

# McGinnis Real Estate Appraisal Group, LLC

## Appraisal Report

TR 4 COS 3705, Sec. 6, T23N-R26W  
TR 9 COS 3703, Sec. 36, T24N-R27W  
TR 1, COS 3704, Sec. 36, T25N-R27W  
Sanders County  
Thompson Falls, MT 59873

Jennifer L. McGinnis, MAI

Sale #1170 TR.4  
0.21 ac. Thompson  
River  
560 SF 1940 cabin.

Sale #1171 TR.9  
0.46 ac. Thompson River  
624 SF 1950 cabin

Sale #1172 TR.1  
1.94 ac. Thompson River  
676 SF GLA 1988 log  
cabin shell

Date of Valuation

August 18, 2021

**FOR**

**State of Montana  
Montana Board of Land Commissioners  
Department of Natural Resources and Conservation  
Lessees  
P.O. Box 201601  
1539 11<sup>th</sup> Avenue  
Helena, MT 59620-1601**

DNRC No.225002

Our File No. 2151

# McGinnis Real Estate Appraisal Group, LLC

November 3, 2021

Montana Department of Natural Resources and Conservation  
Seth Goodwin, Real Estate Specialist  
P.O. Box 201601  
Helena, MT 59620-1601  
(406)444-2684  
Seth.Goodwin2@mt.gov

RE: Sale #1170- TR.4, COS 3705, Sec. 6, T23N-R26W  
Sale #1171- TR.9, COS 3703, Sec. 36, T24N-R27W  
Sale #1172- TR.1, COS 3704, Sec. 36, T25N-R27W  
Thompson Falls, MT 59873

DNRC No. 225002  
Our File No. 2151

Dear Seth Goodwin,

At your request I have prepared an appraisal on the above-described properties, which were viewed on August 18, 2021, on both the interior and exterior. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject properties legally described on page 13 and is intended for use in the decision-making process concerning the potential sale of said subject properties. I hereby submit the following appraisal report containing 110 pages and Addenda

The appraisal complies with The Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board. The following report details among other important factors, appraiser certification, scope of work, definition of **current fair market value**, the highest and best use of the properties, all applicable approaches to value, assumptions and limiting conditions and hypothetical condition. Market values of the (hypothetical) fee simple interests of the subject lots as if vacant, the subject improvements, and

the sites and improvements considered together are concluded in this report. These value conclusions are made after thorough study of available market data and other data pertinent to this appraisal. Acceptance of this appraisal constitutes an agreement whereby the user acknowledges and accepts all conditions provided herein.

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

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

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

As a result of my investigations, studies and analyses, I have formed the opinions that the ***current fair market value(s) (12 C.F.R 34.42(h))*** of the subject properties, with consideration to the ***Hypothetical Conditions and Extraordinary Assumptions and Limiting Conditions*** stated in this report and a cash sale, as of August 18, 2021, is:

<i>Fair Market Value indications by the Sales Comparison approach August 18, 2021</i>			
<b>Description</b>	<b>Sale #1170 TR 4</b>	<b>Sale #1171 TR 9</b>	<b>Sale #1172 TR 1</b>
Lot size/amenity	.21 ac Thompson River	.46 ac Thompson River	1.94 ac Thompson River
Improvement size/Year	560 SF 1940	624 SF 1950	676 SF 1988
<b>Land-segregated value</b>	\$63,000	\$75,000	\$112,000
<b>Improvements-segregated value</b>	\$62,000	\$69,000	\$75,000
<b>Total fee simple market value (Hypothetical Condition)</b>	<b>\$125,000</b>	<b>\$144,000</b>	<b>\$187,000</b>

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

Respectfully submitted,



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

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## Certification Statement

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

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

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Members.

A handwritten signature in dark ink, reading "J McGinnis". The signature is fluid and cursive, with the first name "J" being a large, stylized capital letter.

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

## **General Assumptions and Limiting Conditions**

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

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

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

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

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

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

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

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

## Summary of Conclusions

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<b>Current Owners-Land</b>	State of Montana
<b>Leasehold Improvements</b>	#1170 Marcie Albright & Jodie Chacon #1171 Bonnie J. & John Jay Gagnon #1172 Juan Lulack
<b>Client/Intended User</b>	State of Montana, State of Montana Board of Land Commissioners Montana Department of Natural Resources & Conservation/Client Agencies & Individual Lessees Noted in the Report
<b>Purpose/Intended Use</b>	Estimate Market Values/Potential Sale Purposes
<b>Property Identification</b>	#1170 Tract 4, COS 3705, Sanders County, T23N-R26W, Sec. 6 #1171 Tract 9, COS 3703, Sanders County, T24N-R27W, Sec. 36 #1172 Tract 1, COS 3704, Sanders County, T25N-R27W, Sec. 36
<b>Property Rights Appraised</b>	Hypothetical Fee simple
<b>Present Use</b>	Recreational and/or residential use
<b>Highest and Best Use</b>	Recreational and/or residential use
<b>Extraordinary Assumptions</b>	Access through State and Forest Service lands
<b>Hypothetical Conditions</b>	Fee Simple ownership
<b>Marketing and Exposure Time</b>	Appraised values as if vacant and as improved are based on 6-month marketing and exposure times.

<i>Fair Market Value indications by the Sales Comparison approach August 18, 2021</i>			
Description	Sale #1170 TR 4	Sale #1171 TR 9	Sale #1172 TR 1
Lot size/amenity	.21 ac Thompson River	.46 ac Thompson River	1.94 ac Thompson River
Improvement size/Year	560 SF 1940	624 SF 1950	676 SF 1988
Land-segregated value	\$63,000	\$75,000	\$112,000
Improvements-segregated value	\$62,000	\$69,000	\$75,000
Total fee simple market value (Hypothetical Condition)	\$125,000	\$144,000	\$187,000

## Introduction

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

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

TR#	Sale #	Lessee
4	1170	Marcie Albright & Jodie Chacon
9	1171	Bonnie J. & John Jay Gagnon
1	1172	Juan Lulack

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

### Significant Dates of Appraisal

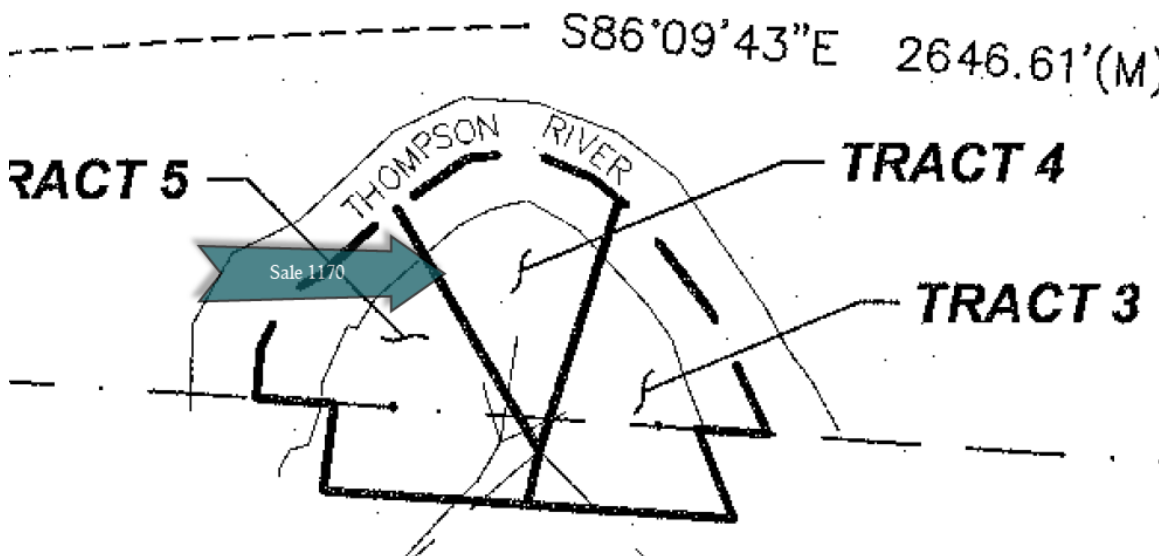
The effective date of the appraisal is August 18, 2021. The original report was completed and delivered on October 23, 2021, and a revised report on November 3, 2021.

### Identification of the subject real estate and the property rights appraised

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

The properties are legally described as:

TR#	Sale #	COS #	Township/Range/Section	County	Size/Acres	waterfront	RF'
4	1170	3705	T23N-R26W, Sec. 6	Sanders	0.21	Thompson River	145.14
9	1171	3703	T24N-R27W, Sec. 36	Sanders	0.46	Thompson River	119.7
1	1172	3704	T25N-R27W, Sec. 36	Sanders	1.94	Thompson River	510.1

[illegible]

LAND DESCRIPTION: TRACT 4

A TRACT OF LAND LOCATED WITHIN GOVERNMENT LOT 7 OF SECTION 6 AND GOVERNMENT LOT 1 OF SECTION 7, TOWNSHIP 23 NORTH, RANGE 26 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CLOSING SECTION CORNER COMMON TO SECTIONS 6 AND 7, TOWNSHIP 23 NORTH, RANGE 26 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA; THENCE SOUTH 85°15'17" EAST, 1064.28 FEET TO THE POINT OF BEGINNING; THENCE NORTH 30°38'32" WEST, 145.59 FEET TO THE THREAD OF THE THOMPSON RIVER; THENCE THROUGH THE FOLLOWING FOUR (4) CURVES ALONG SAID THREAD: 1.) NORTH 55°15'14" EAST, 44.59 FEET; 2.) NORTH 83°34'17" EAST, 33.02 FEET; 3.) SOUTH 67°09'49" EAST, 34.93 FEET; 4.) SOUTH 51°26'52" EAST, 17.78 FEET; THENCE SOUTH 17°40'41" WEST, 136.16 FEET LEAVING SAID THREAD TO THE POINT OF BEGINNING; CONTAINING 0.21 ACRE, MORE OR LESS; ALONG WITH AND SUBJECT TO ANY EASEMENTS OF RECORD OR APPARENT ON THE GROUND.

# Certificate of Survey #3703 (TR.9)

## CERTIFICATE OF SURVEY

TRACTS OF LAND LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 24 NORTH, RANGE 27 WEST AND THE NORTHWEST QUARTER OF SECTION 1, TOWNSHIP 23 NORTH, RANGE 27 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA

**LEGEND**

- NEW BOUNDARY
- NEW REPARATION BOUNDARY
- EXISTING EASEMENT
- SECTION LINE
- PLUS TE LINE
- CENTERLINE OF EXISTING TRAVELED WAY
- FOUND PLUS MONUMENT AS NOTED
- MEASUREMENT THIS SURVEY
- MEASUREMENT OF RECORD-1896 BLD (SIZER & SMITH)
- MEASUREMENT OF RECORD-C.O.S. NO.361788
- MEASUREMENT OF RECORD-C.O.S. NO.361688
- MEASUREMENT OF RECORD-C.O.S. NO.3491
- POINT OF BEGINNING
- COR
- CERTIFIED CORNER RECORDED
- HAMMER
- NO.

**CERTIFICATE OF EXEMPTION FROM SUPERVISION & ENVIRONMENTAL HEALTH REVIEW**

I, the undersigned property owner's of the above described tracts of land, do hereby certify that the purpose of this survey is to create a parcel of land pursuant to M.C.A. Section 77-2-210(2) which states "The sale of a cabin or home site is exempt from the subdivision laws, except that the development of any new replacement, or additional water supply or sewage disposal system on the property must be approved pursuant to the tenure provisions, fee, and other requirements of Title 76, Chapter 4, part 1."

By: Amanda Koster Signature  
Title: Director, Montana Department of Natural Resources and Conservation  
STATE OF MONTANA  
County of Sanders

This instrument was acknowledged before me on 02 day of June, 2021, by Amanda Koster, Director of the Montana Department of Natural Resources and Conservation.

William E. Davis  
Notary Public for the State of Montana

**CERTIFICATE OF SURVEYOR**

I, the undersigned Professional Land Surveyor, do hereby certify that I supervised the survey, plotting and preparation of the tract shown on the accompanying Certificate of Survey in accordance with the provisions of the Montana Subdivision and Mapping Act, Section 76-3-101 through 76-3-114, M.C.A., and the Sanders County Subdivision Regulations.

DATED this 02 day of June, 2021  
Nicholas C. Fish Signature  
Nicholas C. Fish 33886 LS

**CERTIFICATE OF CLERK AND RECORDER**

STATE OF MONTANA SANDERS COUNTY  
RECORDED: 6/23/2021 9:23 PM  
Page: 7  
FEE: \$5.00  
Return to: SANDERS ENGINEERING & ASSOCIATES

**CERTIFICATE OF EXAMINING LAND SURVEYOR**

I, the undersigned, acting as an Examining Land Surveyor for Sanders County, Montana, do hereby certify that I have examined this Certificate of Survey and find that the survey data shown therein meet the conditions set forth by or pursuant to applicable M.C.A.

Dated this 02 day of June, 2021  
Robert L. Thompson Signature  
18085 LS

**CERTIFICATE OF LAND SERVICES DEPARTMENT**

Approved by: Alana J. Allen, 2021  
Sanders County Land Services

**CERTIFICATE OF ENVIRONMENTAL HEALTH DEPARTMENT**

Approved by: Robert L. Thompson, 2021  
Sanders County Environmental Health

**SALE 1171**

**STAHLY ENGINEERING & ASSOCIATES**  
PROFESSIONAL ENGINEERS & SURVEYORS  
www.stahly.com  
2223 MONTANA AVE.  
SHELBY, MT 59601  
Phone: (406) 421-8000  
Fax: (406) 421-4000

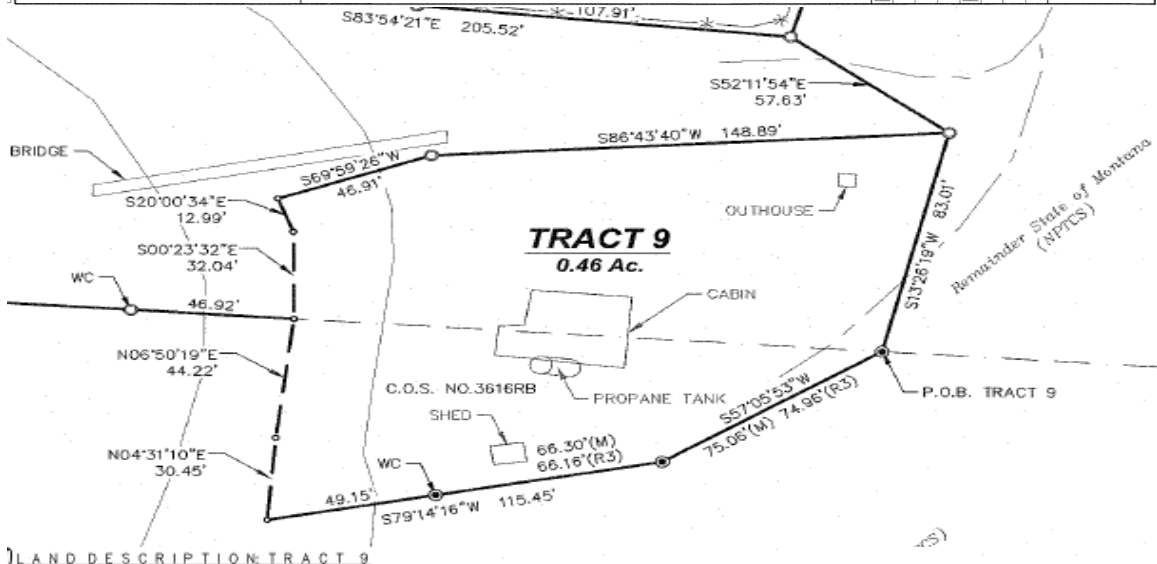
**CERTIFICATE OF SURVEY NO. 3703**

COUNTY: SANDERS  
PRINCIPAL MERIDIAN, MONTANA

1/4	2/4	3/4	4/4	1/4	2/4	3/4	4/4
36	24N	27W		36	24N	27W	
1	23N	27W		1	23N	27W	

1 OF 7

FIELD: RLS/ANP  
DRAWN: RLS  
CHECKED: NCF  
DATE: 6/9/21



**LAND DESCRIPTION TRACT 9**

A TRACT OF LAND LOCATED WITHIN THE NORTHWEST CORNER OF SECTION 1, TOWNSHIP 23 NORTH, RANGE 27 WEST AND THE SOUTHWEST QUARTER OF SECTION 36, TOWNSHIP 24 NORTH, RANGE 27 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE QUARTER CORNER COMMON TO SECTION 1, TOWNSHIP 23 NORTH, RANGE 27 WEST AND SECTION 36, TOWNSHIP 24 NORTH, RANGE 27 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA;

- THENCE NORTH 85°37'19" WEST, 1736.42 FEET ALONG THE SECTION LINE COMMON TO SAID SECTIONS TO THE BOUNDARY OF STATE LEASE NO.3050489 OF CERTIFICATE OF SURVEY NO.361688, RECORDS, SANDERS COUNTY, MONTANA, ALSO BEING THE POINT OF BEGINNING;
- THENCE SOUTH 57°05'53" WEST, 75.06 FEET ALONG SAID LEASE BOUNDARY;
- THENCE SOUTH 79°14'16" WEST, 115.45 FEET ALONG SAID LEASE BOUNDARY TO THE THREAD OF THE THOMPSON RIVER;
- THENCE THROUGH THE FOLLOWING FOUR (4) COURSES ALONG SAID THREAD:
  - 1.) NORTH 04°31'10" EAST, 30.45 FEET;
  - 2.) NORTH 08°50'19" EAST, 44.22 FEET;
  - 3.) NORTH 00°23'32" WEST, 32.04 FEET;
  - 4.) NORTH 20°00'34" WEST, 12.99 FEET;
- THENCE NORTH 69°59'26" EAST, 46.91 FEET;
- THENCE NORTH 86°43'40" EAST, 148.89 FEET;
- THENCE SOUTH 13°26'19" WEST, 83.01 FEET TO THE POINT OF BEGINNING;

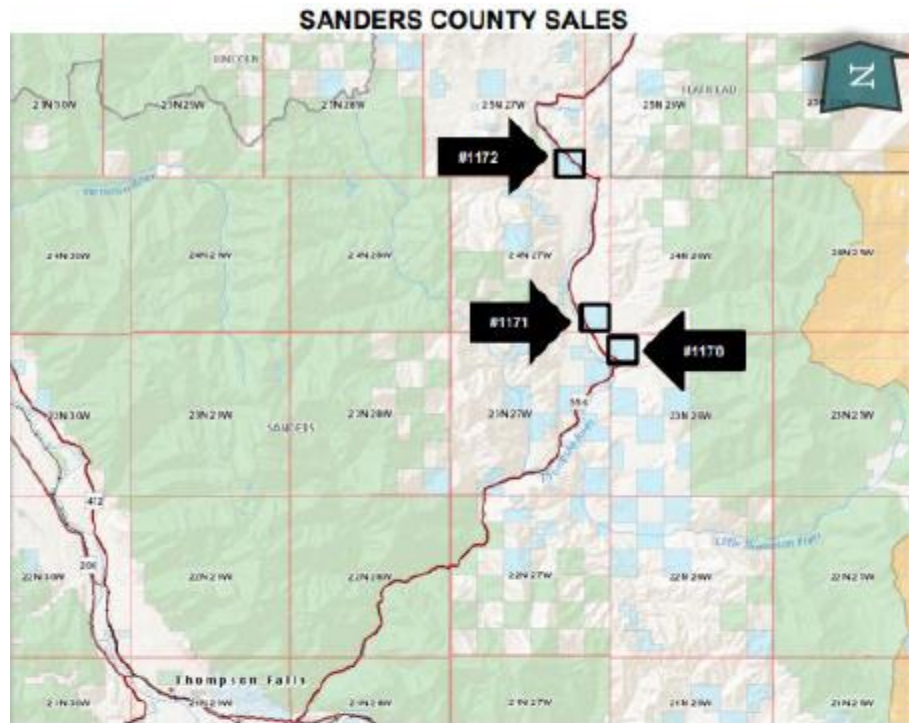
CONTAINING 0.46 ACRES, MORE OR LESS; ALONG WITH AND SUBJECT TO ALL EASEMENTS OF RECORD OR APPARENT ON THE GROUND.

\\04902-CH05\1-03520\_Sondra\_Cole's\_08\_Survey\060\Survey\T254 R27W\T25N R27W\_00.dwg, DOS, Plotted: Jan 09, 2021 - 12:51pm, msh08

A TRACT OF LAND LOCATED WITHIN GOVERNMENT LOT 4 OF SECTION 31, TOWNSHIP 25 NORTH, RANGE 26 WEST, AND THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 25 NORTH, RANGE 27 WEST, PRINCIPLE MERIDIAN, MONTANA, SANDERS COUNTY, MONTANA



## Subject location maps



PT SW4SW4\*, T23N-R26W, Sec. 6



Lot 8, East of Thompson River\*, T24N-R27W, Sec. 36



PT SE4SE4\*, T25N-R27W, Sec. 36



\*Sites will be surveyed prior to appraisal. All locations depicted above are approximate.

## Scope of Work and Definition of Current Fair Market Value

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

DNRC TLMD Real Estate Management Bureau

Cabin/Home Site Sale Program

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales

Program: 2021 Plains Unit, Sanders 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), Marcie Albright & Jodie Chacon, Bonnie J. & John J. Gagnon, and Juan Lulack. 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.

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

#### PROPERTY RIGHTS APPRAISED:

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

3/2013

**EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:**

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

**SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

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

**ASSIGNMENT CONDITIONS:**

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

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

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

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 3 (three) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

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

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

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

**Subject Property Located in Sanders County:**

Sale #	Acres	Legal Description	Site Address (if known)
1170	0.10±	PT SW4SW4, T23N-R26W, Sec. 6	29 Big Prairie Road, Thompson Falls, MT 59873
1171	0.32±	Lot 8, East of Thompson River T24N-R27W, Sec. 36	5 Semen Creek Lane, Thompson Falls, MT 59873
1172	1.94±	PT SE4SE4 Thompson River T25N-R27W, Sec. 36	2969 Thompson River Road, Thompson Falls, MT 59873

<b>DNRC Contact Information:</b> Seth Goodwin, Real Estate Specialist PO Box 201601 Helena, MT 59620-1601 Telephone: (406) 444-4289 Fax: (406) 444-2684 <a href="mailto:Seth.Goodwin2@mt.gov">Seth.Goodwin2@mt.gov</a>	<b>Lessees:</b> Sale 1170: Marcie Albright & Jodie Chacon, (406) 885-7419 Sale 1171: Bonnie J. & John Jay Gagnon, (406) 314-6039 Sale 1172: Juan Lulack, (406) 531-5033
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***The following will be located in the body of the contract:***

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

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

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

This appraisal report employs the Sales Comparison Approach to value the subject sites as if vacant. All three approaches to value are considered for valuation of the subject properties as improved. Most market participants

interested in purchasing homes in the subject market area do not base decisions upon the depreciated cost of the improvements. For this reason, the Cost Approach is not considered applicable. The Income Capitalization Approach is not developed, as there is insufficient data due to most properties in the area being owner occupied. The Sales Comparison Approach to value is developed to estimate the value of the subject properties as if vacant and improved which is necessary for credible results given the intended use, property characteristics and type of value sought. The data collection and analysis followed the normal procedures as required by the Uniform Standards of Professional Appraisal Practice, as well as the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

Data was obtained from the following sources:

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

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

An interior and exterior site visit was completed August 18, 2021, with each Lessee, and DNRC representatives. Comparables were viewed and the MLS photo is used in the sale data as that is most representative of the sale condition at the time of sale.

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

No personal property is included in this report, with the exception of kitchen appliances, which are typically included with residential sales.

### History/Last Sale of the Subject Properties

The subject sites have been under the State of Montana ownership for over three years. Improvements on the subject lots are owned by the Lessees for over three years.

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

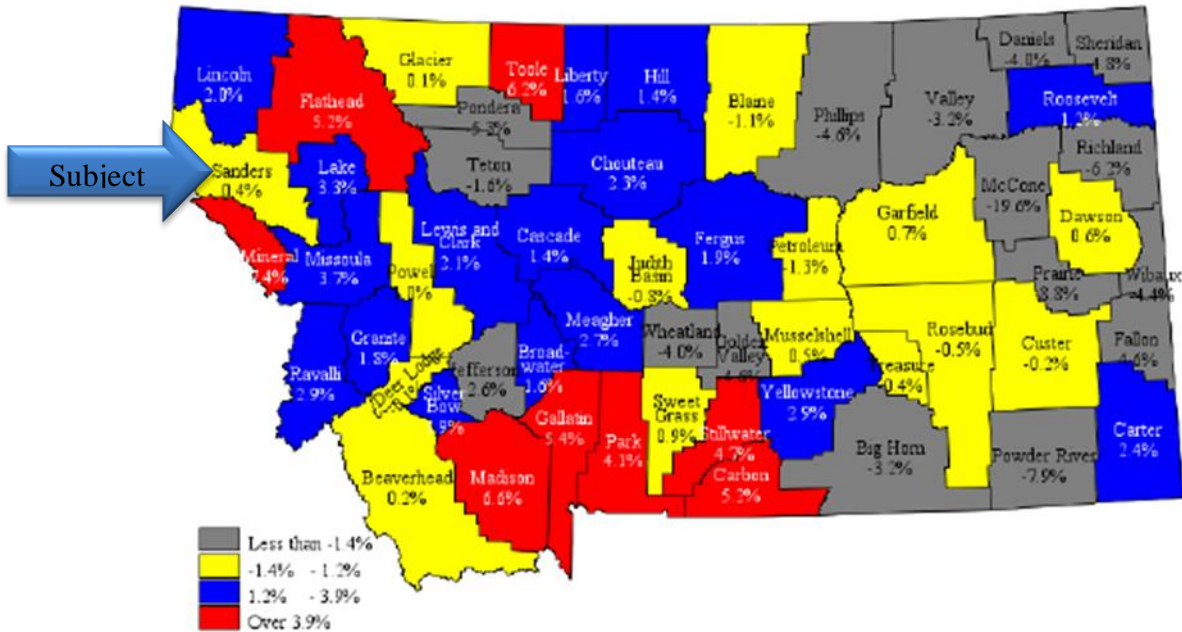
### Use/Marketing Histories of the Subject Properties

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

TR#	Sale #	Lessee	House Built	MLS Listing history
4	1170	Marcie Albright & Jodie Chacon	1940	None
9	1171	Bonnie J. & John Jay Gagnon	1950	None
1	1172	Juan Lulack	1988	None

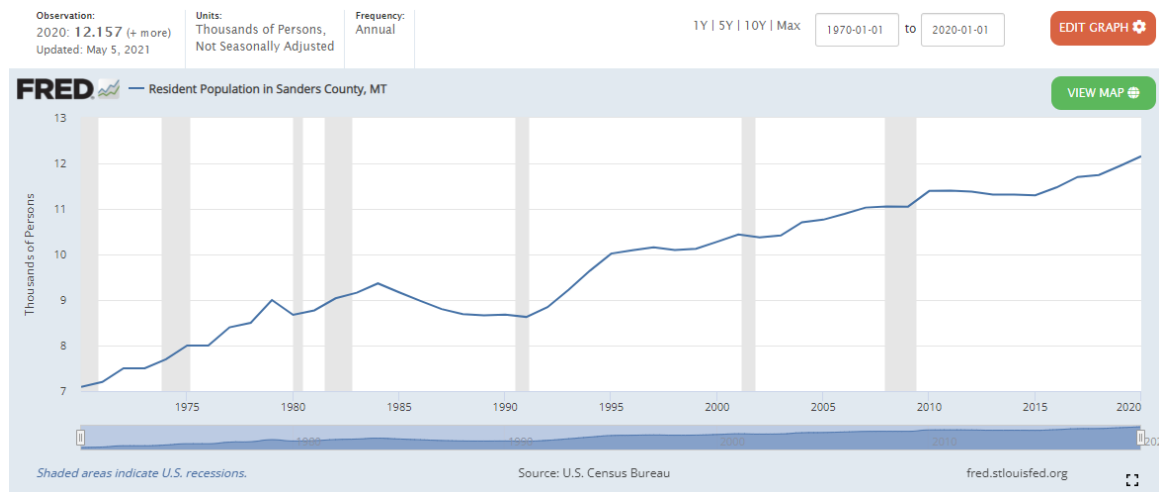
## General Area Data

### Percent Growth in Real Nonfarm Earnings 2017



### Location

Sanders County, located in Northwestern Montana and bordered by Idaho is the 18<sup>th</sup> most populated county in the State with 12,157 residents and the county seat is in Thompson Falls, located in the NW portion of the county. The graph below indicates that the population in Sanders County continues to increase at a steady rate, leveling off, then increasing in the past five years.



There is no known exploration for or production of minerals, oil or gas in the subject neighborhood. Mineral rights, separate and apart from the real estate, have no measurable value in the market.

The following table illustrates the demographics for the area compared to National numbers:

Demographics near Thompson Falls, MT				
	City	County	State	National
? Population	1,447	12,369	1,073,831	328,288,910
? Population Density	938.2	4.5	7.4	92.9
? Percent Male	50.0%	51.0%	50.0%	49.0%
? Percent Female	50.0%	49.0%	50.0%	51.0%
? Median Age	48.1	51.1	40.8	38.6
? People per Household	2.1	2.2	2.3	2.6
? Median Household Income	\$35,797	\$36,647	\$50,799	\$57,525
? Average Income per Capita	\$21,669	\$21,939	\$28,675	\$30,709

As shown in the preceding chart, this is a rural area with a median household income lower, median age higher, and population density lower than observed nationally.

Regional business and economic centers are Missoula, MT located approximately 100 miles south, with national retail outlets, the University of Montana and regional medical centers.

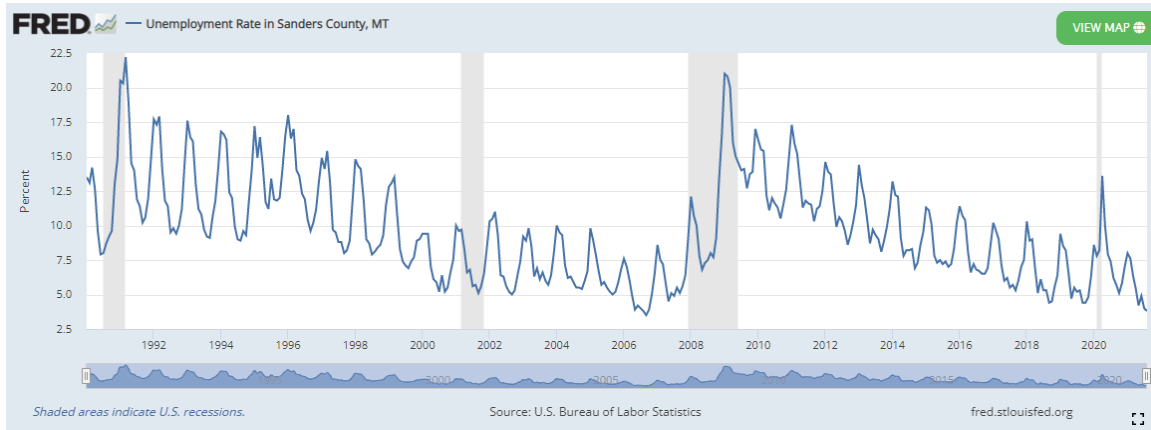
Full medical facilities are available at Clark Fork Valley Hospital in Plains located approximately 25 miles SE; Plains reported a population of 1,051 people in the 2010 Census.

### Unemployment

As of August 2021 unemployment in Sanders County was 3.8%, after a spike to 13.6% in March 2020 due to the COVID-19 pandemic. Most employment is attributed to retail, accommodation/food service and health care (Clark Fork Valley Hospital in Plains) with a marked decline in wood products and mining

industries. Unemployment trends are illustrated in the following graph, which indicate seasonal highs and lows:

### Sanders County Unemployment Trends



### Recreation

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

### Transportation

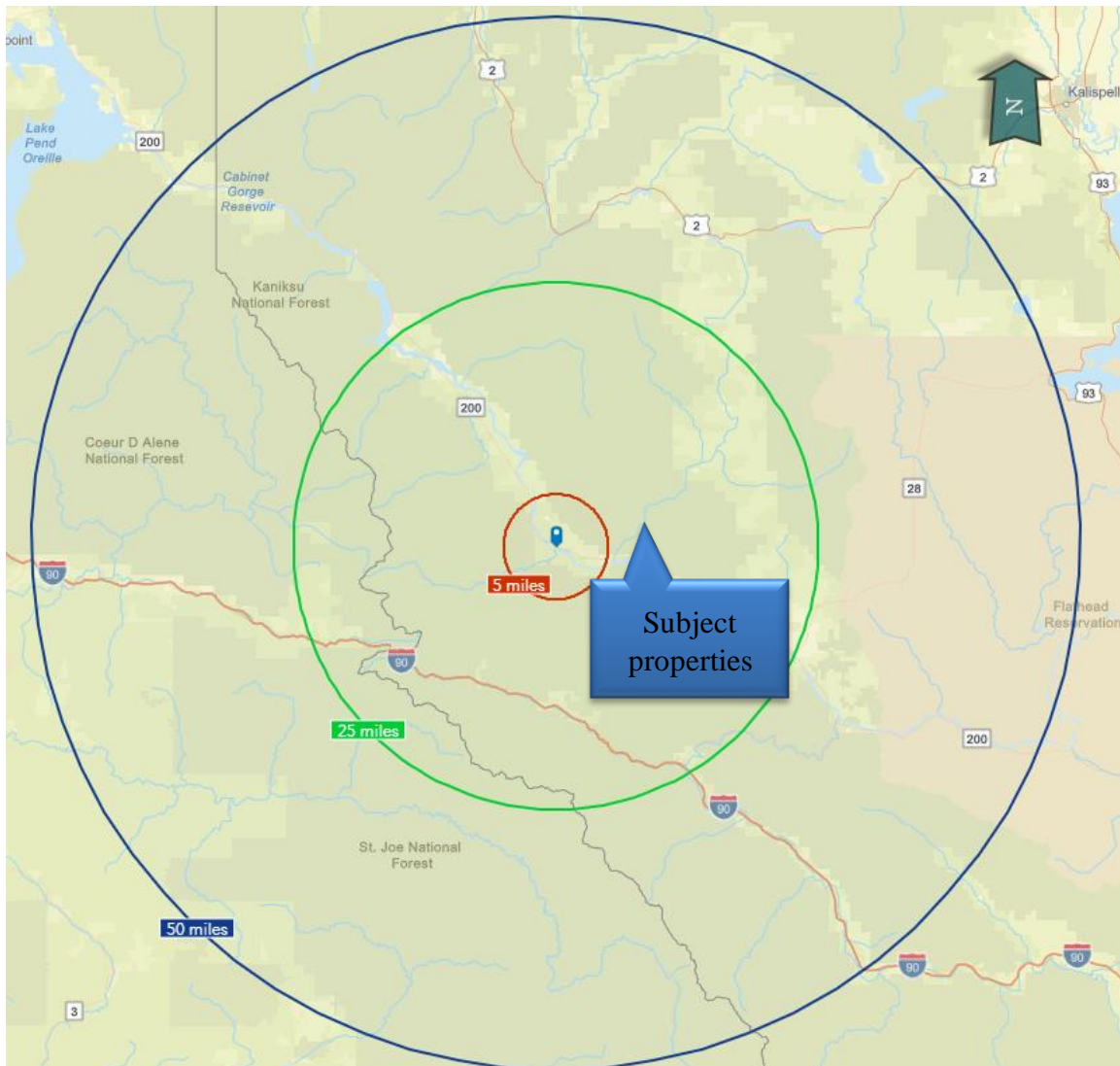
Transportation facilities are adequate with Glacier National Airport in Kalispell, MT 107+/- miles NE, Spokane, WA International Airport approximately 125+/- miles west or Missoula, MT International Airport 100+/- miles SE. There are small airports in Plains and Thompson Falls available for personal planes. The location near MT Highway 200 facilitates good access to and from the area.

## Education

Public school is available for grades K-12 in Thompson Falls with 180 high school students, 78 middle school students and 210 elementary school children. The following table reports education information for the area compared to national numbers, which are fairly consistent across the board with the exception of lower number of area residents with a four-year college degree:

Education near Thompson Falls, MT				
	City	County	State	National
? High School Graduates	84.1%	88.0%	92.4%	86.3%
? College Degree - 2 year	3.5%	6.4%	8.3%	7.9%
? College Degree - 4 year	16.1%	15.5%	29.1%	29.3%
? Graduate Degree	3.3%	3.0%	6.2%	7.8%
? Expenditures per Student	\$13,347	\$13,653	\$11,527	\$12,383
? Students per Teacher	13.3	10.9	11.9	16.8
? Students per Librarian	576	401	287	538
? Students per Guidance Counselor	411	362	303	403

## Neighborhood Data and forecasts



The subject is located in Sanders County in NW Montana in the county seat of Thompson Falls with 9,840 residents within a 25-mile radius, in a neighborhood of commercial properties along the highway, vacant land and single-family residential homes. Following is the 5-year forecast for population, income, and housing within a 10-, 25- and 50-mile radius of the subject:

## Population forecast 2025

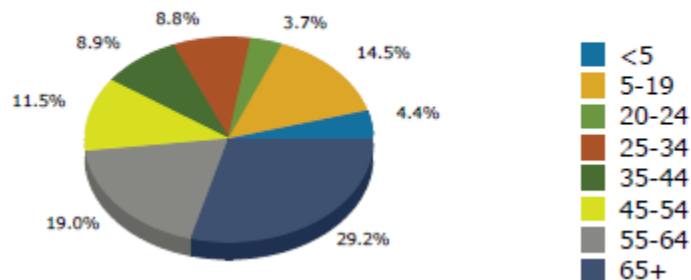
Following is the esri population, housing and income forecast for the Thompson Falls area within a 5, 25 and 50 mile radius:

	5 miles	25 miles	50 miles
<b>Population</b>			
2000 Population	2,235	8,652	30,059
2010 Population	2,475	9,330	31,513
2020 Population	2,594	9,840	33,075
2025 Population	2,673	10,131	33,939
2000-2010 Annual Rate	1.03%	0.76%	0.47%
2010-2020 Annual Rate	0.46%	0.52%	0.47%
2020-2025 Annual Rate	0.60%	0.58%	0.52%
2020 Male Population	50.5%	50.8%	50.6%
2020 Female Population	49.5%	49.2%	49.4%
2020 Median Age	52.9	53.5	51.0

In the identified area, the current year population is 33,075. In 2010, the Census count in the area was 31,513. The rate of change since 2010 was 0.47% annually. The five-year projection for the population in the area is 33,939 representing a change of 0.52% annually from 2020 to 2025. Currently, the population is 50.6% male and 49.4% female.

## Population by age 25-mile radius

2020 Population by Age

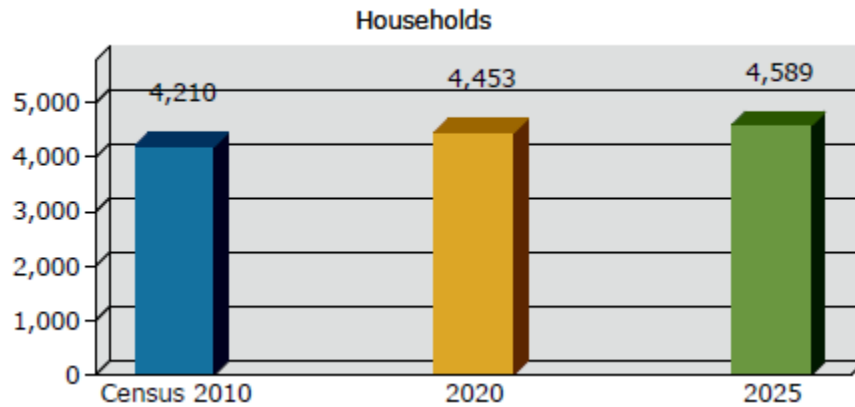


## Household forecast 2025

	5 miles	25 miles	50 miles
<b>Households</b>			
2020 Wealth Index	48	52	55
2000 Households	929	3,589	12,572
2010 Households	1,141	4,210	13,879
2020 Total Households	1,196	4,453	14,617
2025 Total Households	1,233	4,589	15,018
2000-2010 Annual Rate	2.08%	1.61%	0.99%
2010-2020 Annual Rate	0.46%	0.55%	0.51%
2020-2025 Annual Rate	0.61%	0.60%	0.54%
2020 Average Household Size	2.16	2.18	2.23

The household count in this area has changed from 13,879 in 2010 to 14,617 in the current year, a change of 0.51% annually. The five-year projection of households is 15,018, a change of 0.54% annually from the current year total. Average household size is currently 2.23, compared to 2.24 in the year 2010. The number of families in the current year is 9,110 in the specified area.

### Households 25-mile radius



### Income forecast 2025

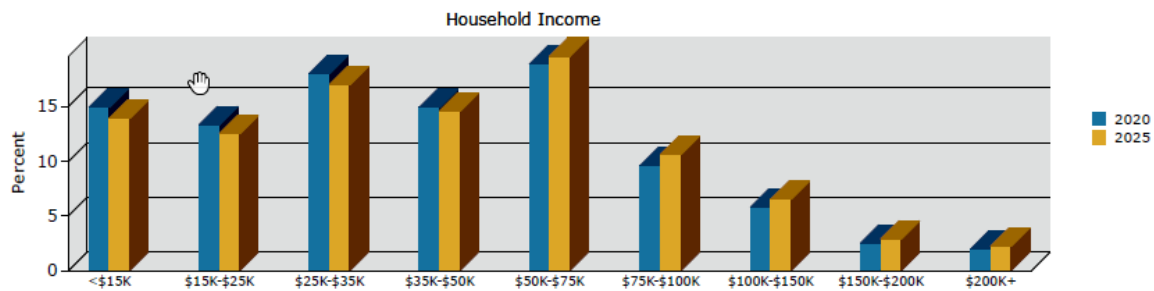
	5 miles	25 miles	50 miles
<b>Mortgage Income</b>			
2020 Percent of Income for Mortgage	27.4%	24.6%	19.6%
<b>Median Household Income</b>			
2020 Median Household Income	\$34,340	\$37,858	\$40,682
2025 Median Household Income	\$36,800	\$40,562	\$43,953
2020-2025 Annual Rate	1.39%	1.39%	1.56%
<b>Average Household Income</b>			
2020 Average Household Income	\$51,921	\$54,184	\$56,456
2025 Average Household Income	\$57,557	\$59,611	\$62,177
2020-2025 Annual Rate	2.08%	1.93%	1.95%
<b>Per Capita Income</b>			
2020 Per Capita Income	\$23,937	\$24,584	\$24,984
2025 Per Capita Income	\$26,555	\$27,074	\$27,548
2020-2025 Annual Rate	2.10%	1.95%	1.97%
<b>Households by Income</b>			

Current median household income is \$40,682 in the area, compared to \$62,203 for all U.S. households. Median household income is projected to be \$43,953 in five years, compared to \$67,325 for all U.S. households

Current average household income is \$56,456 in this area, compared to \$90,054 for all U.S. households. Average household income is projected to be \$62,177 in five years, compared to \$99,510 for all U.S. households

Current per capita income is \$24,984 in the area, compared to the U.S. per capita income of \$34,136. The per capita income is projected to be \$27,548 in five years, compared to \$37,691 for all U.S. households

### Income 25-mile radius

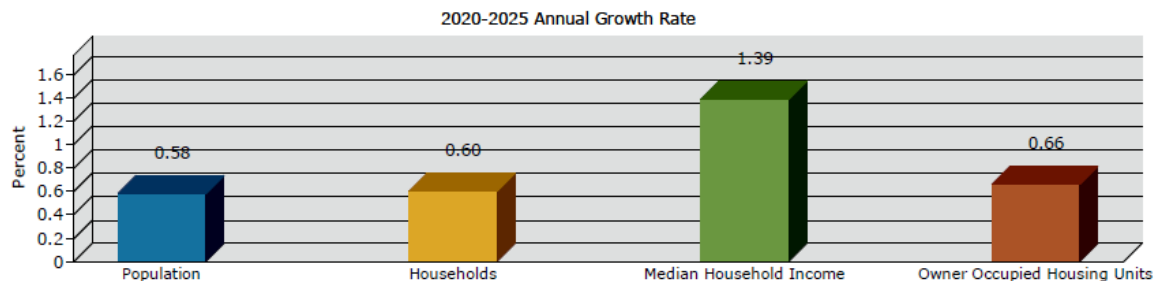


## Housing forecast

	5 miles	25 miles	50 miles
<b>Housing</b>			
2020 Housing Affordability Index	90	99	121
2000 Total Housing Units	1,064	4,426	15,580
2000 Owner Occupied Housing Units	708	2,783	9,397
2000 Renter Occupied Housing Units	221	806	3,175
2000 Vacant Housing Units	135	837	3,008
2010 Total Housing Units	1,348	5,553	18,279
2010 Owner Occupied Housing Units	832	3,190	10,325
2010 Renter Occupied Housing Units	309	1,020	3,554
2010 Vacant Housing Units	207	1,343	4,400
2020 Total Housing Units	1,413	5,878	19,288
2020 Owner Occupied Housing Units	843	3,306	10,719
2020 Renter Occupied Housing Units	353	1,147	3,897
2020 Vacant Housing Units	217	1,425	4,671
2025 Total Housing Units	1,477	6,129	19,945
2025 Owner Occupied Housing Units	880	3,417	11,024
2025 Renter Occupied Housing Units	353	1,172	3,994
2025 Vacant Housing Units	244	1,540	4,927

Currently, 55.6% of the 19,288 housing units in the area are owner occupied; 20.2%, renter occupied; and 24.2% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 18,279 housing units in the area - 56.5% owner occupied, 19.4% renter occupied, and 24.1% vacant. The annual rate of change in housing units since 2010 is 2.42%. Median home value in the area is \$191,193, compared to a median home value of \$235,127 for the U.S. In five years, median value is projected to change by 2.01% annually to \$211,176.

## Neighborhood Summary-25 mile radius



Number of households and population all show positive trends in the next five years, and increasing income projected for the area.

## Market Analysis

### County Statistics

For 10/13/2020 To 10/13/2021  
Selected County: Sanders

	As Of 10/13/2021			For 10/13/2020 To 10/13/2021											
	Active	Volume	Avg List Price	Active	Volume	Avg List Price	New	Pend	Sold	Avg Sold Price	CDOM	DOM	Expr	With-drawn	BOM
Residential	75	\$ 60,570,296	\$ 807,604	326	\$ 194,738,989	\$ 597,359	256	238	225	\$ 441,929	167	129	34	5	94
Multi-Family	2	\$ 3,864,000	\$ 1,932,000	9	\$ 5,764,700	\$ 640,522	7	6	5	\$ 261,400	183	85	0	0	1
<b>Subtotal</b>	<b>77</b>	<b>\$ 64,434,296</b>	<b>\$ 836,809</b>	<b>335</b>	<b>\$ 200,503,689</b>	<b>\$ 598,518</b>	<b>263</b>	<b>244</b>	<b>230</b>	<b>\$ 438,005</b>	<b>168</b>	<b>128</b>	<b>34</b>	<b>5</b>	<b>95</b>
Land	67	\$ 23,890,600	\$ 356,576	408	\$ 76,699,047	\$ 187,988	264	299	311	\$ 121,968	361	239	43	7	73
Commercial	15	\$ 16,847,599	\$ 1,123,173	39	\$ 25,484,493	\$ 653,449	24	20	12	\$ 210,271	292	183	6	1	3
Agricultural	0	0	0	2	\$ 2,924,999	\$ 1,462,500	1	2	1	\$ 825,500	900	900	0	0	0
Business Opportunity	2	\$ 864,900	\$ 432,450	3	\$ 1,364,900	\$ 454,967	2	2	0	0	0	0	0	0	0
Misc. Property	0	0	0	1	\$ 60,000	\$ 60,000	1	1	1	\$ 60,000	76	76	0	0	0
Commercial Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>84</b>	<b>\$ 41,603,099</b>	<b>\$ 495,275</b>	<b>453</b>	<b>\$ 106,533,439</b>	<b>\$ 235,173</b>	<b>292</b>	<b>324</b>	<b>325</b>	<b>\$ 127,202</b>	<b>359</b>	<b>239</b>	<b>49</b>	<b>8</b>	<b>76</b>
<b>Total</b>	<b>161</b>	<b>\$ 106,037,395</b>	<b>\$ 658,617</b>	<b>788</b>	<b>\$ 307,037,128</b>	<b>\$ 389,641</b>	<b>555</b>	<b>568</b>	<b>555</b>	<b>\$ 256,003</b>	<b>280</b>	<b>193</b>	<b>83</b>	<b>13</b>	<b>171</b>

### Residential/Multifamily

As of October 2021, the residential statistical market analysis for Sanders County from the previous year indicates 75 active residential listings with an average list price of \$807,604 and 225 closed sales with an average sale price of \$441,929. Overall, this data indicates a 4+- month undersupply of residential properties in the Sanders County market with average days on market of 167 days. There are currently only two multi-family listings and 5 multifamily sales in the County with an average sold price of \$261,400 and 183 days on market.

### Vacant Land

Sanders County vacant land sales from the past year indicates 67 active land listings with an average list price of \$356,576 and 311 closed sales with an average sale price of \$121,968 and 361 average days on the market. Overall, this data indicates a 3+- month undersupply of vacant land in the Sanders County market.

### Commercial Real Estate

MR MLS indicated 12 closed commercial sales in Sanders County in the past year with an average sale price of \$210,271 and 15 active listings with an

average list price of \$1,123,173. Average cumulative days on the market is 292 days or 9+- months with a balanced supply.

In summary, the market data indicates a 4+- month undersupply of residential properties and a 3+- undersupply of vacant land and a 15+- month supply of commercial properties in Sanders County. Overall, there is an undersupply with strong demand in the past year.

### [COVID-19 Pandemic](#)

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Many people lost employment due to temporary business closures such as restaurants, bars, and health clubs. Temporary business closures were extended until April 24<sup>th</sup>, with a gradual phase-in reopening through May 2020. Overall impact on the economy was devastating with unemployment rates soaring, however the long-term impact is unknown. The Senate passed a 2.2 trillion-dollar aid package which included funds to help people who lost employment due to the pandemic, easing economic loss. Additional stimulus packages followed.

The BBER graph below illustrates Montana’s 2020 recession experience and forecasts for employment, wage and salary, and personal income growth:

## Montana's Recession Experience

Employment, Wages and Salary and Income Growth, Actual and Forecast, Percent



The slowing of the local and national economy has increased demand in the Western Montana real estate market, with Realtors reporting strong market activity and inventory levels low. The following graphic illustrates changes since the COVID-19 pandemic:

### Which Changes We've Experienced Will Stick?

- High savings rates
- Strong spending on durables
- Eating at home
- Re-shoring or near-shoring supply chains
- Exit from major cities
- Technology adoption
- Whither commercial real estate?
- High government debt levels
- Larger government role in the economy

### Key Economic Data and Events during July 2021

- Interest Rates: The 10-Year US Treasury yield fell to 1.24% (July 30) from 1.48% (July 1).
- Housing: Home Prices set another record high, with the FHFA HPI increasing 18.0% YoY.
- Labor: The Economy added 850,000 new jobs during June.
- Inflation: Inflation stormed higher as the CPI jumped 0.9%, now up 5.4% YoY.
- The Economy: US GDP grew at 6.5% in the 1st Quarter of 2021.
- Consumers: Retails Sales surged 0.6% in June, now up 18% in the last 12 months.
- Stock Markets set new record highs: Dow 35,144, Nasdaq 14,840, S&P 4,422.

### Interest Rates and Federal Reserve

The last Federal Reserve Meeting was on July 28 with no change to Monetary Policy or the view on Inflation. The Federal Reserve stated that current high Inflation is only temporary, and it is too soon to scale back their accommodative Monetary Policy. The Fed will continue to buy \$120B per month of US Treasury and MBS Securities, and keep Fed Funds at 0.0% - 0.25%, until "substantial further progress has been made toward the Committee's maximum employment and price stability goals". The Economy has not recovered enough to change Monetary Policy, and they are willing to accept high Inflation.

### Conclusion

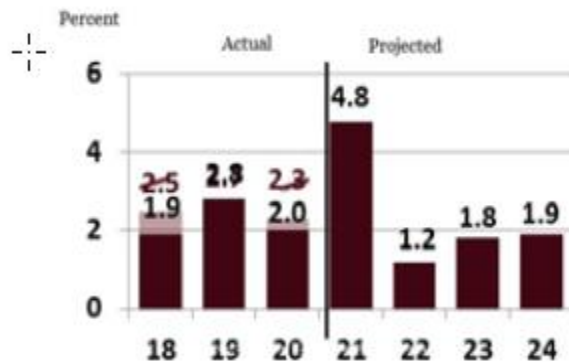
The following BBER tables best summarize the effects of the pandemic, along with illustrating historical and projected growth in Nonfarm earnings. The post-pandemic future is unknown; however, technology has allowed many to continue working remotely and there is a positive outlook for agriculture and construction.

## The Covid-19 Recession One Year Later

- Unprecedented downturn, followed by a unprecedented recovery
- March-April saw most economic indicators in uncharted territory
- Policy actions were swift, decisive, and effective
- Most surprises since mid-summer have been positive
- Aggregate economic measures fail to capture substantial swings in consumption, investment and trade patterns
- Parts of the economy have more than recovered, others face daunting challenges
- Montana is emerging as a state less affected than others



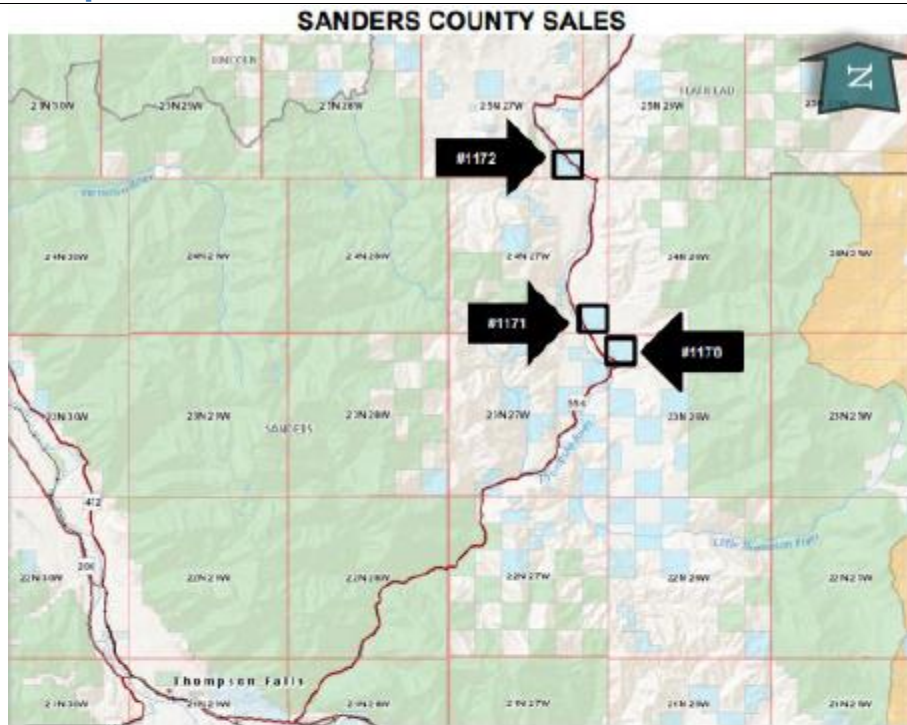
Growth in Nonfarm Earnings,  
Montana, 2018-24



Source: BBER and U.S. Bureau of Economic Analysis



## Site Description



PT SW4SW4\*, T23N-R26W, Sec. 6



Lot 8, East of Thompson River\*, T24N-R27W, Sec. 36



PT SE4SE4\*, T25N-R27W, Sec. 36

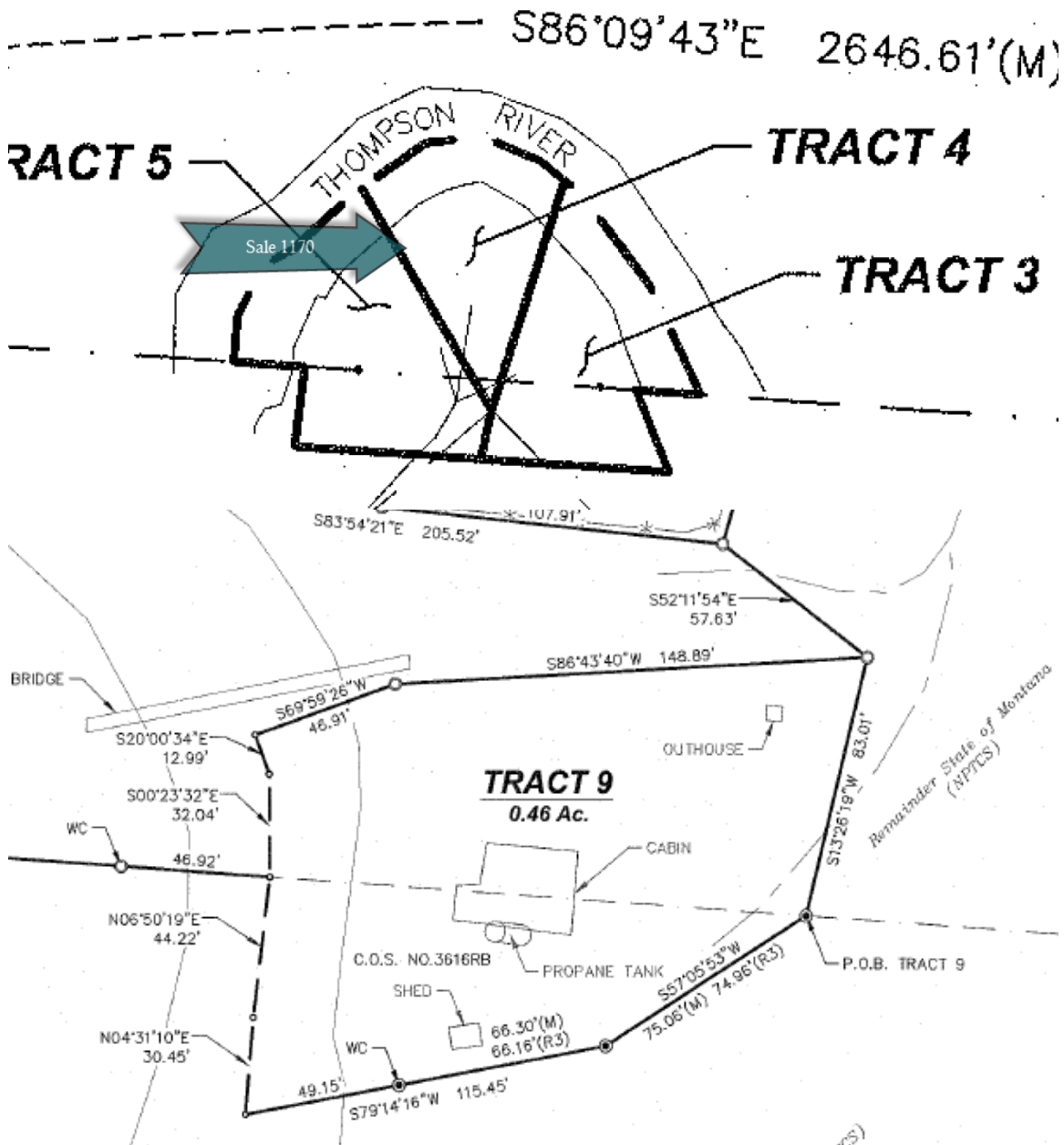


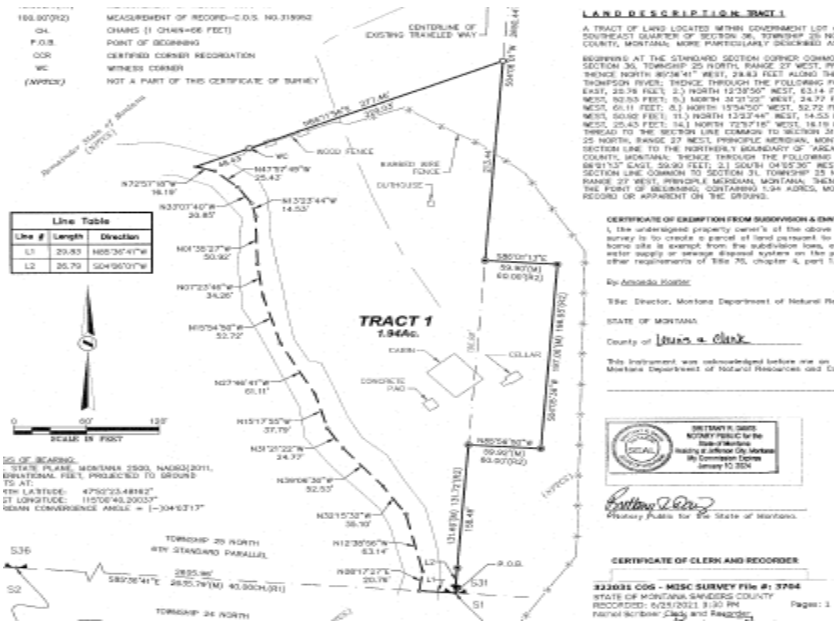
\*Sites will be surveyed prior to appraisal. All locations depicted above are approximate.

## General Description Legal Description, Size, water amenity

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

TR#	Sale #	Lessee	COS #	ownship/Range/Secio	County	Size/Acres	waterfront	RF'
4	1170	Marcie Albright & Jodie Chacon	3705	T23N-R26W, Sec. 6	Sanders	0.21	Thompson River	145.14
9	1171	Bonnie J. & John Jay Gagnon	3703	T24N-R27W, Sec. 36	Sanders	0.46	Thompson River	119.7
1	1172	Juan Lulack	3704	T25N-R27W, Sec. 36	Sanders	1.94	Thompson River	510.1





## Address/access

The subject TR. 4 and TR.9 have access via road easements from gravel County Thompson River Road and TR. 1 has access from County gravel Thompson River Road.

TR#	Sale #	Lessee	Address	City	Access
4	1170	Marcie Albright & Jodie Chacon	29 Big Prairie Road	Thompson Falls, MT	Rd esmt #259247
9	1171	Bonnie J. & John Jay Gagnon	5 Seman Creek Lane	Thompson Falls, MT	Rd esmt through DNRC
1	1172	Juan Lulack	2969 Thompson River Road	Thompson Falls, MT	County Road

## Water Rights

According to DNRC, the following water rights are associated with the sales and will be transferred to the buyers at closing.

Lot #	Sale #	Lessee	Use	Type	Diversion	Source Name	Water Right	Date
4	1170	Marcie Albright & Jodie Chacon	Domestic Surface water	Pump		Thompson River	76N 49859-00	7/31/1934
9	1171	Bonnie J. & John Jay Gagnon	Domestic Groundwater	Flowing		Spring-Thompson River	76N 23396-00	4/15/1955
1	1172	Juan Lulack	Domestic Groundwater	Well		Groundwater	76N 23400-00	8/1/1949
	1172	Juan Lulack	Domestic Surface water	Pump		Tributary-Thompson River	76N 138047-00	4/15/1960

## Zoning

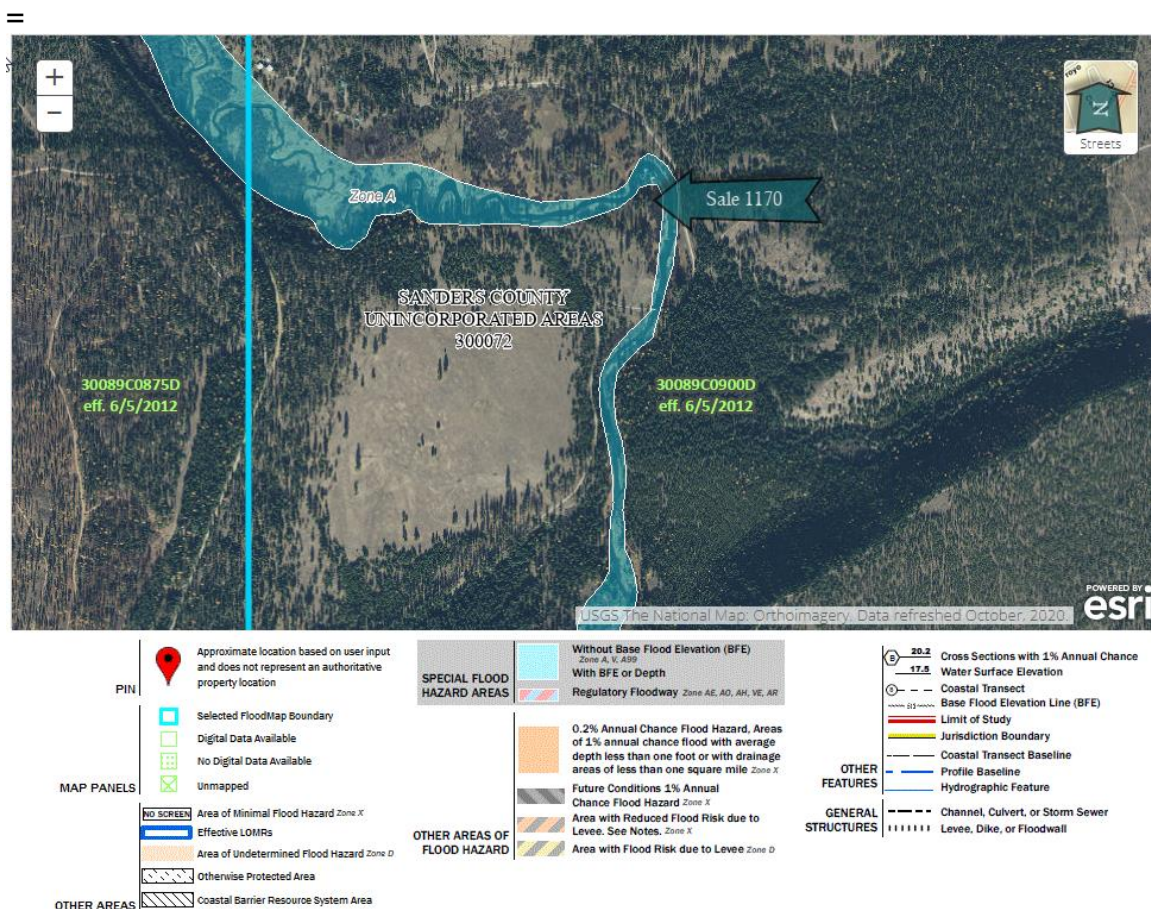
There is no zoning in Sanders County according to the Planning Department.

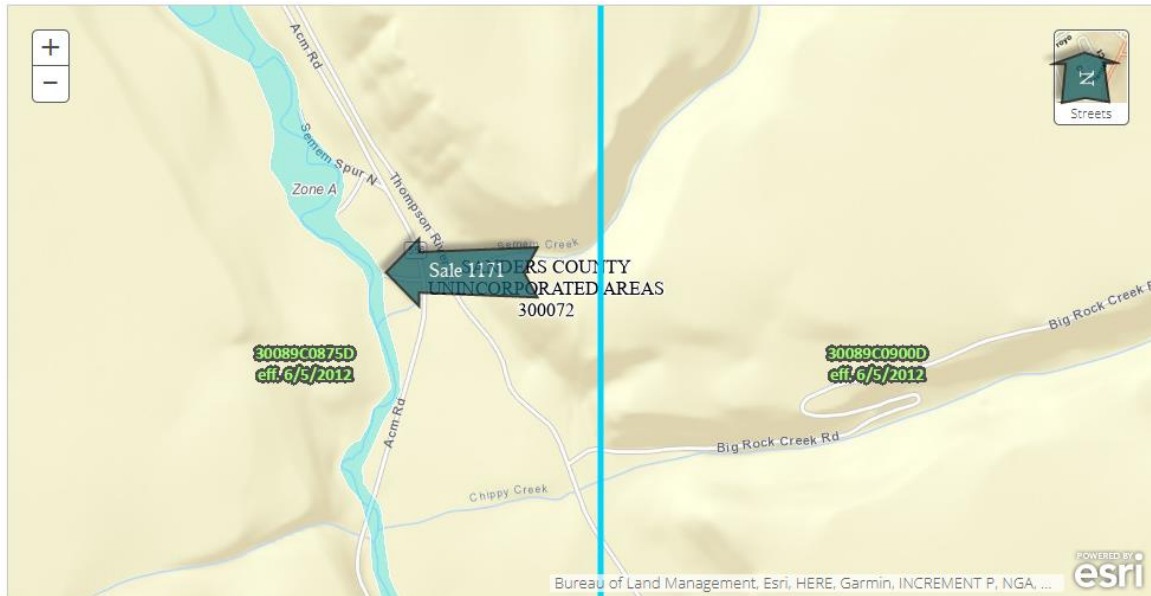
## Flood Maps

According to FEMA Flood map service Flood map numbers listed below

with an effective on 6/5/2012, a portion of the subject tracts along the Thompson River lie within Zone A. According to FEMA and the National Flood Insurance Program, any building located in an A zone is considered to be in a Special Flood Hazard Area and is lower than the Base Flood Elevation. Zone X is an area of minimal flood hazard. Following are the FEMA flood maps for each location:

TR#	Sale #	Lessee	Zone	FEMA Map #	Date
4	1170	Marcie Albright & Jodie Chacon	A & X	30089C0900D	6/5/2012
9	1171	Bonnie J. & John Jay Gagnon	A & X	30089C0875D	6/5/2012
1	1172	Juan Lulack	A & X	30089C0875D	6/5/2012





### Topography, vegetation, soils and drainage

The subject Tracts 4, 9 and 1 are mostly level and it appears that drainage and storm water runoff is adequate and/or properly designed and engineered for the subject sites. A soil study for the subject sites was not provided; it is assumed that the soil can accommodate the type of construction which is typically seen in the subject area. The subject lots all include native vegetation and trees.

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

### Easement, Restrictions and Encroachments

A land status report was provided for the subject tracts by the DNRC as follows:

#### Sale #1170

2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 6, Township 23 North, Range 26 West  
And Section 7, Township 23 North, Range 26 West  
Tract 4, Sanders County, COS 3705, containing 0.21 acres, more or less.**

Section 6, Title vested in the State of Montana on July 19, 1943 under Clear List Selection No. 109 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Sanders County Clerk and Recorder's office on September 18, 1943, at Vol. 43 of Records, on Page 350.

Portion of Government Lot 1, Section 7, Title vested in the State of Montana on March 10, 2020 as a result of a Grant Deed from Weyerhaeuser Company as previously described in a conveyance to the State of Montana found in the records of Sanders County Clerk and Recorder's office on March 20, 2020, under Document No. 315956.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Residential Lease No. issued March 1, 2019 to Marcie Albright and Jodie Chacon and expiring February 28, 2034;  
Water Right No. 76N 49859-00 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of July 31, 1934.**

Sale #1171

2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 36, Township 24 North, Range 27 West  
And Section 1, Township 23 North, Range 27 West  
Tract 9, Sanders County, COS 3703, containing 0.46 acres, more or less.**

Section 36 Title vested in the State of Montana upon acceptance of the Plat of Survey dated January 9, 1899 by the General Land Office as evidenced by US Patent No. 1100394, as previously described in a conveyance to the State of Montana filed in the records of the Sanders County Clerk and Recorder's office on April 3, 1940, at Vol. 40 of Deed Records, Page 387.

Portion of Government Lot 4, Section 1, Title vested in the State of Montana on March 10, 2020 as a result of a Grant Deed from Weyerhaeuser Company as previously described in a conveyance to the State of Montana filed in the records of Sanders County Clerk and Recorder's office on March 20, 2020, under Document No. 315956.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Residential Lease No. issued March 1, 2020 to Bonnie J. Gagnon and John J. Gagnon and expiring February 28, 2035;  
Water Right No. 76N 023396-00 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of April 15, 1955.**

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;

Sale #1172

2. I have examined the land records of the State of Montana on file in our office in Helena, Montana, that may affect title of the State of Montana in and to the following described real property:

**Section 36, Township 25 North, Range 27 West  
And Section 31, Township 25 North, Range 26 West  
Tract 1, Sanders County, COS 3704, containing 1.94 acres, more or less.**

Section 36 Title vested in the State of Montana upon acceptance of the Plat of Survey dated February 20, 1902, by the General Land Office as evidenced by US Patent No. 1100394, as previously described in a conveyance to the State of Montana filed in the records of the Sanders County Clerk and Recorder's office on April 3, 1940, at Vol. 40 of Deed Records, Page 387.

Portion of Government Lot 4, Section 31, Title vested in the State of Montana on March 10, 2020 as a result of a Grant Deed from Weyerhaeuser Company as previously described in a conveyance to the State of Montana filed in the records of Sanders County Clerk and Recorder's office on March 20, 2020, under Document No. 315956.

3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Residential Lease No. issued March 1, 2007 to Juan Lulack and expiring February 28, 2022;  
Water Right No. 76N 138047-00 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of April 15, 1960;  
Water Right No. 76N 23400-00 issued to Montana State Board of Land Commissioners, Trust Land Management Division, with a priority date of August 1, 1949.**

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;

## Improvement Description

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### Utilities

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

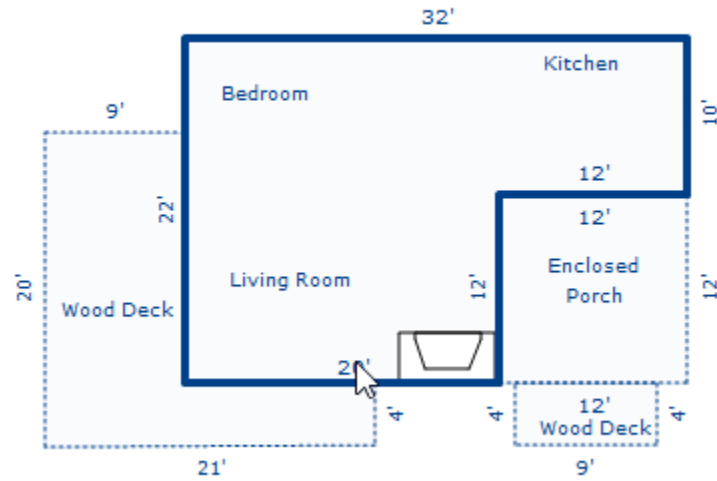
TR#	Sale #	Lessee	Septic	Water Source	Power source
4	1170	Marcie Albright & Jodie Chacon	outhouse	None-haul	none-propane lights
9	1171	Bonnie J. & John Jay Gagnon	outhouse	None-haul	none-propane lights
1	1172	Juan Lulack	outhouse	well house-none	none

### Cabin Improvements

Improvements on each lot are summarized in the table below:

<i>Cabin Improvements</i>			
Sale#/Lot#	#1170/TR 4	#1171/TR 9	#1172/TR 1
Residence SF	560	624	676
Construction	wood frame	wood frame	log
Foundation	post & pier	Concrete	concrete
Quality	fair/poor	average	average
Condition	fair/poor	average	average
Year Built	1940	1950	1988
# Bedrooms	1	2	0
#Baths	outhse	outhse	outhse
Porch/Deck/SF	408	80	156
Outbuilding/SF	0	64	0
Utilities	propane	propane	none
WS/Fireplace	WS	WS/FP	FP
Appliances	lpg stove/ref	lpg stove/ref	none

[TR 4 Sale #1170 Improvement sketch and photos](#)



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	560.00	560.00
P/P	Wood Deck	227.81	
	Wood Deck	36.00	
	Enclosed porch	144.00	407.81

**SUBJECT PROPERTY PHOTOGRAPHS #1170**



Subject Front-post and pier foundation



Subject Rear

## SUBJECT PROPERTY PHOTOGRAPHS #1170



Subject Street-road easement

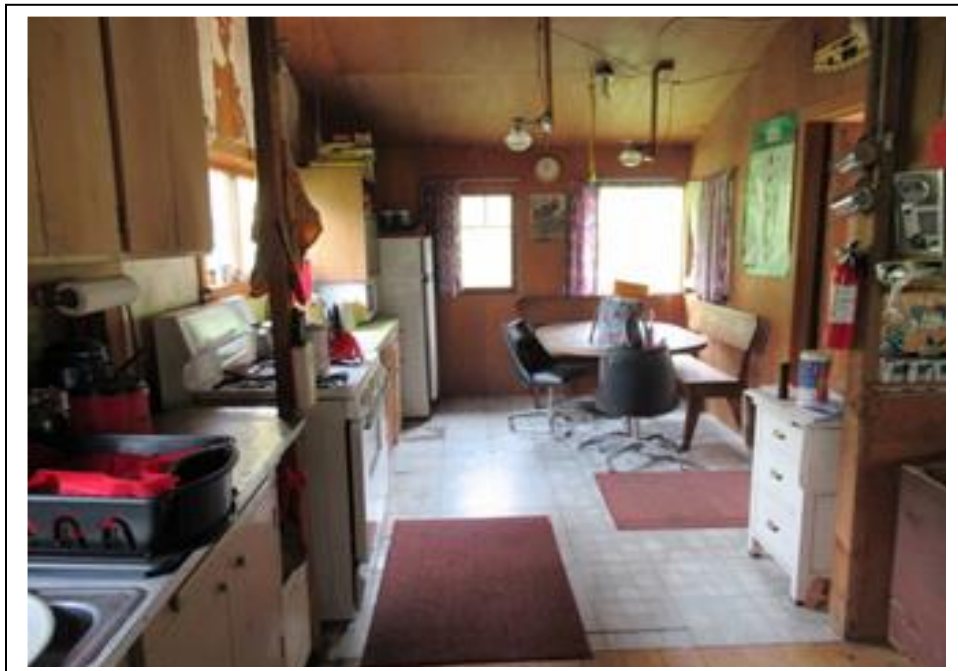


Subject Thompson River frontage

**SUBJECT PROPERTY PHOTOGRAPHS #1170**



Subject Living room-wood stove in kitchen

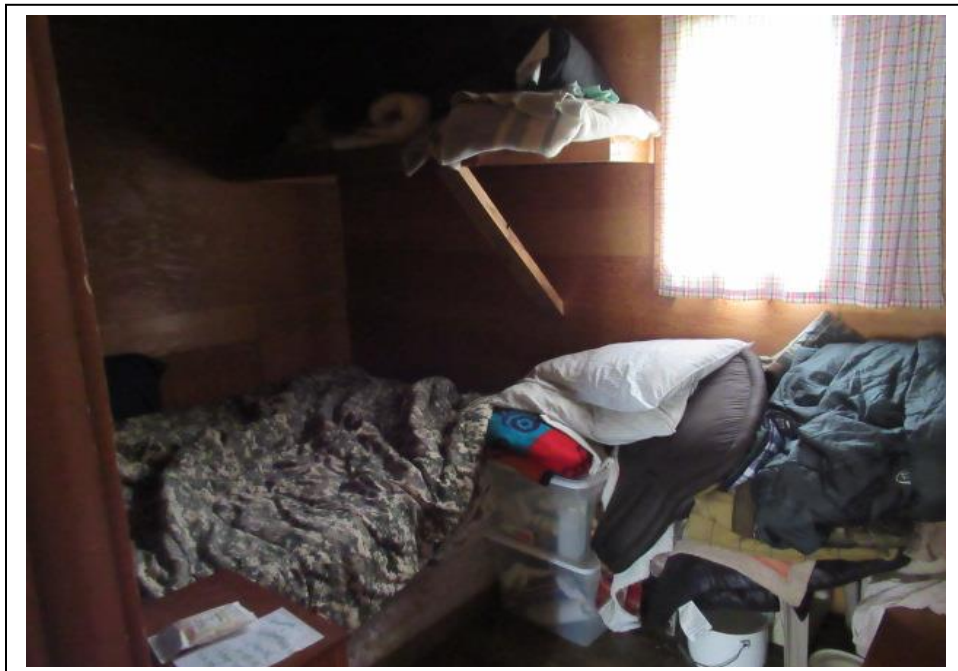


Subject Kitchen and Dining area

## SUBJECT PROPERTY PHOTOGRAPHS #1170

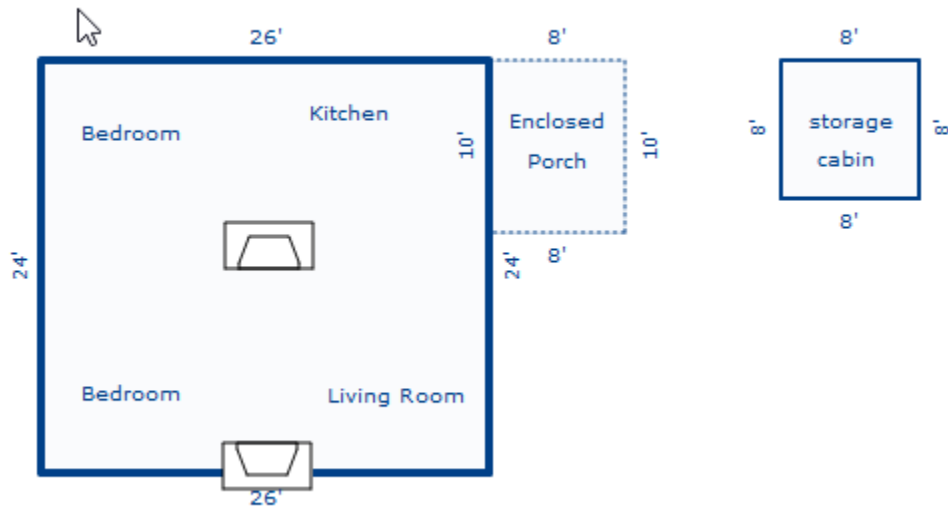


Subject Living room and wood stove



Subject bedroom

[TR 9 Sale #1171 Improvement sketch and photos](#)



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	624.00	624.00
P/P	Enclosed porch	80.00	80.00
OTH	storage cabin	64.00	64.00

**SUBJECT PROPERTY PHOTOGRAPHS #1171**



Subject Front-concrete foundation



Subject Rear

## SUBJECT PROPERTY PHOTOGRAPHS #1171



Subject Street

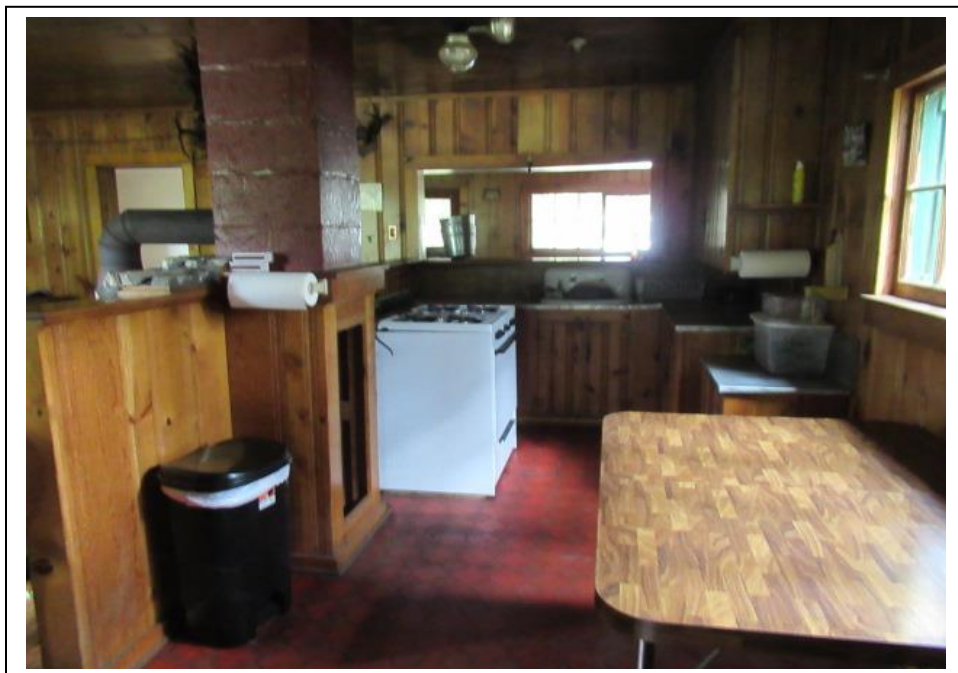


Subject Thompson River frontage

**SUBJECT PROPERTY PHOTOGRAPHS #1171**



Subject Living room-wood stove



Subject Kitchen

**SUBJECT PROPERTY PHOTOGRAPHS #1171**

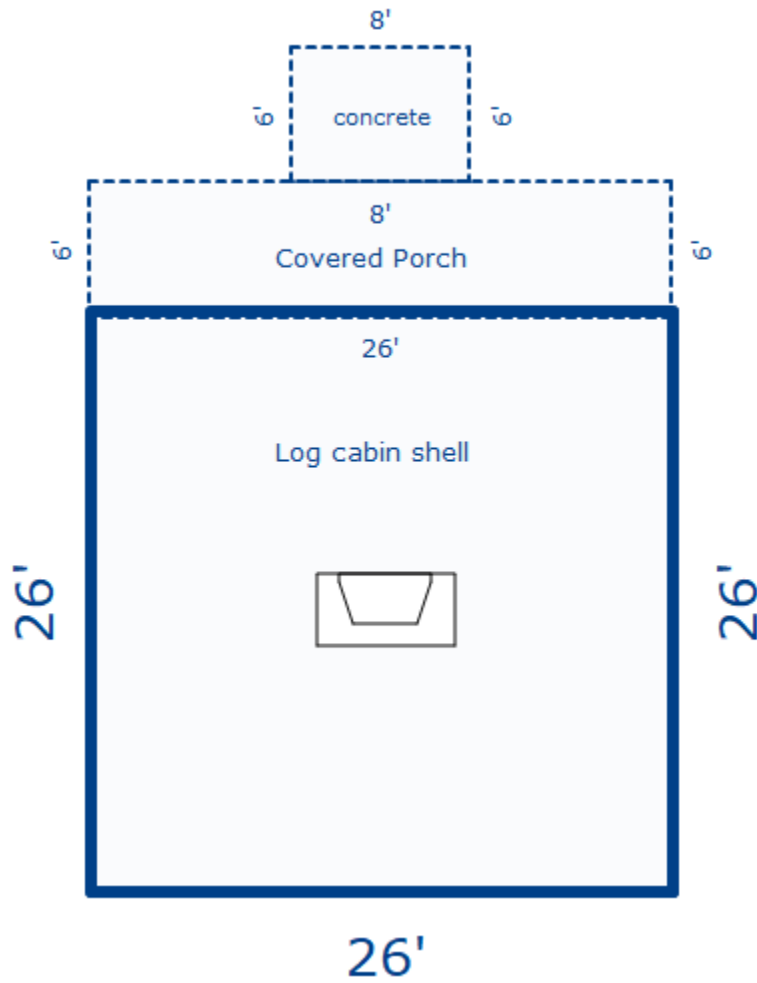


Subject Living Room and fireplace



Subject typical bedroom

[TR 1 Sale #1172 Improvement sketch and photos](#)



AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	676.00	676.00
P/P	Covered porch	156.00	
	concrete	48.00	204.00

**SUBJECT PROPERTY PHOTOGRAPHS #1172**



Subject Front



Subject Rear

## SUBJECT PROPERTY PHOTOGRAPHS #1172



Subject Thompson River Road and driveway

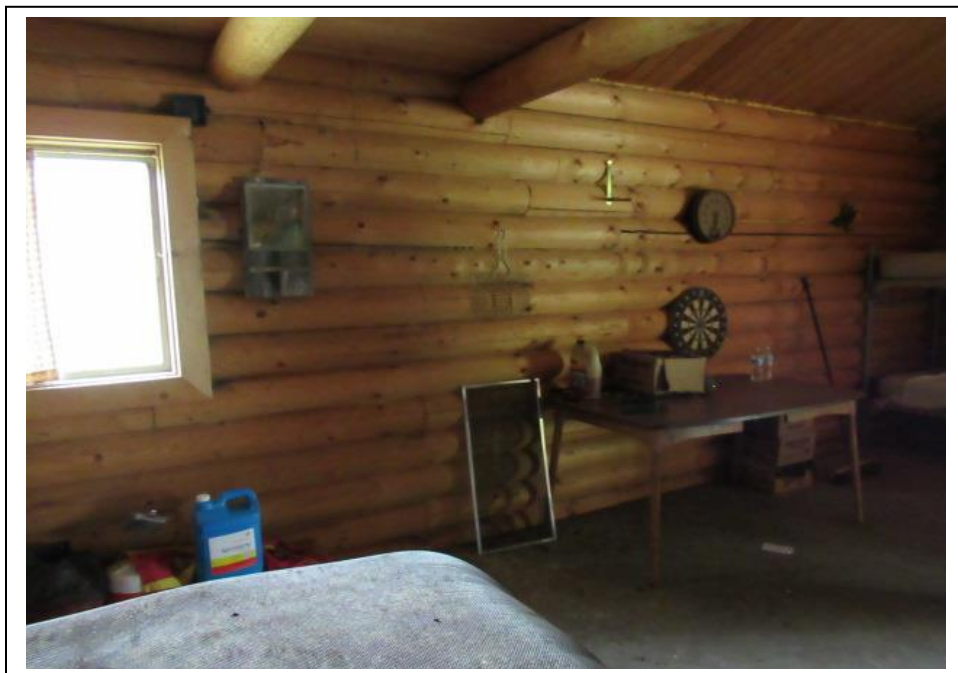


Subject Thompson River frontage

**SUBJECT PROPERTY PHOTOGRAPHS #1172**



Subject Living room-fireplace



Subject interior shell

## SUBJECT PROPERTY PHOTOGRAPHS



Subject Bedroom area



Subject cellar well house-well not connect to the cabin

## Strengths, Weaknesses, Opportunities and Threats

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

Strengths of the subject properties are that they are located in a desirable outdoor recreational area with Thompson River frontage and close proximity to Forest Service lands with access from a county gravel road and gravel/dirt road easements. The Thompson River is known for its fishing amenity.

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

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

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

## Taxes and assessment data

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<i>Tax Bills for Improvements</i>					
TR#	Sale #	Lessee	Assr#	Imp. Assessed Vaue	Tax Bill
4	1170	Marcie Albright & Jodie Chacon	2873	\$32,660	\$365.99
9	1171	Bonnie J. & John Jay Gagnon	6414	\$36,490	\$375.36
1	1172	Juan Lulack (Jacob)	6427	\$79,770	\$630.47

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

## Highest and Best Use

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

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

### Analysis of Highest & Best Use as Vacant

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

### Legally Permissible

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

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

### Physically Possible

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

PHYSICALLY POSSIBLE	
Characteristic	Conclusion
<b>Site Area-Lot #</b>	Size/Water amenity
4	0.21 ac Thompson River 145.14'
9	0.46 ac Thompson River 119.7
1	1.94 ac Thompson River 510.1'
<b>Shape</b>	irregular
<b>Topography</b>	Mostly level to undulating
<b>Parcel Type</b>	Single family residential recreational site off-grid
<b>Utilities</b>	None-propoane delivery
<b>Access</b>	County Road with easement
<b>Flood Plain</b>	Zone A along the Thompson River
<b>Soil Conditions</b>	Appears good for development based on surrounding use
<b>Environmental Concerns</b>	None noted
<b>Other</b>	Residential recreational site
<b>Physically possible uses</b>	single family residential/recreational on each lot

### Financially Feasible

After determining the uses that are physically possible and legally permissible, an appraiser considers the uses that are likely to produce an adequate return on investment. All uses that yield a positive return are financially feasible. Feasibility is tested through a cost/benefit analysis or through direct market observation. Based on the recent similar sales and listings, and surrounding use of developed sites, it appears that owner occupied residential/recreational use are both

feasible and maximally productive. There is strong demand and an undersupply of available properties. The use that indicates financial feasibility is single family residential/recreational development based on current use of similar properties in the area.

FINANCIALLY FEASIBLE		
	residential	vacant lot
<b>Demand</b>	strong	strong
<b>Supply</b>	undersupply	undersupply
<b>Feasibility</b>	good	good
<b>Support</b>	sales/active listings	sales/active listings

### Maximally Productive

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

### Conclusion of Highest and Best Use as though Vacant

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

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

### Analysis of Highest & Best Use as improved

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

### Conclusion of Highest and Best Use as improved

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

### **Most Probable Buyer/User**

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

### Appraisal Methodology

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

#### Cost Approach

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

#### Sales Comparison Approach

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

### Income Capitalization Approach

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

### Methods and/or Techniques Employed

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

### ***Organization of the data and analysis***

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

## Land Valuation-Comparable Land Sales

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### Methodology

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

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

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

### Unit of Comparison

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

### Elements of Comparison

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

#### Transaction adjustments

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

## Property adjustments

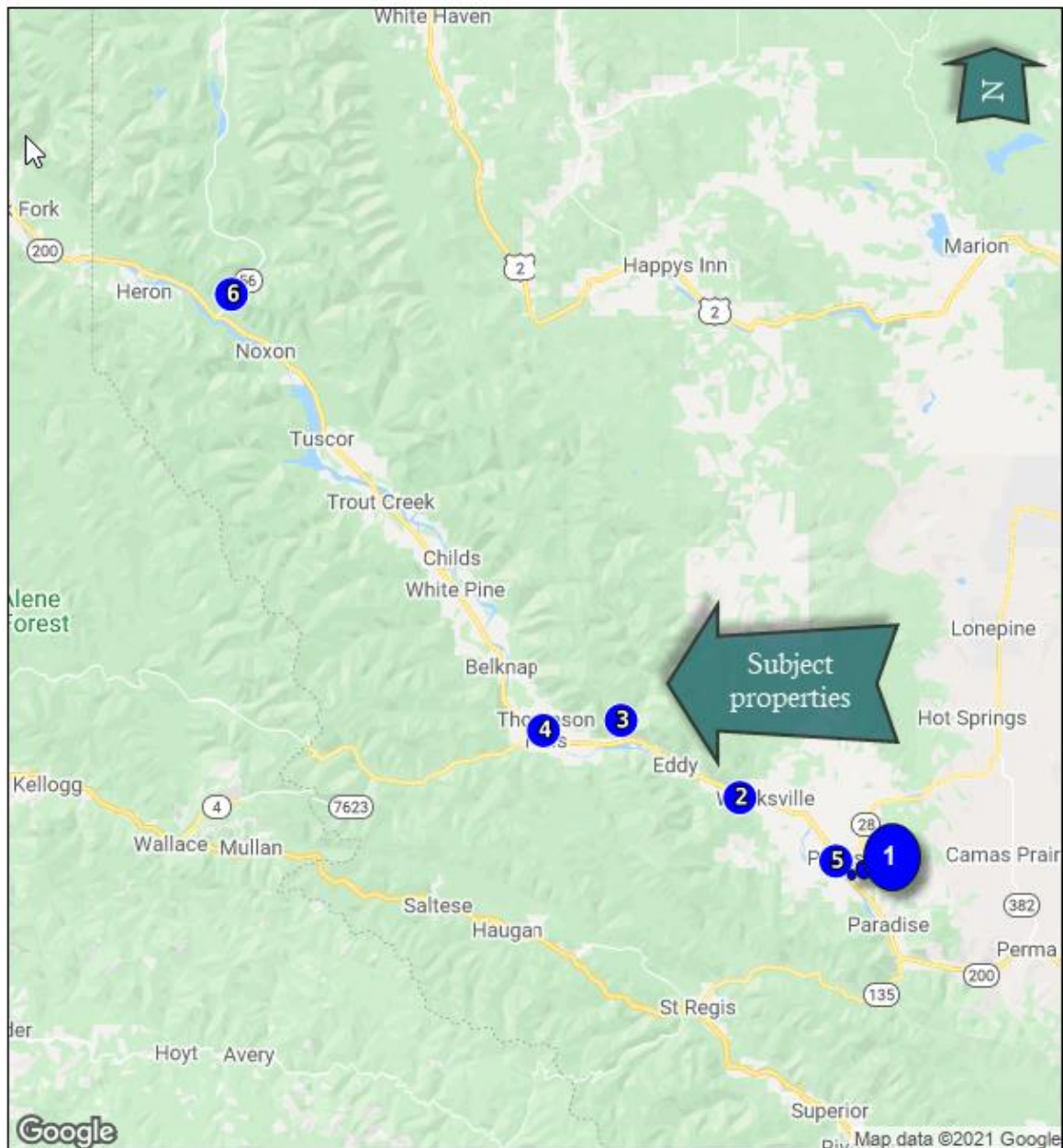
- Location
- Physical characteristics
- Economic characteristics
- Zoning/use
- Non-realty components of value

## Comparable Land Sales Data

In searching for comparables, all river frontage land sales and listings, lot to 3 acres in size in Sanders County are reviewed that occurred in the past year. The following six sales bracket the subject lots in size, river amenity and topography. However, no “off grid” river frontage sales were found, therefore six additional paired sales are analyzed to determine an adjustment for power/utilities available. Sales are analyzed for the purpose of indicating what a well-informed buyer or seller would consider in forming an opinion of value for a site. The most pertinent data and value indications from these sales are shown on the Land Sales Synopsis Chart to follow:

<i>Land Sales Synopsis</i>						
General Data	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
	Lot 14	NHN	188 Thompson	NHN Main	Lot 5	NHN
Address	Meany St. Panorama Terrace		River Rd.	St. West	Stanton St.	Conifer Ln
City, MT	Plains	Plains	Thompson Falls	Thompson Falls	Plains	Noxon
Sale Date	Feb-21	Jan-21	May-21	Jul-21	Jun-21	Mar-21
MLS or Doc#	22017185	22015144	22105828	21909921	22106350	22100292
Market Time	136	118	29	749	48	59
Land size/AC	0.27	1.57	2.15	0.16	0.31	2.01
List Price	\$89,000	\$95,000	\$149,900	\$129,500	\$95,000	\$125,000
Sale Price	\$85,000	\$87,500	\$150,900	\$125,000	\$92,500	\$130,000
List to sale %	96%	92%	101%	97%	97%	104%
<b>Price/Site</b>	<b>\$85,000</b>	<b>\$87,500</b>	<b>\$150,900</b>	<b>\$125,000</b>	<b>\$92,500</b>	<b>\$130,000</b>

## Land Sale Location Map

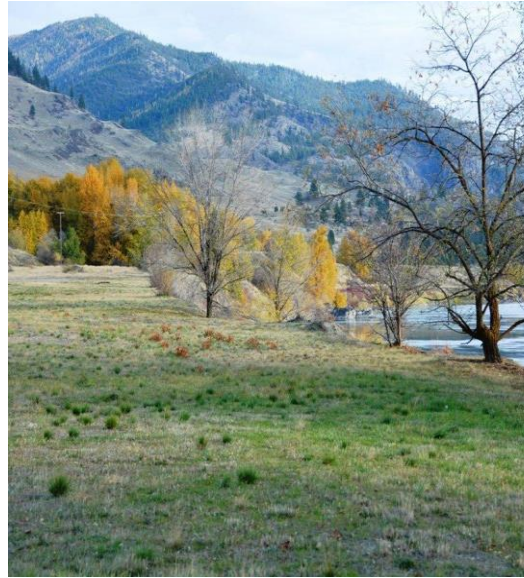


## Land Sales Data

### Land Sale No. 1



Lt 14 Meany St, Plains, MT 59864



Lot 14 Meany Street, Plains, MT 59859

Transaction			
<b>Property ID</b>	1902	<b>Sale Date</b>	02-24-2021
<b>Address</b>	Lot 14 Meany Street,	<b>Sale Price</b>	\$85,000
<b>City</b>	Plains	<b>Price per site</b>	\$85,000
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	Lera	<b>Sale Conditions</b>	Typical
<b>Buyer</b>	GOODSELL MARY E	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	Cash to Seller		
<b>Recording Number</b>	320233	<b>Confirmed Phone</b>	406-544-5970
<b>Tax Parcel Number</b>	0600	<b>Confirmed With</b>	Theresa Lunn
<b>Legal Description</b>	WILD HORSE LANDING, S35, T20, R26, SECTION 35, Lot 14, IN NENWNW .27 ACRES		
<b>MLS#</b>	22017185		
<b>Asking Price</b>	\$89,000		
<b>Sale/List Ratio</b>	96%		
<b>DOM</b>	136		

Site			
<b>Land Acres</b>	0.27000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	11,761	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street	<b>In Flood Plain?</b>	Zone A along the river
<b>Shape</b>	Rectangular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	city w/s public p	<b>Environ. Issues?</b>	unknown

Remarks
0.27 acre lot with 80' Clark Fork River frontage and access to private landing and dock on the Clark Fork River. City water and sewer, paved city street access.

## Land Sale No. 2



Panorama Terrace, Plains, MT



Nhn Panorama Terrace, Plains, MT 59859

Transaction			
<b>Property ID</b>	1903	<b>Sale Date</b>	01-13-2021
<b>Address</b>	NHN Panorama Terrace	<b>Sale Price</b>	\$87,500
<b>City</b>	Plains	<b>Price per site</b>	\$87,500
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	Tiffany Crandell	<b>Sale Conditions</b>	Typical
<b>Buyer</b>	DOYLE GAR B	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	Cash to Seller		
<b>Recording Number</b>	319706	<b>Confirmed Phone</b>	480-410-0033
<b>Tax Parcel Number</b>	31585	<b>Confirmed With</b>	Tiffany Crandell
<b>Legal Description</b>	PANORAMA TERRACE, S4, T20 N, R27 W, Lot 6, ACRES 1.54		
<b>MLS#</b>	22015144		
<b>Asking Price</b>	\$95,000		
<b>Sale/List Ratio</b>	92%		
<b>DOM</b>	118		
Site			
<b>Land Acres</b>	1.54000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	67,082	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street 100'CFR	<b>In Flood Plain?</b>	Zone A along the river
<b>Shape</b>	Rectangular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	power, well	<b>Environ. Issues?</b>	Unknown
Remarks			
1.54 acre with 100' Clark Fork River frontage. Level lot with bench to the river. Power to the site and well.			

## Land Sale No. 3



Nhn Thompson River Road, Thompson Falls,



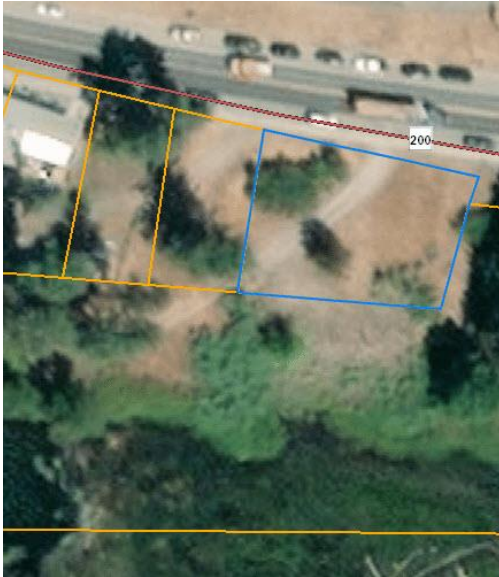
Thompson River Road, Thompson Falls, MT 59873

Transaction			
<b>Property ID</b>	1904	<b>Sale Date</b>	05-26-2021
<b>Address</b>	188 Thompson River Road	<b>Sale Price</b>	\$150,900
<b>City</b>	Thompson Falls	<b>Price per site</b>	\$150,900
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	Peart	<b>Sale Conditions</b>	typical
<b>Buyer</b>	THWAITS FAMILY TRUST	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	cash		
<b>Recording Number</b>	321584	<b>Confirmed Phone</b>	406-529-1987
<b>Tax Parcel Number</b>	0005413	<b>Confirmed With</b>	Duane Meuchel
<b>Legal Description</b>	S05, T21 N, R28 W, C.O.S. 3345RB, PARCEL 2A, ACRES 2.15, LYING SE OF THOMPON RIVER RD IN S1\2SW PLAT C		
<b>MLS#</b>	22105828		
<b>Asking Price</b>	\$149,900		
<b>Sale/List Ratio</b>	101%		
<b>DOM</b>	29		

Site			
<b>Land Acres</b>	2.15000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	93,654	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street	<b>In Flood Plain?</b>	Zone A along the river
<b>Shape</b>	Elongated	<b>Encumbrances</b>	unknown
<b>Utilities</b>	Power/well	<b>Environ. Issues?</b>	Unknown

Remarks
2.15 acres with 992' Thompson River frontage 2 miles from Highway 200. Well 37 gpm, possible septic restrictions due to narrow shape of the lot.

## Land Sale No. 4



201 Main St, Thompson Falls, MT



201 Main Street W, Thompson Falls, MT 59873

Transaction			
<b>Property ID</b>	1905	<b>Sale Date</b>	07-07-2021
<b>Address</b>	201 Main St.	<b>Sale Price</b>	\$125,000
<b>City</b>	Thompson Falls	<b>Price per site</b>	\$125,000
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	CAMPBELL, MARK	<b>Sale Conditions</b>	Typical
<b>Buyer</b>	SORENSEN, RYNE J.	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	Cash Equivalent		
<b>Recording Number</b>	322160	<b>Confirmed Phone</b>	406-544-4641
<b>Tax Parcel Number</b>	3728	<b>Confirmed With</b>	David Bennett
<b>Legal Description</b>	THOMPSON FALLS ORIG TOWNSITE, S08, T21 N, R29 W, BLOCK 013, Lot 001, LOTS 1-5 PART		
<b>MLS#</b>	21909921		
<b>Asking Price</b>	\$129,500		
<b>Sale/List Ratio</b>	97%		
<b>DOM</b>	749		

Site			
<b>Land Acres</b>	0.16000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	6,970	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street	<b>In Flood Plain?</b>	Zone A along the water
<b>Shape</b>	mostly rectangular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	city w/s public p	<b>Environ. Issues?</b>	Unknown

Remarks
0.16 acre with 88' Water Access (Thompson Falls Reservoir via Northwest Energy) No bank on water and shallow, gradual entry into the water. MT 200 (Main St.) frontage. City water and sewer available . Curb cut in sidewalk. A 40' "city street" adjoining on the east side but never put in. Wild Goose Landing Park next door to the east. Mountain and water views. Zero lot line building use. This sale is considered to be waterfront although the reservoir frontage is owned by Northwest Energy that controls the dam and water levels. Reservoir frontage is typically more desirable than river frontage in the market.

## Land Sale No. 5



Conifer Lane, Noxon, MT 59853



Nhn Conifer Lane, Noxon, MT 59853

Transaction			
<b>Property ID</b>	1907	<b>Sale Date</b>	03-08-2021
<b>Address</b>	Nhn Conifer Lane	<b>Sale Price</b>	\$130,000
<b>City</b>	Noxon	<b>Price per site</b>	\$130,000
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	Hendrick	<b>Sale Conditions</b>	Typical
<b>Buyer</b>	SMITH SEAN P & SHEILA R	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	Conventional		
<b>Recording Number</b>	320382	<b>Confirmed Phone</b>	406-270-3921
<b>Tax Parcel Number</b>	16745	<b>Confirmed With</b>	Jeannette C Carr, BA
<b>Legal Description</b>	CONIFER MEADOWS, S34, T27N, R33W, COS 3111 PLAT 1D 2.06 AC		
<b>MLS#</b>	22100292		
<b>Asking Price</b>	\$125,000		
<b>Sale/List Ratio</b>	104%		
<b>DOM</b>	59		
Site			
<b>Land Acres</b>	2.06000	<b>Topography</b>	Level to Rolling
<b>Land Sq Ft</b>	89,734	<b>Zoning</b>	none
<b>Frontage</b>	Gravel Private Street	<b>In Flood Plain?</b>	Zone A along the river
<b>Shape</b>	Rectangular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	power	<b>Environ. Issues?</b>	Unknown

Remarks
2 acres with 200' Bull River frontage with views of the mountains and USFS property nearby. Power is to the property.

## Land Sale No. 6



Nhn Lot 5 Stanton Street, Plains, MT



Nhn Lot 5 Stanton Street, Plains, MT 59859

Transaction			
<b>Property ID</b>	1906	<b>Sale Date</b>	06-21-2021
<b>Address</b>	Nhn Lot 5 Stanton Street,	<b>Sale Price</b>	\$92,500
<b>City</b>	Plains	<b>Price per site</b>	\$92,500
<b>State</b>	Montana	<b>Sale Status</b>	Closed
<b>Seller</b>	De'Lona V. Sundermann	<b>Sale Conditions</b>	Typical
<b>Buyer</b>	PASEMAN DIRK WAYLON & SUSAN JANETTE	<b>Rights Conveyed</b>	Fee Simple
<b>Financing Terms</b>	Cash to Seller		
<b>Recording Number</b>	321941	<b>Confirmed Phone</b>	406-544-5971
<b>Tax Parcel Number</b>	564	<b>Confirmed With</b>	Deborah Warren
<b>Legal Description</b>	HORSE PLAINS PH II, S35, T20 N, R26 W, Lot 5A, COS 2566 PLAT F .31 AC		
<b>MLS#</b>	22106350		
<b>Asking Price</b>	\$95,000		
<b>Sale/List Ratio</b>	97%		
<b>DOM</b>	48		
Site			
<b>Land Acres</b>	0.31000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	13,504	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street	<b>In Flood Plain?</b>	Zone A along the river
<b>Shape</b>	Rectangular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	city w/s public p	<b>Environ. Issues?</b>	Unknown
Remarks			
0.31 acre parcel has over 60 ft of high bank river frontage. Located in the city limits of Plains. This parcel has access to all the city services.			

## Comparable Improved Sales

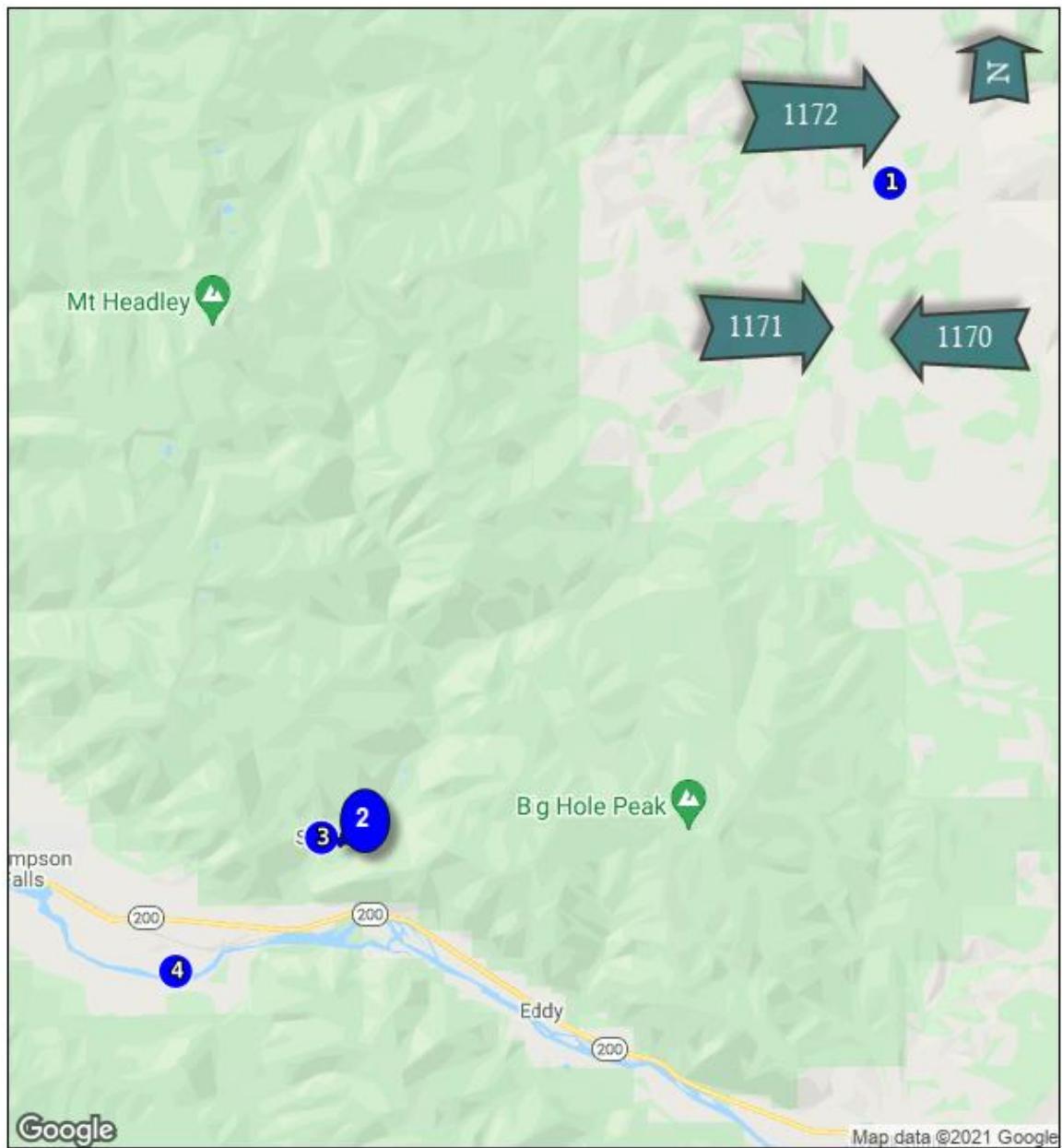
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In the Sales Comparison Approach, the appraiser arrives at an indication of value by comparing the relative utility and desirability of the subject properties with comparable properties recently sold. These properties should have approximately the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

One similar "off grid" improved cabin sale and three additional similar cabin sales from the past year has been found and analyzed to estimate the market value of each of the subject improvements. Following is the improved comparable sale synopsis, location map and data for each comparable sale:

<i>Comparable Improved Sales Synopsis</i>						
<b>Sale/MLS#</b>	<b>Address</b>	<b>City</b>	<b>Sale Date</b>	<b>Price</b>	<b>Less site value</b>	<b>Imp Value</b>
1 22110076	21 Forty-Niner Ln.	Thompson Falls	8/8/2021	\$165,000	\$50,000	\$115,000
2 22011597	3 Goat Creek Lane	Thompson Falls	10/28/2020	\$79,000	\$20,000	\$59,000
3 22017235	199 Thompson River Rd	Thompson Falls	3/31/2021	\$139,000	\$25,000	\$114,000
4 22106702	105 Northshore Dr	Thompson Falls	7/29/2021	\$300,000	\$185,000	\$115,000

## Improved Sale Location Map



## Improved Sale No. 1



21 Forty-Niner Ln, Thompson Falls, MT 59873

Transaction			
<b>Property ID</b>	1908	<b>Date of Sale</b>	8/8/2021
<b>Name</b>		<b>Adjusted Sale Price</b>	\$165,000
<b>Address</b>	21 Forty-Niner Lane	<b>Price Per SF</b>	\$146.28
<b>City</b>	Thompson Falls	<b>Sale Status</b>	Closed
<b>State</b>	Montana	<b>Sale Conditions</b>	Typical
<b>Seller</b>	JOHNSON JERRY GALE & TONYA MARIE	<b>Rights Conveyed</b>	Fee Simple
<b>Buyer</b>	KRANTZ, MICHAEL	<b>Days on Market</b>	40
<b>Financing Terms</b>	Cash to Seller	<b>Confirmed Phone</b>	406-210-3528
<b>Recording Number</b>	#322659	<b>Confirmed With</b>	Chelsea Kirkland
<b>Legal Description</b>	S01, T23 N, R27 W, ACRES 4.04, PLAT J IN SWSE		
<b>Tax Parcel Number</b>	5107		
<b>Property Use</b>	Single Family Home		
<b>MLS #</b>	22110076		
<b>Asking Price</b>	\$175,000		
Site			
<b>Land Acres</b>	4.04000	<b>Topography</b>	Rolling
<b>Land Sq Ft</b>	175,982	<b>Zoning</b>	none
<b>Frontage</b>	Gravel private drive	<b>In Flood Plain?</b>	Unknown
<b>Shape</b>	Irregular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	spring water, generator	<b>Land Building Ratio</b>	156.01
Improvements and Financial Data			
<b>GBA</b>	1,128	<b>Site value est.</b>	\$50,000
<b>Rentable Area</b>	1,128		
<b>No. of Units</b>	1	<b>Land sale support</b>	MLS#22108365 \$45,000 1.86 ac
<b>Year Built</b>	1984		
<b>Building Condition</b>	Average		
<b>Construct Quality</b>	Average		
<b>Ancillary Area</b>	sheds		
<b>Basement Type</b>	None		
Remarks			

1,128 SF 1.5 story wood frame off grid cabin with post and pier foundation built in 1984. A spring runs through the property with grass and trees. Located up Thompson River road with access to hunting, fishing and recreation. The cabin is finished with agate rock, cedar tongue and groove. Bedroom is on the main floor with an open loft. Power runs off of a generator with backup propane lights, propane oven and cook top. This property is about 25 miles up Thompson River-off grid.

## Improved Sale No. 2



3 Goat Creek Lane, Thompson Falls, MT 59873

Transaction			
<b>Property ID</b>	1909	<b>Date of Sale</b>	10-27-2020
<b>Name</b>		<b>Adjusted Sale Price</b>	\$79,000
<b>Address</b>	3 Goat Creek Lane	<b>Price Per SF</b>	\$145.22
<b>City</b>	Thompson Falls	<b>Sale Status</b>	Closed
<b>State</b>	Montana	<b>Sale Conditions</b>	Typical
<b>Seller</b>	Pullan	<b>Rights Conveyed</b>	Fee Simple
<b>Buyer</b>	SIPERLY ROBERT BRIAN	<b>Days on Market</b>	93
<b>Financing Terms</b>	<i>Conventional</i>	<b>Confirmed Phone</b>	406-546-2651
<b>Recording Number</b>	318697	<b>Confirmed With</b>	Leanna Pardee
<b>Legal Description</b>	S05, T21 N, R28 W, PLAT X, IN SESW, .1 ACRES IN SNIDER		
<b>Tax Parcel Number</b>	5064		
<b>Property Use</b>	Single Family Home		
<b>MLS #</b>	22011597		
<b>Asking Price</b>	\$79,000		
Site			
<b>Land Acres</b>	0.10000	<b>Topography</b>	Level to Rolling
<b>Land Sq Ft</b>	4,356	<b>Zoning</b>	none
<b>Frontage</b>	Gravel county road	<b>In Flood Plain?</b>	Unknown
<b>Shape</b>	Irregular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	power, community water, septic	<b>Land Building Ratio</b>	8.01
Improvements and Financial Data			
<b>GBA</b>	544	<b>Site value est</b>	\$20,000/4,356 SF=\$4.59/SF
<b>Rentable Area</b>	544	<b>Site value support</b>	MLS#22113254 \$29,900 0.19 ac
<b>No. of Units</b>	1		
<b>Year Built</b>	1956		
<b>Building Condition</b>	Average		
<b>Construct Quality</b>	Average		
<b>Ancillary Area</b>	sheds		
<b>Basement Type</b>	None		
Remarks			
544 Sf cabin built in 1956 with power, community water and older septic system that would likely require a holding tank if it fails. Goat creek frontage, near the Thompson River. Minimal land available to park a car.			

## Improved Sale No. 3



199 Thompson River Road, Thompson Falls, MT 59873

Transaction			
<b>Property ID</b>	1910	<b>Date of Sale</b>	03-31-2021
<b>Name</b>		<b>Adjusted Sale Price</b>	\$139,000
<b>Address</b>	199 THOMPSON RIVER RD	<b>Price Per SF</b>	\$231.67
<b>City</b>	Thompson Falls	<b>Sale Status</b>	Closed
<b>State</b>	Montana	<b>Sale Conditions</b>	Typical
<b>Seller</b>	Joshua Stark	<b>Rights Conveyed</b>	Fee Simple
<b>Buyer</b>	MILLER JOSHUA HAYES & SYLVIA A	<b>Days on Market</b>	154
<b>Financing Terms</b>	Conventional	<b>Confirmed Phone</b>	406-546-2651
<b>Recording Number</b>	320689	<b>Confirmed With</b>	Leanna Pardee
<b>Legal Description</b>	S05, T21 N, R28 W, PLAT J, IN SESW IN HES 923 IN SNIDER .11 ACRES		
<b>Tax Parcel Number</b>	5117		
<b>Property Use</b>	Single Family Home		
<b>MLS #</b>	22017235		
<b>Asking Price</b>	\$159,000		
Site			
<b>Land Acres</b>	0.11000	<b>Topography</b>	Level to Sloping
<b>Land Sq Ft</b>	4,792	<b>Zoning</b>	none
<b>Frontage</b>	Paved public street	<b>In Flood Plain?</b>	Unknown
<b>Shape</b>	Irregular	<b>Encumbrances</b>	unknown
<b>Utilities</b>	power, community water, septic	<b>Land Building Ratio</b>	7.99
Improvements and Financial Data			
<b>GBA</b>	600	<b>Site value est.</b>	\$25,000/4,792 SF=\$5.21/SF
<b>Rentable Area</b>	600	<b>Site value support</b>	MLS#22113254 \$29,9000.19 ac
<b>No. of Units</b>	1		
<b>Year Built</b>	1946		
<b>Building Condition</b>	Above Average		
<b>Construct Quality</b>	Average		
<b>Ancillary Area</b>	none		
<b>Basement Type</b>	None		
Remarks			

600 SF Log cabin built in 1946, and recently remodeled with 2 bdrm 1 bath, covered deck. Power, community water and older septic that would likely require a holding tank if it fails. Located up Thompson River Rd, 5 miles from Thompson Falls. Paved, year around access right to the front door. Apprx. 80 feet of meandering Goat creek through the property.

## Improved Sale No. 4



105 Northshore Dr, Thompson Falls, MT 59873

Transaction			
Property ID	1911	Date of Sale	07-29-2021
Name		Adjusted Sale Price	\$300,000
Address	105 Northshore Drive	Price Per SF	\$223.21
City	Thompson Falls	Sale Status	Closed
State	Montana	Sale Conditions	Typical
Seller	BEKEL, WILLIAM A.	Rights Conveyed	Fee Simple
Buyer	HC 215, LLC	Days on Market	79
Financing Terms	Cash to Seller	Confirmed Phone	406-529-1987
Recording Number	322561	Confirmed With	Duane Meuchel
Legal Description	NORTH SHORE ESTATES, S23, T21 N, R29 W, Lot 003, NORTH SHORE ESTATES LOT 3 1.05 AC		
Tax Parcel Number	5552		
Property Use	Single Family Home		
MLS #	22106702		
Asking Price	\$379,900		
Site			
Land Acres	1.05000	Topography	Level to Sloping
Land Sq Ft	45,738	Zoning	none
Frontage	Gravel private road	In Flood Plain?	Unknown
Shape	Rectangular	Encumbrances	unknown
Utilities	power, well, septic	Land Building Ratio	34.03
Improvements and Financial Data			
GBA	1,344	Site Value est.	\$185,000
Rentable Area	1,344	Site value support	MLS#22103904 \$183,300 .60 ac
No. of Units	1		
Year Built	1985		
Building Condition	Below Average		
Construct Quality	Fair		
Ancillary Area	includes 672 SF unfinished		
Description	basement		
Basement Type	Full - Unfinished		
Remarks			
1+ acre with 137.5' Clark Fork river frontage. 672 SF cabin with 672 SF insulated foam block unfinished basement. 32' x 20' garage with vehicle lift. Well report shows 90 gpm well.			

## Property Valuations

### Site Adjustments

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

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

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

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

## TR 4-Sale #1170

### Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject TR.4 Sale #1170 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for TR 4 Sale #1170 Thompson River					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 4
	TR 4	Lot 14	NHN	188 Thompson	NHN Main
Address	29 Big Prairie Road	Meany St. Panorama Terrace		River Rd.	St. West
City, MT	Thompson Falls	Plains	Plains	Thompson Falls	Thompson Falls
Sale Date	Aug-21	Feb-21	Jan-21	May-21	Jul-21
MLS or Doc#		22017185	22015144	22105828	21909921
Market Time		136	118	29	749
Land size/AC	0.21	0.27	1.57	2.15	0.16
List Price		\$89,000	\$95,000	\$149,900	\$129,500
Sale Price		\$85,000	\$87,500	\$150,900	\$125,000
List to sale %		96%	92%	101%	97%
<b>Price/Site</b>		<b>\$85,000</b>	<b>\$87,500</b>	<b>\$150,900</b>	<b>\$125,000</b>
<b>Transaction Adjustments</b>					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	contract
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		City services	pwr/well	pwr/well	City services
		-\$17,000	-\$17,000	-\$17,000	-\$17,000
Sale Date	Aug-21	Feb-21	Jan-21	May-21	Jul-21
# months		5	7	2	1
Market Conditions adj.		0%	0%	0%	0%
<b>Price/Site</b>		<b>\$68,000</b>	<b>\$70,500</b>	<b>\$133,900</b>	<b>\$108,000</b>
<b>Property Adjustments</b>					
<b>Location Characteristics:</b>					
Easements affecting use	typical	typical	typical	typical	typical
access	private dirt rd	paved/public	paved/prvt	paved/public	paved/public
Shape/Topography	Pie/level	rect/level/bench	rect/level/bench	irregular/level/bench	rect/level/bench
Site Utility	avg/fair	superior	similar	superior	superior
Zoning	none	covenants	none	none	covenants
Utilities-(adj above)	none	City services	pwr/well	pwr/well	City services
water/amenity	145.14' TR	80' CFR	100' CFR	992' TR	88' TFR
Overall Adjustment		superior	superior	superior	superior
		-10%	-10%	-10%	-40%
<b>Physical Characteristics</b>					
	145.14' TR	80' CFR	100' CFR	992' TR	88' TFR
Land size/AC	0.21	0.27	1.57	2.15	0.16
		0%	-5%	-40%	0%
<b>Net Adjustment %</b>		<b>-10%</b>	<b>-15%</b>	<b>-50%</b>	<b>-40%</b>
<b>Gross Adjustment %</b>		<b>10%</b>	<b>15%</b>	<b>50%</b>	<b>40%</b>
<b>Final Adjusted \$/Site</b>		<b>\$61,200</b>	<b>\$59,925</b>	<b>\$66,950</b>	<b>\$64,800</b>
<b>Statistics</b>	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$85,000	\$59,925			
High	\$150,900	\$66,950			
Median	\$106,250	<b>\$63,000</b>			
Average	\$112,100	<b>\$63,219</b>			

## Analysis of Land Sale Adjustments

### Utilities adjustment

All the comparable river frontage sales have either power/city services or power/well, therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
	NHN Blue	NHN Dolan	NHN Blue	NHN Dolan	209 North	NHN Bras
Address	Slide Rd.	Flats Rd	Slide Rd.	Flats Rd	Madison St	Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	<b>\$55,000</b>	<b>\$45,000</b>	<b>\$57,000</b>	<b>\$40,000</b>	<b>\$29,900</b>	<b>\$12,000</b>
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	<b>18%</b>	<b>\$10,000</b>	<b>30%</b>	<b>\$17,000</b>	<b>60%</b>	<b>\$17,900</b>

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$17,000 is applied for sales with power/water or power/city services and \$10,000 for sales with power only.

### Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 7 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

### Property Rights/ Condition of Sale/Financing Terms of Sale

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

### Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket most of the subject lot's characteristics. All the sales have superior mostly rectangular shaped lots compared to the subject pie shape lot resulting in a -10% downward adjustment. Sale No. 4 has a superior shape and location on the Thompson reservoir in the city of Thompson Falls with an overall -40% downward adjustment required based on paired comparables in the grid.

### Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however larger Sale No. 2 and Sale No. 3 indicate a -5% to -40% downward adjustment. Sale No. 1 and No. 4 are similar in size with no adjustment necessary. The following paired sales analysis of Sales No. 1 and No. 2 indicates an 3% value difference for a parcel 83% smaller in square footage, but only 20% less river frontage. The second paired sales analysis of Sales No. 5 and No. 3 indicates an 39% value difference for a parcel 86% smaller in square footage, and 94% less river frontage, supporting the size adjustments:

<i>Size</i>				
<b>General Data</b>	<b>Sale 1</b>	<b>Sale 2</b>	<b>Sale 5</b>	<b>Sale 3</b>
	Lot 14	NHN	Lot 5	NHN Thompson
Address	Meany St.	Panorama Terrace	Stanton St.	River Rd.
City, MT	Plains	Plains	Plains	Thompson Falls
Sale Date	Mar-21	Jan-21	Jun-21	May-21
MLS or Doc#	22017185	22015144	22106350	22105828
Market Time	136	118	48	29
Land size/AC	11,761	68,340	13,504	93,654
Sale Price	<b>\$85,000</b>	<b>\$87,500</b>	<b>\$92,500</b>	<b>\$150,900</b>
Water front'	80.00	100.00	60.00	992.00
utilities	city serv.	power/well	city serv.	power/well
	<b>value difference</b>	<b>SF size diff.</b>	<b>value difference</b>	<b>SF size diff.</b>
	<b>-3%</b>	<b>-83%</b>	<b>-39%</b>	<b>-86%</b>
	<i>RF size difference</i>	<i>-20%</i>	<i>RF size difference</i>	<i>-94%</i>

#### Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 1, 2, 3 and 4 bracket the subject TR. 4 characteristics with the exception of pie shape and are analyzed to estimate market value as if vacant. Unadjusted site values range from a low of \$85,000 for similar sized Sale No. 1 to as high as \$150,900 for largest Sale No. 3. After a \$17,000 adjustment for utilities available, locational characteristics and size, the value indication is much closer from \$59,925 to \$66,950. A market value of \$63,000 (R) for the subject 0.21 acre TR. 4 with 145.14' Thompson River frontage is well supported by this analysis.

**TR. 4 Site Value Indication- 0.21 ac., 145.14' Thompson River frontage**

**\$63,000 ( R )**

#### Improvement Value Estimate-TR. 4

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

IMPROVED SALES ADJUSTMENT GRID for #1170/TR 4									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
29 Big Prairie Road Thompson Falls, MT 59873		21 Forty-Niner Ln. Thompson Falls, MT 59873		3 Goat Creek Lane Thompson Falls, MT 59873		199 Thompson River Rd Thompson Falls, MT 59873		105 Northshore Dr Thompson Falls, MT 59873	
Data Source/MLS#		22110076		22011597		22017235		22106702	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$175,000		\$79,000		\$159,000		\$379,000
Sale Price			\$165,000		\$79,000		\$139,000		\$300,000
List to sale %			94%		100%		87%		79%
Closing Date			8/8/2021		10/28/2020		3/31/2021		7/29/2021
Days on Market			40		93		154		79
Price/GLA SF		\$146.28		\$145.22		\$231.67		\$446.43	
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	conventional	\$0	conventional	\$0	cash	\$0
Concessions	na	none	\$0	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Aug-21	\$0	Oct-20	\$15,000	Mar-21	\$0	Jul-21	\$0
Locaton	Thompson Falls	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	4.04 ac/spring	-\$50,000	.10 ac/Goat crk	-\$20,000	.11 ac/Goat crk	-\$25,000	1.06 ac/CFR	-\$185,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	cabin/P&P	1.5 story /P&P	\$0	1 story cabin	\$0	1 stry cabin	\$0	log cabin/bsmt	\$0
Quality construct.	fair/poor	superior	-\$5,000	superior	-\$5,000	superior	-\$5,000	similar	\$0
Age	81a/40e	37a/25e	-\$15,000	65a/40e	\$0	75a/15	-\$25,000	36a/35e	-\$5,000
Condition	fair/poor	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Above grade Bedroom	1	2	\$0	1	\$0	2	\$0	1	\$0
Above grade Baths	outhse	1/no water	\$0	1	-\$3,500	1	-\$3,500	1	-\$3,500
GLA/SF	560	1,128	-\$22,720	544	\$640	600	-\$1,600	672	-\$4,480
Below grade SF	0	0	\$0	0	\$0	0	\$0	672	-\$10,080
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	fair/off grid	fair/off grid/spring	\$0	no prking/w/p	-\$5,000	p/w/s	-\$17,000	pwr/well/septic	-\$17,000
Heating Cooling	WS/FP	WS	\$0	EBB/WS	\$0	WS	\$0	FA/WS/AC	-\$500
Outbuilding	outhse	similar	\$0	shed	\$0	wd shed	\$0	640 sf garage	-\$10,000
Landscaping	none	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	80 SF porch	similar	\$0	similar deck	\$0	sim. covd porch	\$0	similar deck	\$0
Other	lpg light/appl	generator/lts/ap	-\$10,000	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$102,720		-\$17,860		-\$77,100		-\$235,560
Net Adjustment %		-62%		-23%		-55%		-79%	
Gross Adjustment %		46%		56%		52%		79%	
Adjusted Sale Price			\$62,280		\$61,140		\$61,900		\$64,440
								Average	\$62,440
								Median	\$62,090

### Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Thompson Falls area and bracket the subject improvements in "off grid" location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

### Financing

All sales are cash or conventional financing with no adjustment necessary.

### Market Conditions/List to Sale Price ratio

Most of the sales have occurred in the past five months, with the exception of Sale No. 2 which closed 10 months ago. Based on the rapidly appreciating market, conversations with Realtors, and the undersupply of available properties and strong market, a \$15,000 upward adjustment is applied to oldest Sale No. 2. No adjustment will be made for time or changing market conditions to the remaining sales.

### Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, and conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone.

Comparable Sale No. 2 and No. 3 are both on smaller 0.10 and 0.11 sized lots with Goat Creek frontage with septic concerns; if the old septic fails it is likely that a holding tank would be required by the County. Sale No. 2 has limited parking due to the size. With this in mind, estimated site value is \$20,000 for Sale No.2 and \$25,000 for Sale No. 3 based on (MLS#22113254) 0.19 acres with city services in Thompson falls which sold for \$29,900. Comparable Sale No. 1 is on 4.04 acres off -grid with a spring with an estimated site value of \$50,000 based on off grid sale (MLS# 22108365) 1.86 acres which recently sold for \$45,000. Sale No. 4 is on 1.06 acres with Clark Fork River frontage with an estimated site value of \$185,000 based on recent Clark Fork River land sale (MLS#22103904) 0.60 acres with Clark Fork River frontage which sold for \$183,300.

### Quality/Condition/Effective age

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

Comparables bracket the subject's quality and condition, with Sale No. 1, 2 and 3 having superior quality of construction adjusted at \$5,000 based on paired sales. Sale No. 4 is similar in quality with no adjustment necessary. Sale No. 1, 3 and 4 having lower effective ages/superior condition, which are adjusted at \$1,000 per year based on market data.

#### Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath.

#### Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$40/SF for square footage differences based on market data for similar sales. Unfinished basement area of Sale No. 4 is adjusted at \$15/SF.

#### Functional utility

Sale No. 1 is off grid, similar to the subject, with no adjustment necessary. Sale No. 2 has water/power/septic but has minimal parking area requiring a \$5,000 downward adjustment. Sale No. 3 and No. 4 have power, well and septic with a \$17,000 adjustment applied.

#### Heating/Cooling

All the comparables have similar wood stoves with only Sale No. 4 having forced air heat and A/C wall unit which is adjusted downward \$500.

#### Outbuildings.

All of the comparables have similar sheds; however Sale No. 4 has a 640 SF garage with a lift resulting in a \$10,000 downward adjustment.

### Porch/Deck

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

### Generator/appliances

Sale No. 1 has a generator with a \$10,000 downward adjustment indicated. All the sales have appliances similar to the subject with no adjustment necessary.

### Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$61,140 shown by Sale No. 3 to \$64,440 illustrated by Sale No. 4. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$62,000 ( R ) is reasonable and well supported for the subject improvements alone.

### Total Value Conclusion

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

<i><b>Total Value Conclusion</b></i>	
<b>Description</b>	<b>Sale #1170 TR 4</b>
Lot size/amenity	<b>.21 ac Thompson River</b>
Improvement size/Year	<b>560 SF 1940</b>
<b>Land-segregated value</b>	\$63,000
<b>Improvements-segregated value</b>	\$62,000
<b>Total fee simple market value (Hypothetical Condition)</b>	<b>\$125,000</b>

## TR.9-Sale #1171

### Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject TR.9 Sale #1171 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for TR 9 Sale #1171 Thompson River					
General Data	subject	Sale 1	Sale 2	Sale 3	Sale 5
Lot 10	TR 9	Lot 14	NHN	188 Thompson	Lot 5
Address	5 Seman Creek Lane	Meany St. Panorama Terrace		River Rd.	Stanton St.
City, MT	Thompson Falls	Plains	Plains	Thompson Falls	Plains
Sale Date	Aug-21	Feb-21	Jan-21	May-21	Jun-21
MLS or Doc#		22017185	22015144	22105828	22106350
Market Time		136	118	29	48
Land size/AC	0.46	0.27	1.57	2.15	0.31
List Price		\$89,000	\$95,000	\$149,900	\$95,000
Sale Price		\$85,000	\$87,500	\$150,900	\$92,500
List to sale %		96%	92%	101%	97%
<b>Price/Site</b>		<b>\$85,000</b>	<b>\$87,500</b>	<b>\$150,900</b>	<b>\$92,500</b>
<b>Transaction Adjustments</b>					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	cash
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		City services	pwr/well	pwr/well	City services
		-\$17,000	-\$17,000	-\$17,000	-\$17,000
Sale Date	Aug-21	Feb-21	Jan-21	May-21	Jun-21
# months		5	7	2	2
Market Conditions adj.		0%	0%	0%	0%
<b>Price/Site</b>		<b>\$68,000</b>	<b>\$70,500</b>	<b>\$133,900</b>	<b>\$75,500</b>
<b>Property Adjustments</b>					
<b>Location Characteristics:</b>					
Easements affecting use	typical	typical	typical	typical	typical
access	private dirt rd	paved/public	paved/prvt	paved/public	paved/public
Shape/Topography	irreg/level	rect/level/bench	rect/level/bench	irregular/levelbench	rect/level/bench
Site Utility	average	similar	similar	similar	similar
Zoning	none	covenants	none	none	none
Utilities (adj above)	none	City services	pwr/well	pwr/well	City services
water/amenity	119.7' TR	80' CFR	100' CFR	992' TR	60'CFR
Overall Adjustment		similar	similar	similar	similar
		0%	0%	0%	0%
<b>Physical Characteristics</b>					
Land size/AC	119.7' TR	80' CFR	100' CFR	992' TR	60'CFR
	0.46	0.27	1.57	2.15	0.31
		10%	-5%	-40%	0%
<b>Net Adjustment %</b>		<b>10%</b>	<b>-5%</b>	<b>-40%</b>	<b>0%</b>
<b>Gross Adjustment %</b>		<b>10%</b>	<b>5%</b>	<b>40%</b>	<b>0%</b>
<b>Final Adjusted \$/Site</b>		<b>\$74,800</b>	<b>\$66,975</b>	<b>\$80,340</b>	<b>\$75,500</b>
<b>Statistics</b>	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$85,000	\$66,975			
High	\$150,900	\$75,500			
Median	\$90,000	<b>\$75,150</b>			
Average	\$103,975	<b>\$74,404</b>			

## Analysis of Land Sale Adjustments

### Utilities adjustment

All the comparable river frontage sales have either power/city services or power/well, therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
	NHN Blue	NHN Dolan	NHN Blue	NHN Dolan	209 North	NHN Bras
Address	Slide Rd.	Flats Rd	Slide Rd.	Flats Rd	Madison St	Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	<b>\$55,000</b>	<b>\$45,000</b>	<b>\$57,000</b>	<b>\$40,000</b>	<b>\$29,900</b>	<b>\$12,000</b>
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	<b>18%</b>	<b>\$10,000</b>	<b>30%</b>	<b>\$17,000</b>	<b>60%</b>	<b>\$17,900</b>

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$17,000 is applied for sales with power/water and \$10,000 for sales with power only.

### Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 7 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

### Property Rights/ Condition of Sale/Financing Terms of Sale

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

### Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket the subject lot's characteristics. All the sales are considered to have similar locational characteristics compared to the subject with no adjustment necessary.

### Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however larger Sale No. 2 and Sale No. 3 indicate a -5% to -40% downward adjustment. Sale No. 1 is smaller, resulting in a 10% upward adjustment. Sale No. 5 is similar in size with no adjustment necessary. The following paired sales analysis of Sales No. 1 and No. 2 indicates an 3% value difference for a parcel 83% smaller in square footage, but only 20% smaller in river frontage. The second paired sales analysis of Sales No. 5 and No. 3 indicates an 39% value difference for a parcel 86% smaller in square footage, and 94% less river frontage, supporting the size adjustments:

<i>Size</i>				
General Data	Sale 1	Sale 2	Sale 5	Sale 3
Address	Lot 14 Meany St.	NHN Panorama Terrace	Lot 5 Stanton St.	NHN Thompson River Rd.
City, MT	Plains	Plains	Plains	Thompson Falls
Sale Date	Mar-21	Jan-21	Jun-21	May-21
MLS or Doc#	22017185	22015144	22106350	22105828
Market Time	136	118	48	29
Land size/AC	11,761	68,340	13,504	93,654
Sale Price	<b>\$85,000</b>	<b>\$87,500</b>	<b>\$92,500</b>	<b>\$150,900</b>
Water front'	80.00	100.00	60.00	992.00
utilities	city serv.	power/well	city serv.	power/well
	<b>value difference</b>	<b>SF size diff.</b>	<b>value difference</b>	<b>SF size diff.</b>
	<b>-3%</b>	<b>-83%</b>	<b>-39%</b>	<b>-86%</b>
	<b>RF size difference</b>	<b>-20%</b>	<b>RF size difference</b>	<b>-94%</b>

#### Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 1, 2, 3 and 5 bracket the subject TR. 9 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$85,000 for smaller sized Sale No. 1 to as high as \$150,900 for largest Sale No. 3. After a \$17,000 adjustment for utilities and size differences, the adjusted value indication is much closer from \$66,975 to \$80,340. A market value of \$75,000 (R) for the subject TR. 9 with Thompson River frontage is well supported by this analysis.

**TR. 9 Site Value Indication- 0.46 ac., 119.7' Thompson River frontage**

**\$75,000 ( R )**

#### Improvement Value Estimate-TR. 9

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

IMPROVED SALES ADJUSTMENT GRID for #1171/TR 9									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
5 Seman Creek Lane Thompson Falls, MT 59873		21 Forty-Niner Ln. Thompson Falls, MT 59873		3 Goat Creek Lane Thompson Falls, MT 59873		199 Thompson River Rd Thompson Falls, MT 59873		105 Northshore Dr Thompson Falls, MT 59873	
Data Source/MLS# Verification		22110076 Realtor		22011597 Realtor		22017235 Realtor		22106702 Realtor	
List Price			\$175,000		\$79,000		\$159,000		\$379,000
Sale Price			\$165,000		\$79,000		\$139,000		\$300,000
List to sale %			94%		100%		87%		79%
Closing Date			8/8/2021		10/28/2020		3/31/2021		7/29/2021
Days on Market			40		93		154		79
Price/GLA SF			\$146.28		\$145.22		\$231.67		\$446.43
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	conventional	\$0	conventional	\$0	cash	\$0
Concessions	na	none	\$0	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Aug-21	\$0	Oct-20	\$15,000	Mar-21	\$0	Jul-21	\$0
Locaton	Thompson Falls	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	4.04	-\$50,000	.10 ac/Goat crk	-\$20,000	.11 ac/Goat crk	-\$25,000	1.06 ac/CFR	-\$185,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	cabin/conc	1.5 story /P&P	\$0	1 story cabin	\$0	1 stry cabin	\$0	log cabin/bsmt	\$0
Quality construct.	avg	similar	\$0	similar	\$0	similar	\$0	inferior	\$2,000
Age	71a/40e	37a/25e	-\$15,000	65a/40e	\$0	75a/15	-\$25,000	36a/35e	-\$5,000
Condition	avg	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0	in eff age adj	\$0
Bedrooms	1	2	\$0	1	\$0	2	\$0	1	\$0
Baths	outhse	1/no water	\$0	1	-\$3,500	1	-\$3,500	1	-\$3,500
GLA/SF	624	1,128	-\$20,160	544	\$3,200	600	\$960	672	-\$1,920
Below grade SF	0	0	\$0	0	\$0	0	\$0	672	-\$10,080
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	fair/off grid	fair/off grid/spring	\$0	no prking/w/p	-\$5,000	p/w/s	-\$17,000	pwr/well/septic	-\$17,000
Heating Cooling	WS/FP	WS	\$0	EBB/WS	\$0	WS	\$0	FA/WS/AC	-\$500
Outbuilding	outhse	similar	\$0	sim. Shed	\$0	sim. Shed	\$0	640 sf garage	-\$10,000
Landscaping	none	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	80 SF porch	sim. Sheds	\$0	similar deck	\$0	sim. covd porch	\$0	similar deck	\$0
Other	lpg light/appl	generator/lts/ap	-\$10,000	appliances	\$0	appliances	\$0	appliances	\$0
Net Adjustment			-\$95,160		-\$10,300		-\$69,540		-\$231,000
Net Adjustment %		-58%		-13%		-50%		-77%	
Gross Adjustment %		46%		59%		51%		78%	
Adjusted Sale Price			\$69,840		\$68,700		\$69,460		\$69,000
								Average	\$69,250
								Median	\$69,230

### ***Analysis of Improved Sales and Listings Adjustments***

All the comparable arm's length sales are located in the greater Thompson Falls area and bracket the subject improvements in "off grid" location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks, quality and condition. Comparable sales require adjustments to reflect these characteristics.

### Financing

All sales are cash or conventional financing with no adjustment necessary.

### Market Conditions/List to Sale Price ratio

Most of the sales have occurred in the past five months, with the exception of Sale No. 2 which closed 10 months ago. Based on appreciating market conditions, conversations with Realtors, undersupply of available properties and strong market, a \$15,000 upward adjustment is applied to oldest Sale No. 2. No adjustment will be made for time or changing market conditions to the remaining sales.

### Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, or conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone.

Comparable Sale No. 2 and No. 3 are both on smaller 0.10 and 0.11 sized lots with Goat Creek frontage with septic concerns; if the old septic fails it is likely that a holding tank would be required by the County. Sale No. 2 has limited parking due to the size. With this in mind, estimated site value is \$20,000 for Sale No.2 and \$25,000 for Sale No. 3 based on (MLS#22113254) 0.19 acres with city services in Thompson falls which sold for \$29,900. Comparable Sale No. 1 is on 4.04 acres off -grid with a spring with an estimated site value of \$50,000 based on off grid sale (MLS# 22108365) 1.86 acres which recently sold for \$45,000. Sale No. 4 is on 1.06 acres with Clark Fork River frontage with an estimated site value of \$185,000 based on recent Clark Fork River land sale (MLS#22103904) 0.60 acres with Clark Fork River frontage which sold for \$183,300.

### Quality/Condition/Effective age

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

Comparables bracket the subject's quality and condition, with Sale No. 1, 2 and 3 having similar quality of construction. Sale No. 4 is inferior in quality with an upward \$2,000 adjustment necessary. Sale No. 1, 3 and 4 having lower effective ages/superior condition, which are adjusted at \$1,000 per year based on market data.

#### Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath.

#### Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$40/SF for square footage differences based on market data for similar sales. Unfinished basement area of Sale No. 4 is adjusted at \$15/SF.

#### Functional utility

Sale No. 1 is off grid, similar to the subject, with no adjustment necessary. Sale No. 2 has water/power/septic but has minimal parking area requiring a \$5,000 downward adjustment. Sale No. 3 and No. 4 have power, well and septic with a \$17,000 adjustment applied.

#### Heating/Cooling

All the comparables have similar wood stoves with only Sale No. 4 having forced air heat and A/C wall unit which is adjusted at -\$500.

#### Outbuildings.

All of the comparables have similar sheds; however Sale No. 4 has a 640 SF garage with a lift resulting in a \$10,000 downward adjustment.

### Porch/Deck

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

### Generator/appliances

Sale No. 1 has a generator with a \$10,000 downward adjustment indicated. All the sales have appliances similar to the subject with no adjustment necessary.

### Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$68,700 shown by Sale No. 2 to \$69,840 illustrated by Sale No. 1. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$69,000 ( R ) is reasonable and well supported for the subject improvements alone.

### Total Value Conclusion

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

<b><i>Total Value Conclusion</i></b>	
<b>Description</b>	<b>Sale #1171 TR 9</b>
Lot size/amenity	<b>.46 ac Thompson River</b>
Improvement size/Year	<b>624 SF 1950</b>
<b>Land-segregated value</b>	\$75,000
<b>Improvements-segregated value</b>	\$69,000
<b>Total fee simple market value (Hypothetical Condition)</b>	<b>\$144,000</b>

## TR.1-Sale #1172

### Site Value Estimate

The following four land sales are analyzed to estimate the value of the subject TR.1 Sale #1172 as if vacant. Adjustments have been considered for the comparables as they relate to the subject site in the following adjustment grid:

LAND SALES ADJUSTMENT GRID for TR 1, SALE #1172, Thompson River					
General Data	subject	Sale 5	Sale 2	Sale 3	Sale 6
Lot 10	TR 9	Lot 5	NHN	188 Thompson	NHN
Address	2969 Thompson Riv	Stanton St.	Panorama Terrace	River Rd.	Conifer Ln
City, MT	Thompson Falls	Plains	Plains	Thompson Falls	Noxon
Sale Date	Aug-21	Jun-21	Jan-21	May-21	Mar-21
MLS or Doc#		22106350	22015144	22105828	22100292
Market Time		48	118	29	59
Land size/AC	1.94	0.31	1.57	2.15	2.01
List Price		\$95,000	\$95,000	\$149,900	\$125,000
Sale Price		\$92,500	\$87,500	\$150,900	\$130,000
List to sale %		97%	92%	101%	104%
<b>Price/Site</b>		<b>\$92,500</b>	<b>\$87,500</b>	<b>\$150,900</b>	<b>\$130,000</b>
<b>Transaction Adjustments</b>					
Property Rights		fee simple	fee simple	fee simple	fee simple
		\$0.00	\$0.00	\$0.00	\$0.00
Financing terms		cash	cash	cash	conventional
		\$0.00	\$0.00	\$0.00	\$0.00
Condition of sale		arms length	arms length	arms length	arms length
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities adjustment		City services	pwr/well	pwr/well	power
		-\$17,000	-\$17,000	-\$17,000	-\$10,000
Sale Date	Aug-21	Jun-21	Jan-21	May-21	Mar-21
# months		2	7	2	5
Market Conditions adj.		0%	0%	0%	0%
<b>Price/Site</b>		<b>\$75,500</b>	<b>\$70,500</b>	<b>\$133,900</b>	<b>\$120,000</b>
<b>Property Adjustments</b>					
<b>Location Characteristics:</b>					
Easements affecting use	typical	typical	typical	typical	typical
Frontage/access	gravel/county	paved/public	paved/prvt	paved/public	gravel/prt
Shape/Topography	irreg/level	rect/level/bench	rect/level/bench	irregular/levelbench	rect/level/bench
Site Utility	average	similar	superior	superior	superior
Zoning	none	none	none	none	none
Utilities (adj above)	none	City services	pwr/well	pwr/well	power
water/amenity	510.1' TR	60'CFR	100' CFR	992' TR	200' BR
Overall Adjustment		similar	similar	similar	similar
		0%	0%	0%	0%
<b>Physical Characteristics</b>					
	510.1' TR	60'CFR	100' CFR	992' TR	200' BR
Land size/AC	1.94	0.31	1.57	2.15	2.01
		40%	40%	-10%	0%
<b>Net Adjustment %</b>		<b>40%</b>	<b>40%</b>	<b>-10%</b>	<b>0%</b>
<b>Gross Adjustment %</b>		<b>40%</b>	<b>40%</b>	<b>10%</b>	<b>0%</b>
<b>Final Adjusted \$/Site</b>		<b>\$105,700</b>	<b>\$98,700</b>	<b>\$120,510</b>	<b>\$120,000</b>
<b>Statistics</b>	<u>Unadjusted \$/Site</u>	<u>Adjusted \$/Site</u>			
Low	\$92,500	\$98,700			
High	\$150,900	\$120,510			
Median	\$111,250	<b>\$112,850</b>			
Average	\$115,225	<b>\$111,228</b>			

## Analysis of Land Sale Adjustments

### Utilities adjustment

All the comparable river frontage sales have either power/city services or power/well, therefore six additional sales are identified for a paired sale analysis to estimate the market adjustment for utilities, as follows:

Utilities Adjustment						
General Data	Comp 1	Comp 2	Comp 3	Comp 4	Comp 6	Comp 5
	NHN Blue	NHN Dolan	NHN Blue	NHN Dolan	209 North	NHN Bras
Address	Slide Rd.	Flats Rd	Slide Rd.	Flats Rd	Madison St	Rd
City, MT	Thomson Falls	St. Regis	Thomson Falls	St. Regis	Thompson Falls	Lonepine
Sale Date	Mar-21	Jun-21	Apr-21	Nov-20	Sep-21	Dec-20
MLS or Doc#	22017888	22108365	22017885	22015818	22113254	22011522
Market Time	110	27	157	44	22	154
Land size/AC	1.88	1.86	1.79	1.40	0.19	0.27
Sale Price	<b>\$55,000</b>	<b>\$45,000</b>	<b>\$57,000</b>	<b>\$40,000</b>	<b>\$29,900</b>	<b>\$12,000</b>
amenities	CFR near	CFR near	CFR near	CFR near	none	none
utilities	power	no power	power	no power	City services	no power
Value Difference % and \$ amount						
	<b>18%</b>	<b>\$10,000</b>	<b>30%</b>	<b>\$17,000</b>	<b>60%</b>	<b>\$17,900</b>

After pairing the six sales above, which are similar in most aspects except for the availability of power and/or City services, the adjustment ranges from a low of \$10,000 for power alone to \$17,900 for power and city water/sewer. Based on this analysis, adjustment of \$17,000 is applied for sales with power/water and \$10,000 for sales with power only.

### Market Conditions

Adjustments employed in this analysis recognize changing market conditions, or the passage of time. All the sales have occurred in the past 7 months, with limited information to extract an adjustment for time, therefore no adjustment is applied.

### Property Rights/ Condition of Sale/Financing Terms of Sale

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

### Location

The next adjustment is for location/and locational amenities, with consideration given to easements, access, shape/topography, site utility, zoning, and water amenity, where the sales bracket the subject lot's characteristics. All the sales are considered to have similar locational characteristics compared to the subject with no adjustment necessary.

### Size

The final adjustment indicates a size/price relationship. This relationship reflects that larger tracts of land tend to sell for more while smaller tracts will sell for less per site/unit of comparison. In this analysis, the unit of comparison is value, or dollars per site. Sales bracket the subject lot in size, with site utility of one home site; however smaller Sale No. 5 and Sale No. 2 indicate 40% upward adjustment. Sale No. 3 is larger, resulting in a 10% downward adjustment. Sale No. 6 is similar in size with no adjustment necessary. The following paired sales analysis of Sales No. 1 and No. 2 indicates an 3% value difference for a parcel 83% smaller in square footage, but only 20% smaller in river frontage. The second paired sales analysis of Sales No. 5 and No. 3 indicates an 39% value difference for a parcel 86% smaller in square footage, and 94% less river frontage, supporting the size adjustments:

<i>Size</i>				
General Data	Sale 1	Sale 2	Sale 5	Sale 3
Address	Lot 14 Meany St.	NHN Panorama Terrace	Lot 5 Stanton St.	NHN Thompson River Rd.
City, MT	Plains	Plains	Plains	Thompson Falls
Sale Date	Mar-21	Jan-21	Jun-21	May-21
MLS or Doc#	22017185	22015144	22106350	22105828
Market Time	136	118	48	29
Land size/AC	11,761	68,340	13,504	93,654
Sale Price	<b>\$85,000</b>	<b>\$87,500</b>	<b>\$92,500</b>	<b>\$150,900</b>
Water front'	80.00	100.00	60.00	992.00
utilities	city serv.	power/well	city serv.	power/well
	<b>value difference</b>	<b>SF size diff.</b>	<b>value difference</b>	<b>SF size diff.</b>
	<b>-3%</b>	<b>-83%</b>	<b>-39%</b>	<b>-86%</b>
	<b>RF size difference</b>	<b>-20%</b>	<b>RF size difference</b>	<b>-94%</b>

### Reconciliation of Sales Comparison Approach

Comparable Land Sales No. 5, 2, 3 and 6 bracket the subject TR. 1 characteristics and are analyzed to estimate market value as if vacant.

Unadjusted site values range from a low of \$87,500 for Sale No. 2 to as high as \$150,900 for largest Sale No. 3. After a \$17,000 adjustment for utilities and size differences, the adjusted value indication is much closer from \$98,700 to \$120,510. A market value of \$112,000 (R) for the subject TR. 1 with Thompson River frontage is well supported by this analysis.

**TR. 1 Site Value Indication- 1.94 ac., 510.1' Thompson River frontage**

**\$112,000 ( R )**

### Improvement Value Estimate-TR. 1

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

IMPROVED SALES ADJUSTMENT GRID for #1172/ TR 1									
ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3		COMPARISON 4	
	2969 Thompson River Road Thompson Falls, MT 59873	21 Forty-Niner Ln. Thompson Falls, MT 59873		3 Goat Creek Lane Thompson Falls, MT 59873		199 Thompson River Rd Thompson Falls, MT 59873		105 Northshore Dr Thompson Falls, MT 59873	
Data Source/MLS#		22110076		22011597		22017235		22106702	
Verification		Realtor		Realtor		Realtor		Realtor	
List Price			\$175,000		\$79,000		\$159,000		\$379,000
Sale Price			\$165,000		\$79,000		\$139,000		\$300,000
List to sale %			94%		100%		87%		79%
Closing Date			8/8/2021		10/28/2020		3/31/2021		7/29/2021
Days on Market			40		93		154		79
Price/GLA SF			\$146.28		\$145.22		\$231.67		\$446.43
Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Financing type	na	cash	\$0	conventional	\$0	conventional	\$0	cash	\$0
Concessions	na	none	\$0	none	\$0	none	\$0	none	\$0
Date of sale	Aug-21	Aug-21	\$0	Oct-20	\$15,000	Mar-21	\$0	Jul-21	\$0
Locaton	Thompson Falls	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Site size/value	lease	4.04	-\$50,000	.10 ac/Goat crk	-\$20,000	.11 ac/Goat crk	-\$25,000	1.06 ac/CFR	-\$185,000
Site appeal	lease site	in site adj	\$0	in site adj	\$0	in site adj	\$0	in site adj	\$0
Design & appeal	log shell/conc	1.5 story /P&P	\$0	1 story cabin	\$0	1 stry cabin	\$0	log cabin/bsmt	\$0
Quality construct.	average	similar	\$0	similar	\$0	similar	\$0	inferior	\$2,000
Age	33a/30e	37a/25e	-\$5,000	65a/40e	\$10,000	75a/15	-\$5,000	36a/35e	\$5,000
Condition	unfinished	finished	-\$5,000	finished	-\$5,000	finished	-\$5,000	finished	-\$5,000
Bedrooms	0	2	\$0	1	\$0	2	\$0	1	\$0
Baths	outhse	1/no water	\$0	1	-\$3,500	1	-\$3,500	1	-\$3,500
GLA/SF	676	1,128	-\$18,080	544	\$5,280	600	\$3,040	672	\$160
Below grade SF	0	0	\$0	0	\$0	0	\$0	672	-\$10,080
Below grade finish	0	0	\$0	0	\$0	0	\$0	0	\$0
Other Area	0	0	\$0	0	\$0	0	\$0	0	\$0
Functional utility	off grid/wellhse	fair/off grid/spring	\$0	no prking/w/p	-\$5,000	p/w/s	-\$17,000	pwr/well/septic	-\$17,000
Heating Cooling	FP	WS	\$0	EBB/WS	\$0	WS	\$0	FA/WS/AC	-\$500
Outbuilding	outhse	similar	\$0	shed	\$0	wd shed	\$0	640 sf garage	-\$10,000
Landscaping	none	similar	\$0	similar	\$0	similar	\$0	similar	\$0
Porch/deck	80 SF porch	sim. Sheds	\$0	similar deck	\$0	sim. covd porch	\$0	similar deck	\$0
Other	none	generator/lts/ap	-\$13,000	appliances	-\$3,000	appliances	-\$3,000	appliances	-\$3,000
Net Adjustment			-\$91,080		-\$6,220		-\$55,460		-\$226,920
Net Adjustment %		-55%		-8%		-40%		-76%	
Gross Adjustment %		45%		85%		44%		80%	
Adjusted Sale Price			\$73,920		\$72,780		\$83,540		\$73,080
								Average	\$75,830
								Median	\$73,500

### Analysis of Improved Sales and Listings Adjustments

All the comparable arm's length sales are located in the greater Thompson Falls area and bracket the subject improvements in "off grid" location, size, effective age/condition, location, number of baths and bedrooms, site improvements, outbuildings, decks and quality. No sales were available to bracket the subject's unfinished condition, however this does not reduce the reliability of the value indication. Comparable sales require adjustments to reflect these characteristics.

### Financing

All sales are cash or conventional financing with no adjustment necessary.

### Market Conditions/List to Sale Price ratio

Most of the sales have occurred in the past five months, with the exception of Sale No. 2 which closed 10 months ago. Based on appreciating market conditions, conversations with Realtors, undersupply of available properties and strong market, a \$15,000 upward adjustment is applied to oldest Sale No. 2. No adjustment will be made for time or changing market conditions to the remaining sales.

### Site Value/Location

The next adjustment is for the site value of each comparable based on recent sales of similar lots in each area, or conversations with Realtors involved in the transaction, revealing the contributory value of the improvements alone.

Comparable Sale No. 2 and No. 3 are both on smaller 0.10 and 0.11 sized lots with Goat Creek frontage with septic concerns; if the old septic fails it is likely that a holding tank would be required by the County. Sale No. 2 has limited parking due to the size. With this in mind, estimated site value is \$20,000 for Sale No.2 and \$25,000 for Sale No. 3 based on (MLS#22113254) 0.19 acres with city services in Thompson falls which sold for \$29,900. Comparable Sale No. 1 is on 4.04 acres off -grid with a spring with an estimated site value of \$50,000 based on off grid sale (MLS# 22108365) 1.86 acres which recently sold for \$45,000. Sale No. 4 is on 1.06 acres with Clark Fork River frontage with an estimated site value of \$185,000 based on recent Clark Fork River land sale (MLS#22103904) 0.60 acres with Clark Fork River frontage which sold for \$183,300.

### Quality/Condition/Effective age

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

deficiencies. Comparables bracket the subject's average quality with Sale No. 4 adjusted upward \$2,000 for inferior quality. None of the sales have an unfinished condition, with all four sales adjusted downward \$5,000 for condition. Sale No. 1 and 3 having lower effective ages/superior condition, and Sales No. 2 and No. 4 have higher effective ages, which are adjusted at \$1,000 per year based on market data.

#### Number of bedrooms and baths

The comparables bracket the subject in number of bedrooms and baths. Bedrooms are accounted for in the square footage adjustment and baths are adjusted at \$3,500 for a full useable bath.

#### Improvement size

The next adjustment consideration is one for size. Sales are adjusted at \$40/SF for square footage differences based on market data for similar sales.

Unfinished basement area of Sale No. 4 is adjusted at \$15/SF.

#### Functional utility

Sale No. 1 is off grid, similar to the subject, with no adjustment necessary. Sale No. 2 has water/power/septic but has minimal parking area requiring a \$5,000 downward adjustment. Sale No. 3 and No. 4 have power, well and septic with a \$17,000 adjustment applied.

#### Heating/Cooling

All the comparables have similar wood stoves with only Sale No. 4 having forced air heat and A/C wall unit which is adjusted at -\$500.

#### Outbuildings.

All of the comparables have similar sheds; however Sale No. 4 has a 640 SF garage with a lift resulting in a \$10,000 downward adjustment.

### Porch/Deck

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

### Generator/appliances

Sale No. 1 has a generator with a \$10,000 downward adjustment indicated. All the sales have appliances with an additional -\$3,000 downward adjustment necessary.

### Reconciliation of Sales Comparison Approach for improvements

Adjusted comparable indications of market value for the subject improvements range from a low of \$72,780 shown by Sale No. 2 to \$83,540 illustrated by Sale No. 3. Equal weight placed on all four comparables as they bracket the subject's characteristics, providing a reasonable estimate of market value for the subject improvements. A value of \$75,000 ( R ) is reasonable and well supported for the subject improvements alone.

### Total Value Conclusion

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

<i><b>Total Value Conclusion</b></i>	
<b>Description</b>	<b>Sale #1172 TR 1</b>
Lot size/amenity	<b>1.94 ac Thompson River</b>
Improvement size/Year	<b>676 SF 1988</b>
<b>Land-segregated value</b>	\$112,000
<b>Improvements-segregated value</b>	\$75,000
<b>Total fee simple market value (Hypothetical Condition)</b>	<b>\$187,000</b>

## Reconciliation

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

<i>Fair Market Value indications by the Sales Comparison approach August 18, 2021</i>			
Description	Sale #1170 TR 4	Sale #1171 TR 9	Sale #1172 TR 1
Lot size/amenity	.21 ac Thompson River	.46 ac Thompson River	1.94 ac Thompson River
Improvement size/Year	560 SF 1940	624 SF 1950	676 SF 1988
Land-segregated value	\$63,000	\$75,000	\$112,000
Improvements-segregated value	\$62,000	\$69,000	\$75,000
Total fee simple market value (Hypothetical Condition)	\$125,000	\$144,000	\$187,000

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

## Exposure Period

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Based on the Highest and Best use of the subject properties, market evidence indicates an exposure period of 6 months may be required to sell each of the subject lots "as if vacant" and each improved property as a whole. A one year exposure period assumes an aggressive marketing effort, and similar economic conditions to the current real estate market. An additional 30 to 60 days may be required for sale consummation. Exposure Period and marketing time are synonymous in this discussion.

Average days on market of all residential sales in Sanders County from the past year are 167 days. Median days on market for all residential sales in Sanders County from the past year are 91 days, as shown in Statistical Market Analysis below:

## Sanders County residential market activity

### Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Total Sq. Ft.	List Price Per Total Sq. Ft.	Sold Price Per Total Sq. Ft.	Days on Market	Cumulative Days on Market
Active	48	47,269,097	0	Low	119,500	0	0.00	360	90.91	0.00	5	5
				Avg	984,773	0	0.00	3,842	359.53	0.00	107	107
				Med	689,250	0	0.00	2,054	268.68	0.00	76	76
				High	3,500,000	0	0.00	35,350	1,454.55	0.00	505	505
Under Contract with Bump Clause	1	285,000	0	Low	285,000	0	0.00	3,936	72.41	0.00	142	142
				Avg	285,000	0	0.00	3,936	72.41	0.00	142	142
				Med	285,000	0	0.00	3,936	72.41	0.00	142	142
				High	285,000	0	0.00	3,936	72.41	0.00	142	142
Under Contract Taking Back-Up Offers	21	8,578,299	0	Low	195,000	0	0.00	800	93.34	0.00	23	23
				Avg	408,490	0	0.00	2,018	215.02	0.00	87	87
				Med	289,999	0	0.00	2,028	203.12	0.00	64	64
				High	845,000	0	0.00	3,410	450.90	0.00	270	270
Pending	13	8,722,700	0	Low	79,000	0	0.00	240	84.39	0.00	3	3
				Avg	670,977	0	0.00	1,440	528.16	0.00	135	137
				Med	299,000	0	0.00	1,140	234.60	0.00	92	92
				High	2,250,000	0	0.00	3,815	1,750.00	0.00	722	755
Closed	224	104,679,798	101,028,200	Low	50,000	37,500	0.54	252	35.39	28.96	13	13
				Avg	467,321	451,019	0.97	2,068	237.87	229.25	129	167
				Med	375,000	358,500	0.99	1,764	202.66	194.38	89	91
				High	2,999,000	2,895,000	1.13	8,165	1,857.14	1,428.57	960	2,177
Overall	307	169,534,894	101,028,200	Low	50,000	37,500	0.54	240	35.39	28.96	3	3
				Avg	552,231	451,019	0.97	2,321	267.08	229.25	123	151
				Med	389,000	358,500	0.99	1,854	208.33	194.38	84	87
				High	3,500,000	2,895,000	1.13	35,350	1,857.14	1,428.57	960	2,177

## Sanders County vacant land market activity

Average days on market of all vacant land sales in Sanders County from the past year are 379 days and Median days on market for all land sales in Sanders County from the past year are 119 days, as shown in Statistical Market Analysis:


### Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/List Price	Lot Acres	List Price Per Lot Acres	Sold Price Per Lot Acres	Days on Market	Cumulative Days on Market
Active	51	19,643,550	0	Low	25,000	0	0.00	0	1,487.23	0.00	2	2
				Avg	385,168	0	0.00	54	79,359.55	0.00	193	282
				Med	315,000	0	0.00	20	25,160.11	0.00	152	190
				High	1,750,000	0	0.00	480	1,216,216.22	0.00	999	3,006
Under Contract Taking Back-Up Offers	9	1,599,950	0	Low	45,000	0	0.00	1	3,194.10	0.00	23	23
				Avg	177,772	0	0.00	14	31,100.85	0.00	357	620
				Med	130,000	0	0.00	6	23,958.33	0.00	138	138
				High	550,000	0	0.00	41	67,993.20	0.00	2,126	3,710
Pending	10	1,447,050	0	Low	43,000	0	0.00	1	1,666.67	0.00	4	4
				Avg	144,705	0	0.00	29	49,922.14	0.00	191	191
				Med	114,625	0	0.00	3	42,555.56	0.00	78	78
				High	400,000	0	0.00	240	110,147.06	0.00	853	853
Closed	311	40,427,497	39,089,127	Low	12,000	12,000	0.45	0	409.78	400.63	0	0
				Avg	129,992	125,689	0.97	21	49,119.50	47,525.90	256	379
				Med	89,000	85,000	1.00	3	29,014.60	28,333.33	111	119
				High	1,950,000	1,750,000	1.52	760	809,375.00	781,250.00	2,031	2,896
Overall	381	63,118,047	39,089,127	Low	12,000	12,000	0.45	0	409.78	400.63	0	0
				Avg	165,664	125,689	0.97	26	52,762.81	47,525.90	248	366
				Med	97,500	85,000	1.00	5	27,777.78	28,333.33	118	128
				High	1,950,000	1,750,000	1.52	760	1,216,216.22	781,250.00	2,126	3,710

## Addenda

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

<b>FOR DNRC USE ONLY</b>			<div style="text-align: right; margin-bottom: 5px;"><b>Approved</b></div> <div style="margin-bottom: 5px;">No. <u>225002</u></div> <div style="margin-bottom: 5px;">Division <u>RW</u></div> <div style="margin-bottom: 5px;">Legal <u>MP</u></div> <div style="margin-bottom: 5px;">F.S.O. <u>GU</u></div> 
Amount under this Agreement: <u>\$4,500</u>			
<b>Source of Funds</b>			
<u>Fund Name</u> Land Banking Private Closing Costs	<u>Fund No.</u> 02031		
<u>Subclass</u> 555HA	<u>Org. No.</u> 6049-59 6048DR-01	<u>Percent</u> 50% 50%	

**TRUST LAND MANAGEMENT DIVISION  
APPRAISAL OF POTENTIAL CABIN/HOMESITE SALES PROPERTIES IN SANDERS COUNTY**

**THIS CONTRACT** is entered into by and between the State of Montana, Department of Natural Resources and Conservation, (hereinafter referred to as "the State"), whose address and phone number are P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601, (406) 444-4289 and, Jennifer McGinnis, McGinnis Real Estate Appraisal Group, LLC. (Contractor), whose address and phone number are PO Box 996, Polson, MT 59860, (406) 883-1659.

**1. EFFECTIVE DATE, DURATION, AND RENEWAL**

**1.1 Contract Term.** The contract's initial term is upon contract execution, through December 15, 2021, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has executed it in Section 34. **The appraisal report is to be completed and forwarded to DNRC, Seth Goodwin, Real Estate Specialist at P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601 by November 15, 2021.**

**1.2 Contract Renewal.**

N/A

**2. COST ADJUSTMENTS – N/A**

**2.1 Cost Increase by Mutual Agreement. – N/A**

**3. SERVICES AND/OR SUPPLIES**

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcels in Sanders County as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an

Appraisal Report, conducted and prepared in compliance with the Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that supports the analyses, opinions and conclusions.

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

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

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

**4. WARRANTIES**

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

**5. CONSIDERATION/PAYMENT**

**5.1 Payment Schedule.** In consideration of the successful submission of the appraisal report to be provided, the State shall pay Contractor \$4,500.00

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

In No case shall the State's total cumulative payment under this contract exceed Four Thousand Five Hundred dollars and no/100 (\$4,500.00).

**5.2 Withholding of Payment N/A**

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

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

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

**5.5 Fuel Surcharge** - N/A

**6. PREVAILING WAGES REQUIREMENTS** - N/A

**7. ACCESS AND RETENTION OF RECORDS**

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

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

**8. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING**

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

**9. HOLD HARMLESS/INDEMNIFICATION**

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

**9.2** Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and

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

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

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

**12. REQUIRED INSURANCE**

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

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

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

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

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

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

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

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

**13. COMPLIANCE WITH WORKERS' COMPENSATION ACT**

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

**14. COMPLIANCE WITH LAWS**

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

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

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

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

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

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

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

**15. DISABILITY ACCOMMODATIONS**

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

**16. REGISTRATION WITH THE SECRETARY OF STATE**

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

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

**17. INTELLECTUAL PROPERTY/OWNERSHIP**

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

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

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

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

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

**18. PATENT AND COPYRIGHT PROTECTION – N/A**

**19. CONTRACT PERFORMANCE ASSURANCE – N/A**

**20. CONTRACT TERMINATION**

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

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

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

**21. EVENT OF BREACH – REMEDIES**

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

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

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

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

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

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

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

**22. FORCE MAJEURE**

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

**23. WAIVER OF BREACH**

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

**24. CONFORMANCE WITH CONTRACT**

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

**25. LIAISONS AND SERVICE OF NOTICES**

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

Seth Goodwin, Real Estate Specialist, is the State's liaison.  
Address: PO Box 201601  
Helena, MT 59620-1601  
Telephone: (406) 444-4289

Fax: (406) 444-2684  
E-Mail: [seth.goodwin2@mt.gov](mailto:seth.goodwin2@mt.gov)

Jennifer McGinnis, McGinnis Real Estate Appraisal Group LLC. is the Contractor's liaison.  
Address: PO Box 996  
Polson, MT 59860  
Telephone: (406) 883-1659  
E-Mail: [Jennifer@mreag.com](mailto:Jennifer@mreag.com)

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

**25.3 Identification/Substitution of Personnel.** – N/A

**26. MEETINGS**

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

**26.2 Progress Meetings.** – N/A

**26.3 Failure to Notify.** – N/A

**26.4 State's Failure or Delay.** – N/A

**27. Transition Assistance**

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

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

**28. CHOICE OF LAW AND VENUE**

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

**29. TAX EXEMPTION**

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

**30. AUTHORITY**

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

**31. SEVERABILITY CLAUSE**

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

**32. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT**

**32.1 Contract.** This contract consists of 12 numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, pages 13-19. In the case of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

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

**33. WAIVER**

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

**34. EXECUTION**

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

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

**STATE OF MONTANA**

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

**CONTRACTOR**

**Jennifer McGinnis  
McGinnis Real Estate Appraisal Group LLC.  
PO Box 996  
Polson, MT 59860  
FEDERAL ID #: 463596360**

BY: Ryan Weiss Bureau Chief  
(Name/Title)

DocuSigned by:  
Ryan Weiss  
(Signature)

DATE: 8/2/2021

BY: Jennifer McGinnis MAI  
(Name/Title)

DocuSigned by:  
Jennifer McGinnis  
(Signature)

DATE: 8/2/2021

## ATTACHMENT A

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

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

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2021 Plains Unit, Sanders 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), Marcie Albright & Jodie Chacon, Bonnie J. & John J. Gagnon, and Juan Lulack. 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.

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

**PROPERTY RIGHTS APPRAISED:**

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

**EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:**

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

**SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

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

**ASSIGNMENT CONDITIONS:**

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

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

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to

provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 3 (three) cabin sites identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

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

## ATTACHMENT B

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

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

**Subject Property Located in Sanders County:**

Sale #	Acres	Legal Description	Site Address (if known)
1170	0.21±	Tract 4, COS 3705, Sanders County, T23N-R26W, Sec. 6	29 Big Prairie Road, Thompson Falls, MT 59873
1171	0.46±	Tract 9, COS 3703, Sanders County, T24N-R27W, Sec. 36	5 Semen Creek Lane, Thompson Falls, MT 59873
1172	1.94±	Tract 1, COS 3704, Sanders County, T25N-R27W, Sec. 36	2969 Thompson River Road, Thompson Falls, MT 59873

**DNRC Contact Information:**

Seth Goodwin, Real Estate  
Specialist  
PO Box 201601  
Helena, MT 59620-1601  
Telephone: (406) 444-4289  
Fax: (406) 444-2684  
[Seth.Goodwin2@mt.gov](mailto:Seth.Goodwin2@mt.gov)

**Lessees:**

Sale 1170: Marcie Albright & Jodie Chacon, (406) 885-7419  
Sale 1171: Bonnie J. & John Jay Gagnon, (406) 314-6039  
Sale 1172: Juan Lulack, (406) 531-5033

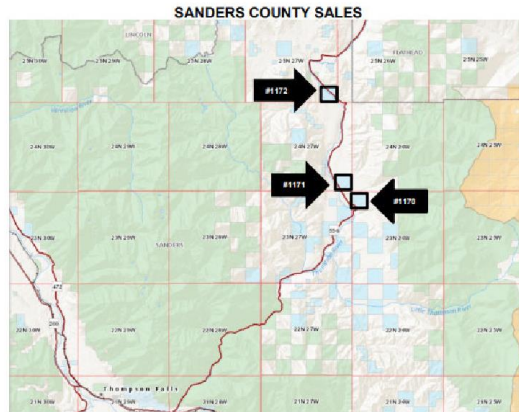
***The following will be located in the body of the contract:***

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

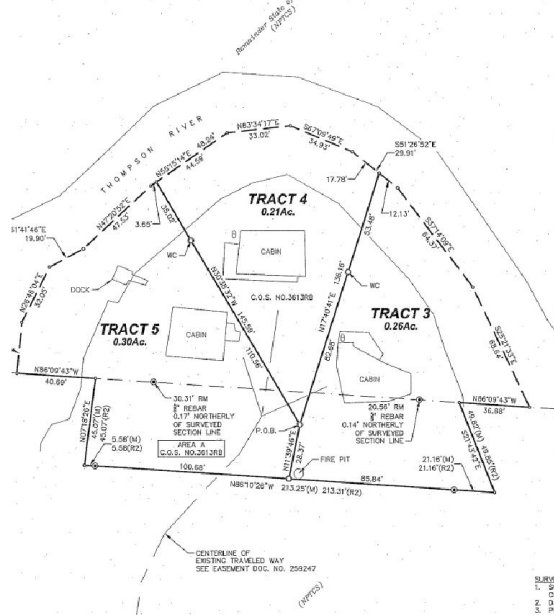
The definition of market value is that as defined in 12 C.F.R. § 34.42 (h).

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

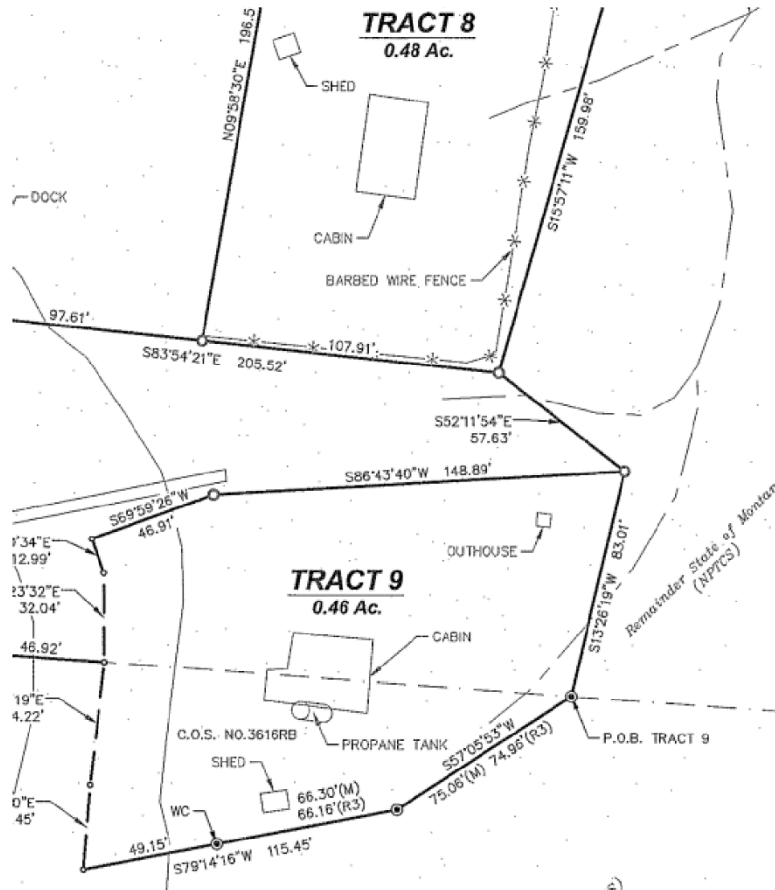
## Location Map of Parcels



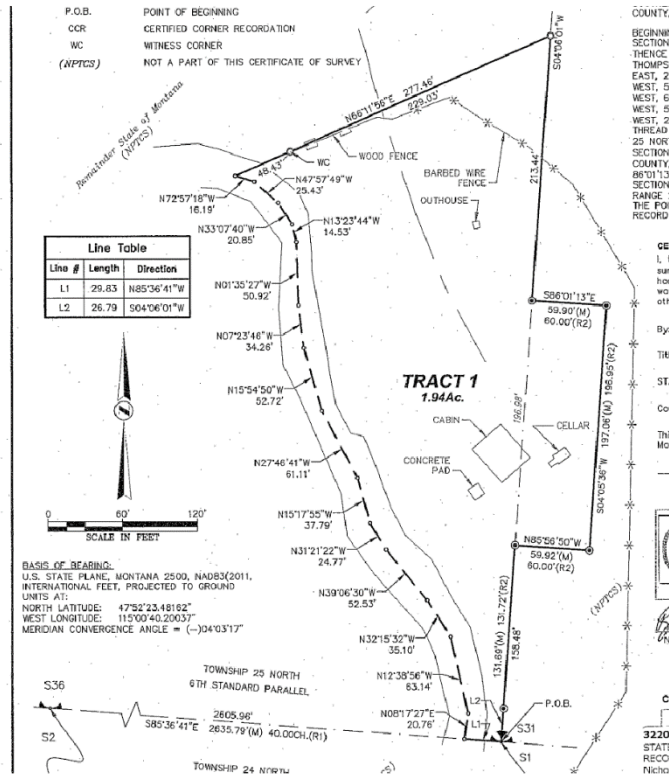
Tract 4, COS 3705, Sanders County, T23N-R26W, Sec. 6



Tract 9, COS 3703, Sanders County, T24N-R27W, Sec. 36



Tract 1, COS 3704, Sanders County, T25N-R27W, Sec. 36



# McGinnis Real Estate Appraisal Group, LLC

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## **Qualifications of Jennifer L. McGinnis, MAI**

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

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

## Membership/Affiliations:

Member: Appraisal Institute- MAI Designation  
Board Member: Montana Board of Banking and Financial Institutions (2019-2020)  
Appointed by Governor Steve Bullock  
Past President: Montana Chapter- Appraisal Institute 2016-17  
Past Board Chair: Montana Board of Real Estate Appraisers  
Appointed by Governor Brian Schweitzer (2007-2013)

## **EDUCATION:**

University of Montana  
B.A. Communication Studies-1991

## Appraisal Institute Courses & Seminars

- Condemnation Appraisal-2019
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications-2017
- Marketability studies-Advanced Considerations & applications-2017
- Marketability studies- 6 step process & basic applications-2017
- Uniform Standards of Professional Appraisal Practice Update-2019
- Real Estate finance, statistics, & valuation modeling-2015
- Business Practices and Ethics -2018
- Valuation of Conservation Easements -2012
- Appraising the Appraisal: Appraisal Review-2012

- Fundamental of Separating Real Property, Personal Property, & Intangible Business Assets-2012
- Advanced Spreadsheet Modeling for Valuation Applications-2011
- The Discounted Cash Flow Model: Concepts, Issues & Applications-2010
- Hotel Appraising-New techniques for today's uncertain times-2010
- Valuation by Comparison-2010
- Using Spreadsheet Programs in Real Estate Appraisals-2010
- Report Writing & Valuation Analysis-2009
- General Demonstration Report Writing-2009
- Advanced Applications-2009
- Advanced Income Capitalization-2008
- Uniform Appraisal Standards for Federal Land Acquisitions-2007
- Advanced Sales Comparison and Cost Approaches-2006
- Highest & Best Use and Market Analysis-2005
- The Professional's Guide to the URAR-2005
- General Applications-2004
- Basic Income Capitalization-2004
- Advanced Residential Form & Narrative Report Writing-2003
- Appraisal Procedures-2002
- Standards of Professional Practice, Part A & B-2002
- Appraisal Principles-2002
- 15 Hour USPAP Course 2002, 2006

#### Additional Seminars

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

#### **EXPERIENCE:**

2013-Present

Partner, McGinnis Real Estate Appraisal Group, LLC

Appraisal/valuation and consulting assignments include: commercial/retail buildings, office buildings, commercial/industrial properties, warehouse buildings, medical office buildings, development land, residential and commercial

subdivisions, residential and commercial condominiums, high-end residential properties, apartment buildings, low income housing tax credit apartments, retirement homes, rural acreage, waterfront properties, Federal land acquisition (Yellow Book) appraisal reports, leased fee and leasehold valuations.

2003 - 2013

Real Estate Appraiser

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Missoula, MT 59807



## PRIVACY NOTICE

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

### Types of Nonpublic Personal Information We Collect

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

### Parties To Whom We Disclose Information

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

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

### Confidentiality and Security

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

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