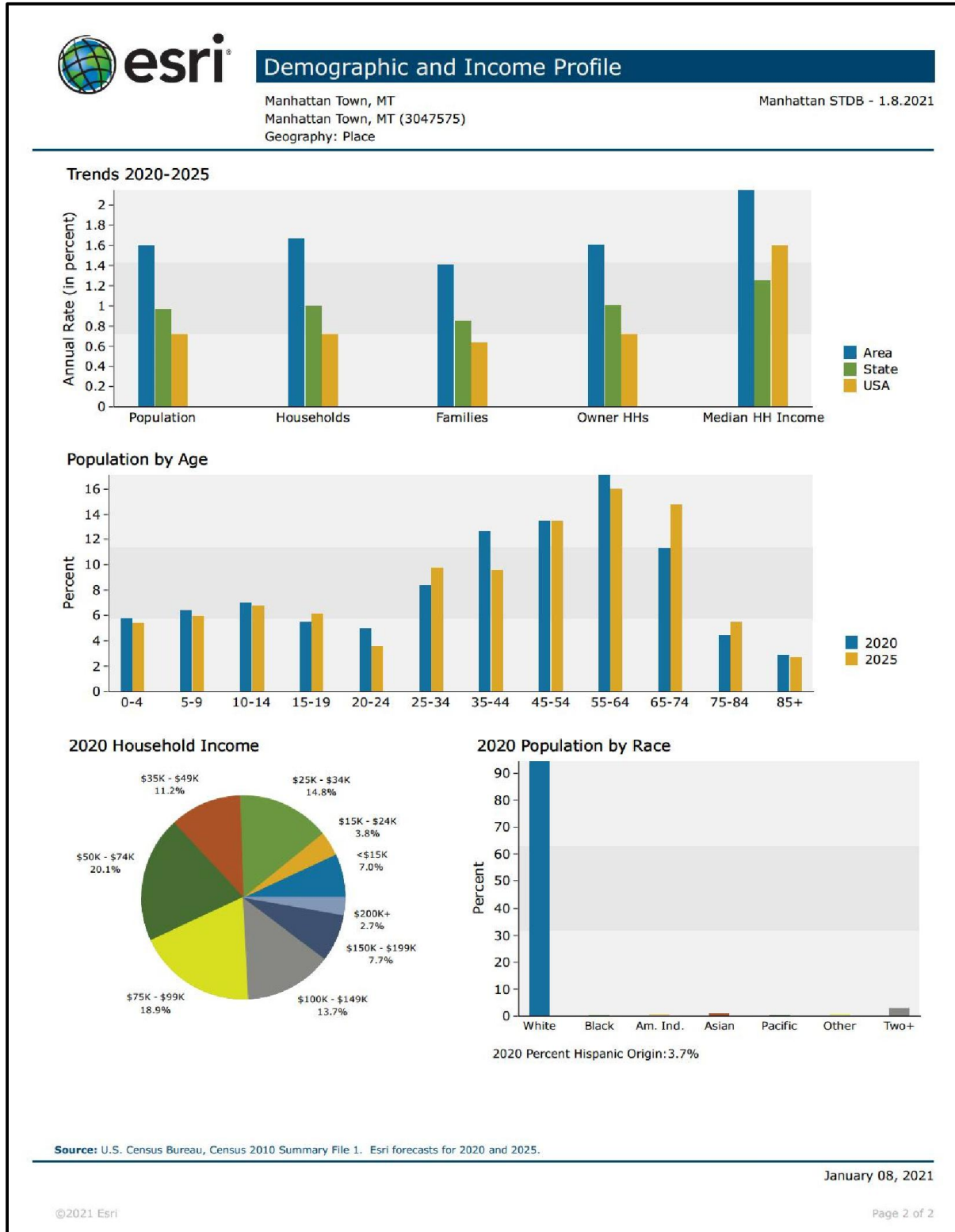
According to the Environmental Systems Resource Institute (ESRI) projections, based upon the US Census Bureau data, the estimated 2020 population of Manhattan was 1,773, a 1.48% annual increase over the 2010 census estimate.

	
Executive Summary	
Manhattan Town, MT Manhattan Town, MT (3047575) Geography: Place	
Manhattan STDB - 1.8.2021	
Population	
2000 Population	1,478
2010 Population	1,525
2020 Population	1,773
2025 Population	1,919
2000-2010 Annual Rate	0.31%
2010-2020 Annual Rate	1.48%
2020-2025 Annual Rate	1.60%
2020 Male Population	51.5%
2020 Female Population	48.6%
2020 Median Age	44.4
In the identified area, the current year population is 1,773. In 2010, the Census count in the area was 1,525. The rate of change since 2010 was 1.48% annually. The five-year projection for the population in the area is 1,919 representing a change of 1.60% annually from 2020 to 2025. Currently, the population is 51.5% male and 48.6% female.	

According to ESRI, there were 729 households in Manhattan with a 2.41 average household size. The 2020 Median Household Income was \$63,980.

	
Executive Summary	
Manhattan Town, MT Manhattan Town, MT (3047575) Geography: Place	
Manhattan STDB - 1.8.2021	
Mortgage Income	
2020 Percent of Income for Mortgage	16.6%
Median Household Income	
2020 Median Household Income	\$63,980
2025 Median Household Income	\$71,168
2020-2025 Annual Rate	2.15%
Average Household Income	
2020 Average Household Income	\$78,573
2025 Average Household Income	\$87,041
2020-2025 Annual Rate	2.07%
Per Capita Income	
2020 Per Capita Income	\$32,676
2025 Per Capita Income	\$36,372
2020-2025 Annual Rate	2.17%

The image below summarizes the demographic and income characteristics of the Manhattan area.



Education & Healthcare

Montana State University (20 miles east), a major research institution with an enrollment of 16,766 in fall of 2019, is the closest university to Manhattan.

Manhattan includes an elementary school and a high school.

Bozeman Health Deaconess Hospital is the closest major hospital; Belgrade Clinic (Bozeman Health) is the closest acute care facility. Manhattan offers several medical and dental providers.

Linkages & Transportation

Interstate Highway 90 and Burlington Northern railway extend (east-west) on the south edge of Manhattan. There are a number of county and local roads extending to surrounding areas.

Bozeman Yellowstone International Airport is located in Belgrade, eight miles east of Manhattan. It is the busiest airport in Montana and has set passenger records in each of the past 9 years.

Recreation

Manhattan is located in an area that provides outdoor enthusiasts with an abundance of opportunities for recreational activities. It is located approximately 90 miles north of Yellowstone National Park (West Yellowstone). Blue-ribbon trout fishing is available on the Gallatin, Madison, Jefferson, Missouri and Yellowstone Rivers. It sits at an elevation of 4,245 feet with numerous mountain ranges surrounding it for hiking, backpacking and mountain biking in the summer. Big Sky Resort and Moonlight Basin offer world class downhill skiing options in Big Sky, Montana.

Real Estate

With a population of only 1,773 residents, the volume of real estate activity in the Manhattan area is too low to produce statistics that provide insight into the market. Real estate transaction activity is included in the economic profile for Gallatin County, where transaction volume of residential properties allows examination of market trends.

Manhattan Conclusion

Manhattan has a growing population, as property prices in nearby Bozeman and Belgrade continue to rise and families and businesses seek more affordable areas nearby. The small schools and tight community are especially attractive to families with children. There are abundant recreation opportunities in the area. Future growth and expansion are considered likely in both the short and long term.

SCOPE OF WORK & SUPPLEMENTAL INSTRUCTIONS

(Page 1 of 6)

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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 Gallatin County 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 (estate of/heirs of) Robert L. Steinmann. 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 probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

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. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property and

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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 Gallatin County Appraisal

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

Subject Property Located in Gallatin County:

Sale Number	Acres	Legal Description	Address
1117	5.00 ±	Tract 1 in NW4NW4NE4, COS 2955, T1S-R4E, Sec. 8, Gallatin County	3688 Amsterdam Road Manhattan, MT 59741

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

Lessees:

(see DNRC contact for lessee information)

Sale No. 1117

(estate of/heirs of) Robert L. Steinmann

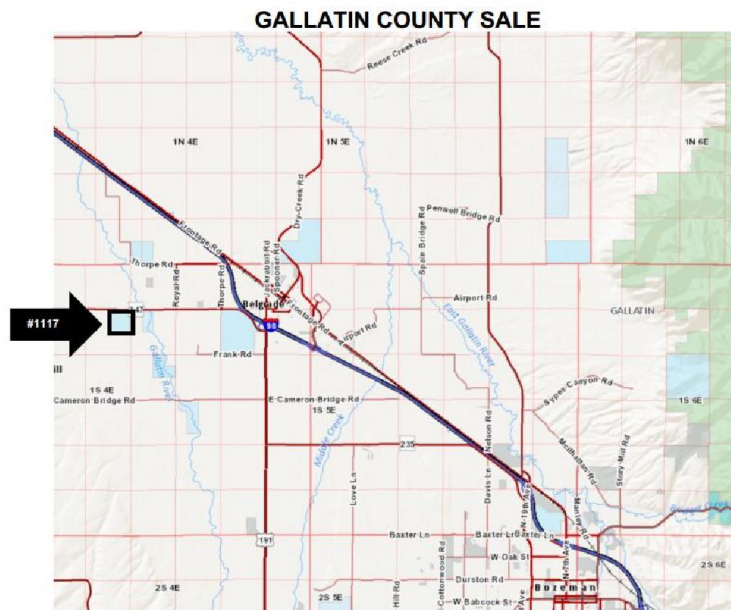
The following will be located in the body of the contract:

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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Tract 1 in NW4NW4NE4, COS 2955, T1S-R4E, Sec. 8



DocuSign Envelope ID: 223D66D8-F308-4C9E-9588-C86DACC470A

CERTIFICATE OF SURVEY NO. 2955
A TRACT OF LAND LOCATED WITHIN THE NW4NW4NE4 OF SECTION 8, TOWNSHIP 1S, RANGE 4E, P.M.M. GALLATIN COUNTY, MONTANA
PURPOSE OF SURVEY: TO CREATE A PARCEL, FOR SALE OR LEASE WITHIN STATE OWNED LAND THAT IS EXEMPT FROM SUBDIVISION REVIEW PER MCA 77-2-318(2).
SURVEY COMMISSIONED BY: STATE OF MONTANA, DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION.

PROPERTY DESCRIPTION
A tract of land located in the NW4NW4NE4 of Section 8, Township 1S, Range 4E, P.M.M. Gallatin County, Montana and more particularly described as follows:
Beginning at the Point of Beginning, P.O.B., which is the North One Quarter of Section 8;
• Thence South 89°12'14" East, along the North line of Section 8, a distance of 335.77 feet;
• Thence South 89°12'14" East, a distance of 432.20 feet to the point of the NW4NE4NE4 of Section 8;
• Thence North 89°12'14" East along the NW4NE4NE4 line, a distance of 335.77 feet to the P.O.B.
Total area being 5.00 acres more or less, being with and subject to all easements of record or approval on the ground.

CERTIFICATE OF CORRECTION
(This is a correction to a Previous Survey and is not a new survey.)
I, the undersigned engineer, certify that the above described tract of land, do hereby certify that the purpose of this survey is to create a parcel of land pursuant to M.C.A. Section 77-2-318(2) which states: "The area of a tract or tracts shall be owned by the State of Montana and shall be the property of the State of Montana, and shall be subject to the provisions of the Montana Department of Natural Resources and Conservation."
By: John E. Stahly
Title: Director, Montana Department of Natural Resources and Conservation
STATE OF MONTANA
County of Gallatin
This instrument was acknowledged before me on 08/20/2020 at 2:00 PM, by John E. Stahly, Director of the Montana Department of Natural Resources and Conservation.
John E. Stahly
Notary Public for the State of Montana
My Commission Expires Oct 22, 2021

CERTIFICATE OF CORRECTION
I, the undersigned Registered Land Surveyor, do hereby certify that I supervised the survey, plotting and description of the land shown on the accompanying Certificate of Survey, and that the same are in accordance with the provisions of the Montana Code of Annotated Statutes, M.C.A., and the Gallatin County Subdivision Regulations.
DATED this 20th day of August, 2020.
John E. Stahly
15288 LS

CERTIFICATE OF COUNTY TREASURER
I, Treasurer of Gallatin County, Montana, do hereby certify that the accompanying Certificate of Survey has been duly recorded and that all real property taxes and special assessments assessed and levied on the subject land have been paid.
DATED this 20th day of August, 2020.
Debbie Spill
Treasurer Gallatin County

CERTIFICATE OF CLERK AND RECORDER
I, Clerk and Recorder of Gallatin County, Montana, do hereby certify that the foregoing instrument, together with the office of the Clerk and Recorder of Gallatin County, Montana, was duly recorded on the 20th day of August, 2020, and is now a part of the public records of Gallatin County, Montana.
Gallatin County, Montana
Clerk & Recorder
2600591

STAHLY ENGINEERING & ASSOCIATES
PROFESSIONAL ENGINEERS & SURVEYORS
John E. Stahly
15288 LS
2020 EXPIRATION DATE: 10/22/2021
GALLATIN COUNTY, MONTANA
2600591

CERTIFICATE OF SURVEY NO. 2955
COUNTY: GALLATIN
PRINCIPAL MERIDIAN: MONTANA
SECTION: 8
TOWNSHIP: 1S
RANGE: 4E
PAGE: 1 OF 1

Rev 20180925

HISTORICAL CHANGES IN CPI-U

Consumer Price Index - All Urban Consumers													
12-Month Percentage Change													
Not Seasonally Adjusted													
Area:	U.S. city average												
Item:	All items less food and energy												
Base Period:	1982-84=100												
Years:	2010 through YTD 2020												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2010	1.6%	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.6%	0.8%	0.8%	1.0%
2011	1.0%	1.1%	1.2%	1.3%	1.5%	1.6%	1.8%	2.0%	2.0%	2.1%	2.2%	2.2%	1.7%
2012	2.3%	2.2%	2.3%	2.3%	2.3%	2.2%	2.1%	1.9%	2.0%	2.0%	1.9%	1.9%	2.1%
2013	1.9%	2.0%	1.9%	1.7%	1.7%	1.6%	1.7%	1.8%	1.7%	1.7%	1.7%	1.7%	1.8%
2014	1.6%	1.6%	1.7%	1.8%	2.0%	1.9%	1.9%	1.7%	1.7%	1.8%	1.7%	1.6%	1.7%
2015	1.6%	1.7%	1.8%	1.8%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%	2.0%	2.1%	1.8%
2016	2.2%	2.3%	2.2%	2.1%	2.2%	2.2%	2.2%	2.3%	2.2%	2.1%	2.1%	2.2%	2.2%
2017	2.3%	2.2%	2.0%	1.9%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.7%	1.8%	1.8%
2018	1.8%	1.8%	2.1%	2.1%	2.2%	2.3%	2.4%	2.2%	2.2%	2.1%	2.2%	2.2%	2.1%
2019	2.2%	2.1%	2.0%	2.1%	2.0%	2.1%	2.2%	2.4%	2.4%	2.3%	2.3%	2.3%	2.2%
2020	2.3%	2.4%	2.1%	1.4%	1.2%	1.2%	1.6%	1.7%					
Average Annual Change (through 2019):													1.8%

Source: US Department of Labor, Bureau of Labor Statistics