

AN APPRAISAL REPORT OF:

A Residential Property & A Vacant Lot
Located at 6383 Walker Road & 2990 Thorpe Road
Bozeman & Belgrade, MT 59715 & 59714

FILE NUMBER:

C102921622

PREPARED FOR:

State of Montana, Montana Board of Land Commissioners, & Montana DNRC
Attn: Mr. Seth Goodwin, Real Estate Specialist
P.O. Box 201601, 1539 11th Avenue
Helena, MT 59620-1601

PREPARED ON:

December 10, 2021

EFFECTIVE DATE OF VALUATION:

October 18, 2021

PREPARED BY:

Keith O'Reilly, MAI, MT-400
Dan Wheeler, MT-12347
Bridger Appraisals, Inc.
P.O. Box 11145
Bozeman, MT 59719



December 10, 2021

State of Montana, Montana Board of Land Commissioners, & Montana DNRC
P.O. Box 201601, 1539 11th Avenue
Helena, MT 59620-1601

Re: 6383 Walker Road & 2990 Thorpe Road
Bozeman & Belgrade, MT 59715 & 59714

Dear Mr. Seth Goodwin,

In accordance with your request and authorization, we have viewed the referenced properties, also referred to as the appraised or subject properties in the following report, and have estimated the current fee simple values of the Walker Road property “as vacant” and “as improved” and the current fee simple value of the Thorpe Road property “as vacant” as of October 18, 2021. Our professional opinions are based upon analysis of market data gathered for this purpose and upon the assumptions and limiting conditions stated on pages 2-4 of the following report. This appraisal is being completed under multiple hypothetical conditions. The first hypothetical condition is that each of the subject parcels are in fee simple ownership and are therefore sellable parcels which is contrary to their existing leasehold ownership. The second hypothetical condition is that neither of the subject properties are encumbered by leases or licenses which is contrary to the ground leases currently in place at each of the subject properties. The third hypothetical condition is that the current market value was estimated for the subject Walker Road property “as vacant” which is contrary to the existing improvements currently present on the subject Walker Road property. Finally, this appraisal was completed under the hypothetical condition that the subject properties had been created through their respective certificates of survey as of the effective date of this appraisal when they actually had not yet been created through their respective certificates of survey as of the effective date of this appraisal. A hypothetical condition is contrary to what currently exists but is necessary to complete the appraisal for its intended use.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2. This format provides a summary of the appraisal process, subject and market data and valuation analyses. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report. The appraisers are not responsible for unauthorized use of this report. The opinions stated in the accompanying report are based on our viewing of the appraised properties, comparable properties, and analysis of all pertinent data.

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as improved” in the subject Walker Road property, as of October 18, 2021, is:

**NINE HUNDRED TWENTY THOUSAND DOLLARS
(\$920,000)**

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as vacant” in the subject Walker Road property, as of October 18, 2021, is:

**FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$475,000)**

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as vacant” in the subject Thorpe Road property, as of October 18, 2021, is:

**SIX HUNDRED SIXTY-FIVE THOUSAND DOLLARS
(\$665,000)**

The following report contains (87) pages in addition to an addendum that provides the data and analysis to support the stated value estimates.

Respectfully submitted,



Keith O'Reilly, MAI
Certified General Appraiser #400
State of Montana



Dan Wheeler
Certified General Appraiser #12347
State of Montana

TABLE OF CONTENTS

ITEM / PAGE NUMBER:

ASSUMPTIONS AND LIMITING CONDITIONS	2
SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	5
SCOPE OF THE APPRAISAL	7
PURPOSE AND INTENDED USE AND USER OF THE APPRAISAL	8
DEFINITION OF MARKET VALUE	8
PROPERTY RIGHTS APPRAISED	9
EXPOSURE TIME	10
VALUATION DATE	10
IDENTIFICATION AND HISTORY OF THE SUBJECTS.....	10
REGIONAL & CITY MAPS.....	11
REGIONAL, CITY, AND NEIGHBORHOOD ANALYSIS	13
TAXES AND ASSESSMENT ANALYSIS.....	24
SITE DATA AND ANALYSIS.....	26
ZONING AND GOVERNMENT RESTRICTIONS	31
DESCRIPTION OF IMPROVEMENTS	32
PHOTOGRAPHS OF THE SUBJECT PROPERTIES	36
HIGHEST AND BEST USE	46
THE APPRAISAL PROCESS.....	48
SALES COMPARISON APPROACH.....	49
FINAL RECONCILIATION	84
CERTIFICATION	86

ADDENDUM

Walker Road Property Single-Family Residential Improvements Bill of Sale
Resumes
Current Licenses
Engagement Letter

PHOTOGRAPHS OF THE SUBJECT PROPERTIES



A view of the subject property located at 6383 Walker Road.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject property located at 2990 Thorpe Road.
Photo taken on October 18, 2021 by RJ Patch.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report, the letter of transmittal, and certification are subject to the following assumptions and limiting conditions. Any special qualifying conditions that may be contained elsewhere in the report are incorporated by reference.

Assumptions

1. That the legal descriptions, as furnished, are correct and that the title to the properties is good and marketable. All existing liens and encumbrances, if any, have been disregarded. The properties are appraised as though free and clear of other burdens, under responsible ownership and competent management.
2. That the land dimensions taken from available maps, plats, and/or surveys are correct. It has been assumed that those boundaries that are apparent are correct.
3. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the properties described and that there is no encroachment or trespass unless noted in the report.
4. That no adverse water table or soil conditions exist and no representation regarding such conditions is made in this report unless specifically stated. The values estimated are predicated on the absence of any such conditions occurring.
5. It is assumed that the subject properties conform to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
6. Those opinions, estimates, data and statistics supplied by others in the course of this study, are correct. The assumption has been made that the sources are reliable, but no responsibility has been inferred for their accuracy.
7. This report does not contemplate any court action, nor does it obligate the appraisers to give any testimony or make any appearance in court, before commission, arbitrator or any other individual, body or agency. If court action or appearance later becomes necessary in the interest of the client, the terms of the additional service shall be negotiated at that time.
8. Unless otherwise stated in this report, the appraisers did not observe the existence of hazardous material, which may or may not be present on the properties. We have no knowledge of the existence of such materials on or in the properties. We are not qualified to detect such substances. The presence of potentially hazardous materials may affect the values of the properties. This extends to any leaks from underground fuel storage tanks, and identification of asbestos containing materials. The value estimates are predicated on the assumption that there is no such material on or in the properties. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. Any such environmental

risk discovered at a later date may require a revised estimate of value that may or may not be simply a reduction of the value by the estimated cost to cure the environmental condition. Properties known to have environmental risk may also carry a stigma in the market place that may or may not affect the value. If future soil tests should reveal the existence of any such soil conditions or hazardous waste, we reserve the right to review and adjust this appraisal.

9. The appraisers' conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the site that might impact upon buildability. The appraisers recommend due diligence be conducted through local building departments or municipality to investigate build ability and whether the property is suitable for its intended use. The appraisers make no representations, guarantees or warranties.

Limiting Conditions:

1. The appraisers are not responsible for any matter legal in character nor is any opinion rendered as to title, which is assumed to be marketable.
2. The values reflected in the analysis apply only to the program of utilization considered in this report. The use of the values in conjunction with any other appraisal or under other influences invalidates the conclusions developed.
3. This analysis and estimates of value are made for the exclusive use and benefit of the client to whom it is addressed and possession of this report or a copy does not carry with it the right of publication, nor may it be used for any purpose other than that intended without the previous consent of the appraisers. In any event only the entire report may be used and no part shall be taken or used out of context.
4. Included as an integral part of this report are maps and photographs of the appraised properties. The maps and photographs were prepared and taken by the appraisers, and although they do not purport to represent survey accuracy, they are substantially correct and adequately serve as visual reference to the properties.
5. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions of value, the identity of the appraisers or the firm with which they are connected) shall be disseminated to the public through advertising media, public relations, news media, sales media, or any other public means of communication without the prior written consent and approval of the authors.
6. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

7. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey or analysis of the properties to determine whether or not they are in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the properties and a detailed analysis of the requirements of the ADA would reveal that the properties are not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the values of the properties. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the values of the subject properties.
8. This appraisal is being completed under multiple hypothetical conditions. The first hypothetical condition is that each of the subject parcels are in fee simple ownership and are therefore sellable parcels which is contrary to their existing leasehold ownership. The second hypothetical condition is that neither of the subject properties are encumbered by leases or licenses which is contrary to the ground leases currently in place at each of the subject properties. The third hypothetical condition is that the current market value was estimated for the subject Walker Road property "as vacant" which is contrary to the existing improvements currently present on the subject Walker Road property. Finally, this appraisal was completed under the hypothetical condition that the subject properties had been created through their respective certificates of survey as of the effective date of this appraisal when they actually had not yet been created through their respective certificates of survey as of the effective date of this appraisal. A hypothetical condition is contrary to what currently exists but is necessary to complete the appraisal for its intended use.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Client:	State of Montana, Montana Board of Land Commissioners, & Montana DNRC
Intended User:	State of Montana, Montana Board of Land Commissioners, Department of Natural Resources and Conservation, and lessees David & Lu Anne Odt and Dean & Carrie Johnson
Owner of Properties:	The subject lots are owned by the State of Montana DNRC while the single-family residential improvements on the 6383 Walker Road property are owned by David Odt and Lu Anne Adt.
Date of Valuation:	October 18, 2021
Date of Preparation:	December 10, 2021
Rights Appraised:	Fee Simple
Legal Descriptions:	Please see page 10
Location of Properties:	6383 Walker Road & 2990 Thorpe Road, Bozeman & Belgrade, MT 59715 & 59714
Improvements:	The property located at 6383 Walker Road is improved with a single-family residence with 1,894 square feet of finished area in addition to a 378 square foot detached two car garage. The property located at 2990 Thorpe Road is improved with a two-car garage and a barn, both of which have reached the end of their economic life and are considered to have no contributory value.
Highest and Best Use:	The highest and best use for the property located at 6383 Walker Road is for continued use as a single-family residence. The highest and best use for the property located at 2990 Thorpe Road is for commercial development in accordance with market demand.
Present Use:	As of the effective date of this appraisal, the residence located at 6383 Walker Road is occupied as a primary residence and the existing improvements located at 2990 Thorpe Road are in the process of being demolished.

Zoning: The subject Walker Road property is zoned by the Gallatin County Planning Department as AR, Agricultural and Rural Residential. The subject Thorpe Road property is not zoned and does not appear to be subject to any covenants, conditions, or restrictions.

Site Size: The property located at 6383 Walker Road has an approximate land area of 2.850 acres or 124,146 square feet. The property located at 2990 Thorpe Road has an approximate land area 6.642 acres or 289,325 square feet.

Environmental: There are no known adverse environmental conditions on the subject sites. Please reference Limiting Conditions and Assumptions.

Market Status: There has been more real estate activity in the last eight years than in the preceding years. The real estate market peaked in 2006 and then began to decline up until about mid-2011. The real estate market saw significant gains in 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 and it continues to see steady growth in 2021. The residential market has strengthened considerably. The oversupply of residential building sites has been absorbed and now there is more demand than supply. The overall commercial market has also improved as commercial rental rates and values have been increasing. The world was exposed to COVID-19 and the effects to the Bozeman market began the week of March 16, 2020. Like the rest of the world, the long-term effects to the local market are unknown at this time. It appears, however, that the COVID-19 global pandemic has positively impacted real estate values in Bozeman and the surrounding market areas as there has been an influx of buyers from larger metropolitan areas.

Concluded Value for Each Property:

6383 Walker Road

Sales Comparison Approach: \$475,000 – “As Vacant”
\$920,000 – “As Improved”

2990 Thorpe Road

Sales Comparison Approach: \$665,000 – “As Vacant”

SCOPE OF THE APPRAISAL

The scope of work consists of the amount and type of information researched and analyzed in an assignment. In preparing the appraisal, Dan Wheeler has personally viewed the subject sites and improvements and has considered pertinent characteristics of the sites and improvements in comparison to current market standards. We have analyzed the subject neighborhoods and competing markets for current sales data. Dan Wheeler viewed the subject properties on October 18, 2021. General and specific data was obtained through personal and telephone interviews with government officials, property managers, developers, real estate agents, and other market participants. We have considered the highest and best use of the properties as if vacant and as improved, and have applied the sales comparison approach valuation method. It should be noted that an “as improved” value opinion was not developed for the subject Thorpe Road property given that it is our opinion that the improvements present on that property have no contributory value due to their condition as of the effective date of this appraisal.

The cost approach was omitted because the cost approach is most appropriate when the replacement cost of the improvements as well as accrued depreciation can be estimated with a high degree of accuracy. As a result, the cost approach is most applicable when the improvements are relatively new. However, in this case, the improvements on the 6383 Walker Road property were originally constructed in 1925; thus, the estimate of accrued depreciation from physical deterioration, functional obsolescence, and/or external obsolescence would be difficult to estimate with a high degree of certainty due to their older age. The cost approach is not applicable to the property located at 2990 Thorpe Road as the existing improvements provide no contributory market value as they are beyond their useful life and are in disrepair. The income approach was omitted because neither of the subject properties are typical income producing properties and it is our opinion that the most typical buyer would not purchase the subject properties for their income producing potential. This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2. This format provides a summary of the appraisal process, subject and market data and valuation analyses. The information contained in this report is specific to the needs of the client and for the intended use as stated in this report.

This appraisal is being completed under multiple hypothetical conditions. The first hypothetical condition is that each of the subject parcels are in fee simple ownership and are therefore sellable parcels which is contrary to their existing leasehold ownership. The second hypothetical condition is that neither of the subject properties are encumbered by leases or licenses which is contrary to the ground leases currently in place at each of the subject properties. The third hypothetical condition is that the current market value was estimated for the subject Walker Road property “as vacant” which is contrary to the existing improvements currently present on the subject Walker Road property. Finally, this appraisal was completed under the hypothetical condition that the subject properties had been created through their respective certificates of survey as of the effective date of this appraisal when they actually had not yet been created through their respective certificates of survey as of the effective date of this appraisal. A hypothetical condition is contrary to what currently exists but is necessary to complete the appraisal for its intended use.

PURPOSE AND INTENDED USE AND USER OF THE APPRAISAL

The purpose of this appraisal is to estimate credible opinions of the current market values of the fee simple interest in the subject properties, “as vacant” and “as improved” as of October 18, 2021, in accordance with the *Uniform Standards of Professional Appraisal Practice (USPAP)* and supplemented by the Appraisal Institute. The intended use of the appraisal is to assist the client and intended users, The State of Montana, the Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and lessees David & Lu Anne Odt and Dean & Carrie Johnson, in regards to the potential purchase/sale of the subject properties through the DNRC’s Cabin/Home Site Sales Program. Insurable value has not been estimated.

DEFINITION OF MARKET VALUE

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what they consider their own best interest;
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;
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.¹

¹ Source: *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago; Appraisal Institute, 2015).

PROPERTY RIGHTS APPRAISED

Property rights are ownership interests in real estate and have value. It is important to know what property right(s) or estate(s) are involved in the appraisal, because the estate identifies the rights being valued. The subject property rights being appraised is the fee simple interest.

Fee Simple: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.²

² *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

EXPOSURE TIME

Exposure time should not be confused with the marketing period. Exposure time precedes the effective date of the appraisal. In other words, how long the subject properties would be actively marketed prior to the effective date of the appraisal to bring the estimated opinion of market value determined in the appraisal. Marketing time is the period after the effective date of the appraisal. In other words, how long it would take to sell the subject properties, at the appraised market value, after the effective date of the appraisal. Typically, in a stable market the marketing time and exposure time should be relatively similar. Recent sales in the Bozeman and Belgrade markets have been relied upon to estimate the exposure time of the subject properties. Due to the size of the Bozeman and Belgrade markets, the best estimate for exposure time is derived from sales of similar types of property. Based upon the current market conditions, sales data within the report and current listings, we have estimated the exposure time for the subject properties to be less than six months.

VALUATION DATE

The effective date of the appraisal is October 18, 2021. This is the date of valuation and the date that the subject properties were personally viewed.

IDENTIFICATION AND HISTORY OF THE SUBJECTS

Legal Descriptions

As of the effective date of this appraisal, the subject properties had not yet been created via the certificates of survey that were later recorded on November 8, 2021. As of the date that this appraisal was completed, the subject properties carried the following legal descriptions:

Walker Road Property

Tract 1 of Certificate of Survey No. 3074, a tract of land located within the south east one quarter of the south west one quarter of Section 36, Township 1 North, Range 5 East, Gallatin County, Montana.

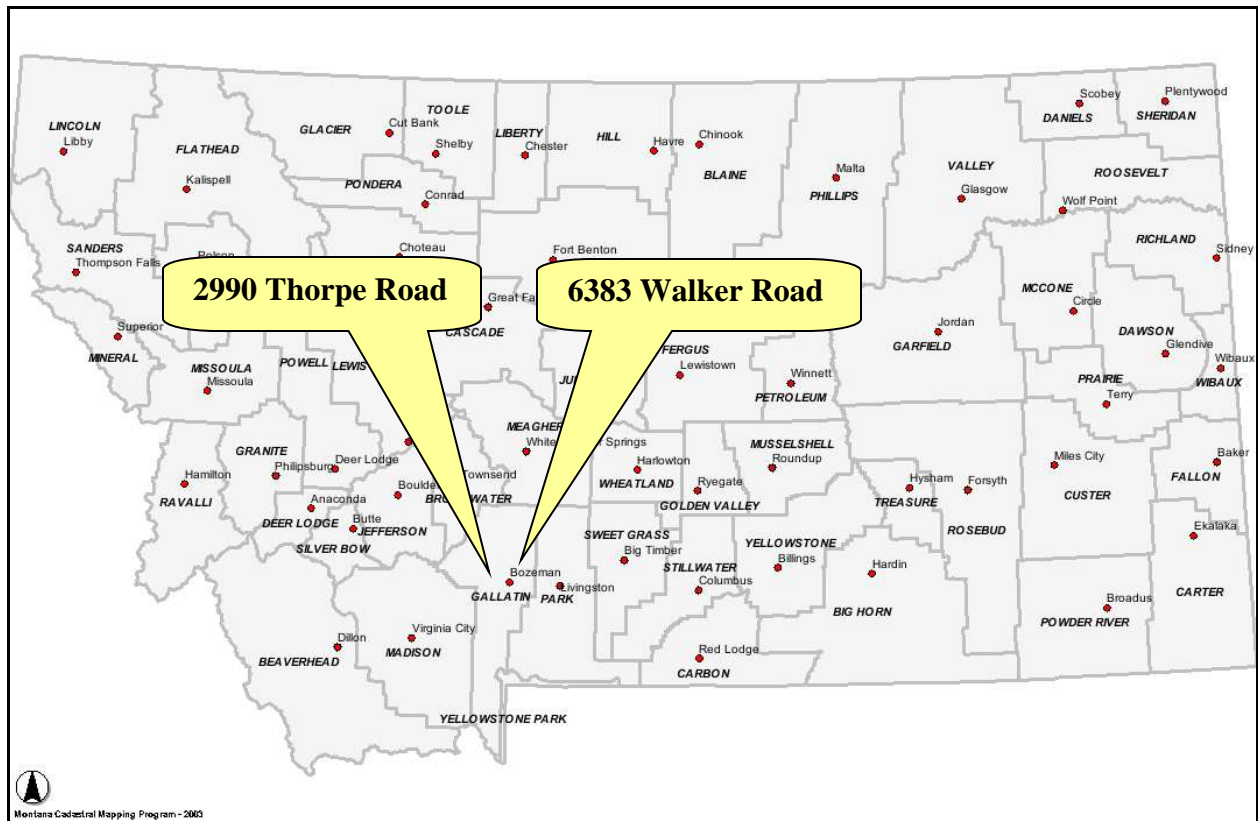
Thorpe Road Property

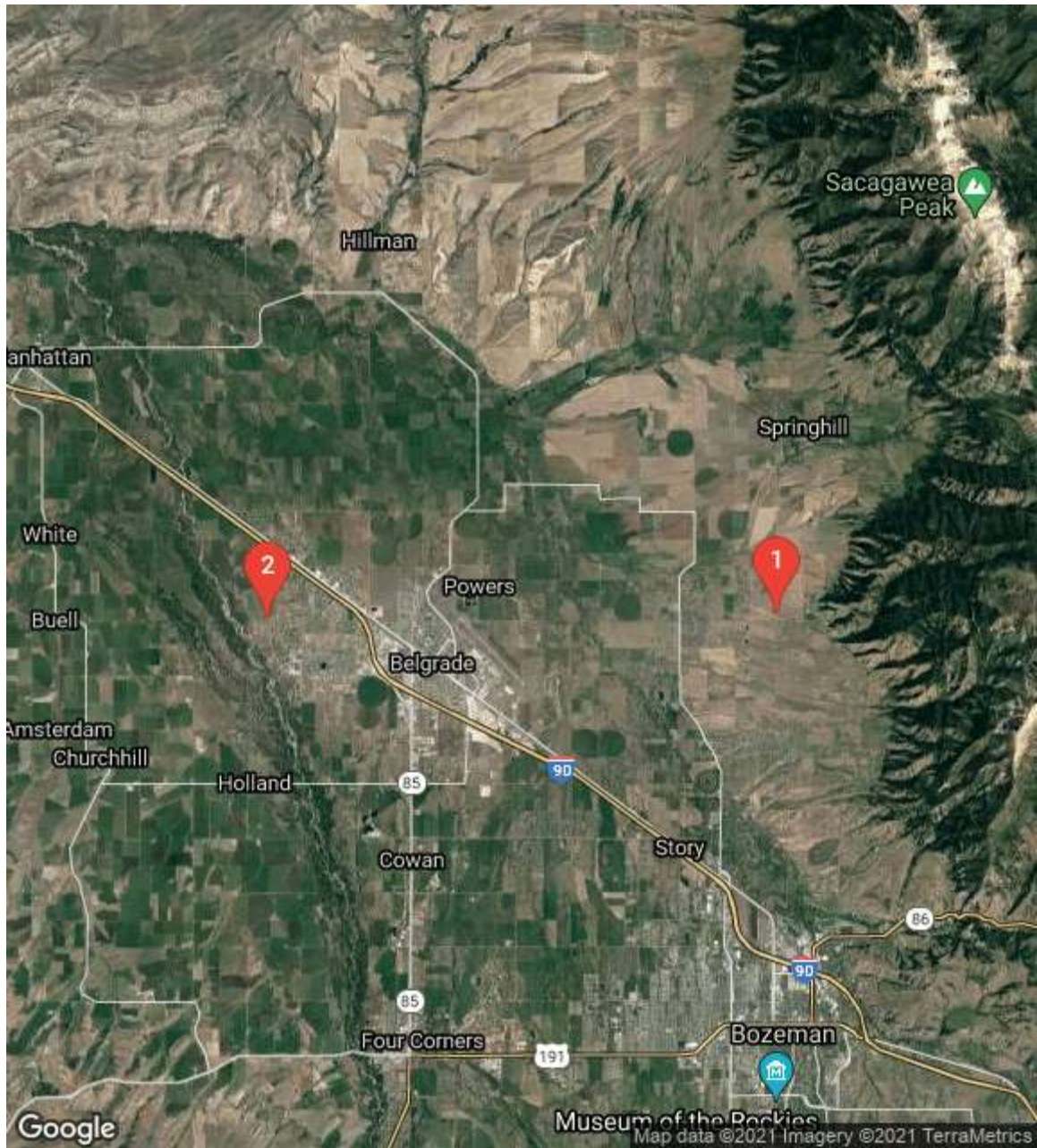
Tract 1 of Certificate of Survey No. 3075, a tract of land located in the southwest ¼ of the southwest ¼ of Section 33, Township 1 North, Range 4 East, Gallatin County, Montana.

Sale History, Current Listing, or Contract

The subject properties have not transferred ownership in the three year period preceding the effective date of this appraisal. To the best of our knowledge, the subject properties are not currently listed for sale nor are they currently under contract to sell; however, it is our understanding that the subject properties may potentially be sold through the Cabin/Home Site Sales Program.

REGIONAL & CITY MAPS





REGIONAL, CITY, AND NEIGHBORHOOD ANALYSIS

The purpose of this section is to identify the pertinent social, economic, governmental and environmental factors that affect property value and to analyze their impact on the appraised property's market value. This analysis begins with regional information and moves to relevant information about the city and the Subject's neighborhood. A neighborhood is defined as a grouping of similar land uses. From an appraisal viewpoint, this is the area where the subject property competes with other properties and where the most comparable market data is obtained.

Bozeman and Belgrade are both located in Gallatin County, in an area more commonly referred to as the Gallatin Valley. Gallatin County covers 2,632 square miles of mountainous lands varying in topography and climate which are located in the southwestern part of the state, more specifically between Park and Madison counties, north of the Montana-Wyoming border and Yellowstone National Park. Gallatin County is known for downhill skiing opportunities at Big Sky Resort, Moonlight Basin and Bridger Bowl. In addition to world-class skiing, Gallatin County plays host to a multitude of other outdoor activities, as half of the land in the county is under public ownership by the Gallatin National Forest, State of Montana, Bureau of Land Management or the National Park Service. In the past decade, Gallatin County has grown faster than any other county in the state of Montana, with the largest population increase in the state between the 2000 Census and the 2010 Census (32%). Gallatin County surpassed Flathead County in 2011 to become the third largest county population in the state and had an estimated population of 114,434 in 2019. Bozeman, the county seat for Gallatin County, is located approximately 140 miles to the west of Billings, Montana and 65 miles to the north of Yellowstone National Park. With an estimated population of 49,831 in 2019, Bozeman has been the fourth largest city in Montana since 2004.

Social Factors:

Social influences that affect value include, but are not limited to, population characteristics such as growth, population density, age distribution, household sizes, employment status, availability of education and the quality of life.

Historic and Recent Population Trends - City of Bozeman, Gallatin County and Montana:

According to the U.S. Census Bureau, the City of Bozeman's population increased from 27,509 in 2000 to 37,280 in 2010, which indicates an approximate 35.5% overall increase or 3.55% annual increase over that ten year period. In contrast, the City of Bozeman's average growth rate between 1980 and 1990 was about 0.47% per year. In the past decade, Gallatin County and Bozeman have grown faster than any other county or city in the state according to U.S. Census Bureau data. Between 2010 and 2019, the City added approximately 12,251 new residents, which translates to a growth rate of approximately 1,395 new residents per year or an annual growth rate of approximately 4%. There has been a large influx of residents to the City of Bozeman and Gallatin County as a result of the COVID-19 global pandemic; however, this may not be accurately reflected in the 2020 census considering that many of the new residents relocated to the surrounding area following completion of the census survey.

Gallatin County's population increased from 67,831 in 2000 to 89,513 in 2010 which indicates an increase of 21,682 people. This represents an increase in population of approximately 32% over a ten-year period, or an average growth rate of 3.2% per year. The estimated population of Gallatin County in 2019 was 114,434 (28% increase from 2010). In 2019, Gallatin County earned the number one rank as the largest gaining micropolitan area (numeric increase) for the second year in a row. The entire state of Montana grew by 9.7% to 989,415 residents between 2000 and 2010, adding 87,220 people over that ten-year period. The 2019 estimated population of Montana was 1,068,778, keeping Montana ranked 44th among the 50 states in population.

In addition to population growth, the City of Bozeman continues to grow in geographic size. In order to accommodate the increasing population and business growth, new land for residential, commercial and industrial development has been annexed into the City. In 1990, the City was approximately 10 square miles in size. By the end of 2009, the City of Bozeman was approximately 19.25 square miles in size resulting in a 91 percent increase in size over a period of 19 years. From 2009 to 2019, an additional 1.06 acres were annexed into the City. The City has a reserve of developable land within its current boundaries

Bozeman is characterized by a smaller portion of families and an average household size somewhat smaller than Gallatin County as a whole. Bozeman has an average household size of 2.20 people, while the average household size for Gallatin county is 2.37 people and countrywide is 2.62 people per household. Bozeman also exhibits a significantly lower homeownership rate than the county as a whole, primarily due to the student body of Montana State University.

In general, the City of Bozeman has a significantly higher educational attainment level than Gallatin County or Montana. Approximately 58.7% of Bozeman residents ages 25 and older have a college degree, compared to 50.1% for Gallatin County and 32.0% for the State of Montana. Greatschools.net rated the majority of Bozeman public schools with 8 or higher out of a possible 10, using standardized test scores and national scoring to rate.

Bozeman and Gallatin County have transformed over the past decade from a primarily agricultural based community to a tourism and technology related community. The appeal of Bozeman and the Gallatin County area has been due to the high quality of life that this area offers. Low crime rates, cultural experiences and abundant outdoor activities add to the quality of life for residents. World class snow skiing, blue ribbon rivers and streams for fishing, and miles of protected trails and lands for hiking, biking and camping are some of the most commonly appreciated attributes of the area.

Economic Factors:

Economically speaking, Bozeman has been somewhat different than the rest of the State of Montana. A primary reason for this difference is the circumstance that there are not a large number of employers who employ a significant amount of the population. For example, other areas of Montana such as Missoula are very dependent on the specific industries such as the lumber industry. When the lumber industry slowed, Missoula was severely affected by the impact. In contrast, the primary employer in Bozeman is Montana State University which is very stable.

The economy of Gallatin County is both broad based and diverse, with a large variety of establishments that employ over 82,000 people. Major sectors of the economy include industries in the areas of construction, government, manufacturing, technology, retail service and agriculture which all play significant roles. The largest single employer in the area is Montana State University (MSU) that employs over 4,200 people as permanent faculty/staff and graduate teaching/research assistants. MSU also employs over 2,000 students in part-time jobs. In the fall of 2019, the enrollment at MSU was 16,766 students. The student body of MSU has a significant effect on the local economy. Other significant employers in the county include the State of Montana, Gallatin County, the City of Bozeman, Bozeman Deaconess Hospital, Oracle Technologies, and Wal-Mart. As the county's employment base continues to diversify, the local economic health is expected to be buffered from a downturn in any of the county's key industries. If current trends continue even at a moderate pace, Gallatin County will grow by nearly 50,000 people from 2019 through 2045 with about half of the growth likely to occur in the City of Bozeman.

Gallatin County Population and Employment Projection

Gallatin County	2017	2020	2030	2040	2045	Change 2017-2045		
						Total	Annual	Growth Rate
Population	105,000	111,700	133,100	151,200	159,900	54,900	1,961	1.5%
Employment	80,400	85,600	101,900	115,800	122,500	42,100	1,504	1.5%

Source: Economic & Planning Systems

Economic Development:

The North 19th Avenue corridor remains as a significant area of commercial real estate development in Bozeman. In 2011, the Safeway grocery chain (58,000 square feet) opened and as of 2019, Starbucks, Town Pump, Comfort Inn & Suites, TJ Maxx, U-Swirl, Cost Cutters, Chipotle Mexican Grill, Sleep Number, Auto Zone, CVS, My Place Hotel, Taco Bell, Montana Rib and Chop House, and two Town and Pump gas station/convenience stores have been added to the North 19th Avenue area. A notable development that is underway on the North 19th Avenue corridor is a WinCo Foods grocery store that is being constructed in the Gallatin Center Subdivision. Following completion, this store will have an approximate gross building area of 75,000 square feet with approximately 36,500 square feet of additional building area planned for future phases. There is also a new car wash facility that is under construction on Burke Street in the Gallatin Center Subdivision.

The Bozeman Gateway mixed-use development, located on West Main Street near College Street, has several newer buildings including a 55,363 square foot Kohls department store, Rosauers Supermarket, a newly relocated Arby's store, numerous multi-tenant mixed-use buildings, numerous restaurants, and miscellaneous commercial buildings. The Bozeman Gateway mixed-use developments is projected to add numerous additional commercial and mixed-use buildings to the development in the near future. In the fall of 2020, Gallatin Valley Mall announced that Whole Foods will be coming to Bozeman. This will be the first Whole Foods in the state and completion is expected for the fall of 2021. This is the first phase of a redevelopment plan for the Gallatin Valley Mall. Further to the west on Huffine Lane, the Ferguson Farm commercial development has added multiple new restaurants, a brewery, and office space. A Town and Country grocery store is planned for the Ferguson Farm development which will have an approximate gross building area of 38,378 square feet when it is complete.

At the Montana State University, campus construction finished the \$10 million football stadium expansion and have already released plans for another expansion. Other developments to Montana State University included a new Molecular Biology Center, Health and Physical Education Center, Black Box Theater, Marsh Laboratory, biology building, Gaines Hall renovation, new USDA Research Building and Teaching Facility, Yellowstone Hall (dormitory), and the new College of Business building. The recently completed \$12.5 million parking garage opened in January 2017 and the \$70 million Norm Asbjornson Hall (110,000 square foot building) was completed in December of 2018. This will serve as offices for the engineering and honor's college departments. A new \$50 million dormitory project known as Hyalite Hall was recently completed in the fall of 2020 which is expected to house 510 students.

Significant developments to the City of Bozeman over the past ten years have included an addition to Fire Station No. 1, police station, additions to the water/wastewater treatment plants, additions to city hall, the completion of the Downtown Parking Garage, the construction of the Fire Station No. 3 and Gallatin County 911 Dispatch Center in Bozeman, a new water reclamation facility, renovation of the old City of Bozeman Library into the new City Hall, the construction of the Gallatin County Detention Center, and both expansions of the landfill building located at the old landfill and vehicle maintenance building / Stream Line bus barn. A very notable development that is currently underway is the new Bozeman Public Safety Center at 901 North Rouse Avenue. This \$36.4 million project broke ground in the summer of 2020 and will have an approximate gross building area of 95,000 square feet following its expected completion in the spring of 2022.

In addition to the previously listed developments, Bozeman Yellowstone International Airport recently completed a terminal expansion. This expansion cost \$50 million, making it the largest terminal expansion in the history of Montana. The three-story expansion increased the airport size from 75,000 square feet to nearly 200,000 square feet of space. The second expansion, completed in October 2020, cost \$26.5 million and added another 75,000 square feet of space to the terminal along with four new gates, a new restaurant, and retail stores. A four level, 1,100-stall covered parking garage was completed at the airport in 2019. The parking garage cost approximately \$28.6 million and is the largest parking garage in the state of Montana. According to statistics from the Bozeman Yellowstone National Airport, a record-breaking 1,573,860 passengers passed through the airport's terminal in 2019. This is up 17.3% from 2018 and representing the tenth consecutive year of record-breaking passenger traffic. However, the number of passengers in 2020 dropped approximately 43.5% to 889,775 as a result of the COVID-19 global pandemic. This drop was significantly less than the 60.7% drop in nationwide airport passengers as reported by the TSA.

In 2016, the Bozeman voters approved a \$125,000,000 bond to construct a second high school in the western portion of Bozeman which was completed in 2020. A portion of the bond money will be also being used to renovate the existing high school. At completion, it is projected that there will be 2,400 high school students enrolled in Bozeman high schools.

Market Trends for Real Estate in the Surrounding Market Area

Bozeman has consistently accounted for about half of the population and housing growth in Gallatin County, and the following projections assume that this trend will continue. Bozeman is also expected to continue to account for a large share of the retail, office, major employer, and hospital markets going forward. With Bozeman capturing approximately half of the countywide housing demand, the following projection estimates demand for 12,700 new housing units in Bozeman over the 2017 through 2045 time period. However, these numbers are likely conservative considering the large influx of new residents to Bozeman and the surrounding market area as a result of the COVID-19 global pandemic.

Bozeman's Projected Demand for Housing and Commercial Building Space

Bozeman	New Demand				Change 2017-2045	
	2017-2020	2021-2030	2031-2040	2041-2045	Total	Annual
Housing Units	1,570	4,950	4,210	2,020	12,750	455
Annual	523	495	421	404		
Commercial Sq. Ft.						
Office	197,000	652,000	570,000	270,000	1,689,000	60,000
Industrial/Warehouse	60,000	183,000	154,000	75,000	472,000	17,000
Retail	201,000	580,000	438,000	202,000	1,421,000	51,000
Restaurant and Hotel	138,000	421,000	365,000	187,000	1,111,000	40,000
Institutional (Govt., Medical, Education)	<u>163,000</u>	<u>607,000</u>	<u>555,000</u>	<u>253,000</u>	<u>1,578,000</u>	<u>56,000</u>
Total	759,000	2,443,000	2,082,000	987,000	6,271,000	224,000

Source: Economic & Planning Systems

The annual appreciation rates over the past five years have been in the 10% to 12% per year ranges in and around Bozeman, Belgrade, Livingston, and Three Forks. Home prices are highest just outside Bozeman City Limits for homes with large acreage. Home prices in Downtown Bozeman begin at approximately \$700,000 to \$900,000 for a home that has not been updated and needs major maintenance and upkeep. New construction, often redevelopment, in the Downtown area is typically priced over \$1,000,000. Real estate values in Bozeman and the surrounding market area saw a very large increase in 2020 as a result of the COVID-19 global pandemic and the resulting number of people relocating to the area from larger metropolitan areas. The charts from the Big Sky Country MLS on the following page demonstrate these value trends for single-family and condo/townhouse properties in the surrounding market area:

Single Family Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year. Single Family properties only.



Key Metrics	Historical Sparkbars	Q3-2020	Q3-2021	Percent Change	YTD 2020	YTD 2021	Percent Change
New Listings		573	552	-3.7%	1,560	1,504	-3.6%
Pending Sales		630	407	-21.1%	1,497	1,269	-15.2%
Closed Sales		642	473	-26.3%	1,328	1,161	-12.6%
Average Days on Market		52	19	-63.5%	59	27	-54.2%
Median Sales Price		\$541,000	\$698,000	+29.0%	\$495,000	\$670,000	+35.4%
Average Sales Price		\$796,621	\$980,312	+23.2%	\$717,372	\$936,149	+30.8%
Percent of List Price Received		99.1%	100.2%	+1.1%	98.8%	100.6%	+1.8%
Housing Affordability Index		71	55	-22.5%	78	57	-26.9%
Inventory of Homes for Sale		227	201	-11.5%	--	--	--
Months Supply of Inventory		1.5	1.5	0.0%	--	--	--

Current as of October 15, 2021. All data from Big Sky County Multiple Listing Service®. Report 9/20/2021 Showing/View: 1/3

Condo/Townhouse Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year. Condo/Townhouse properties only.

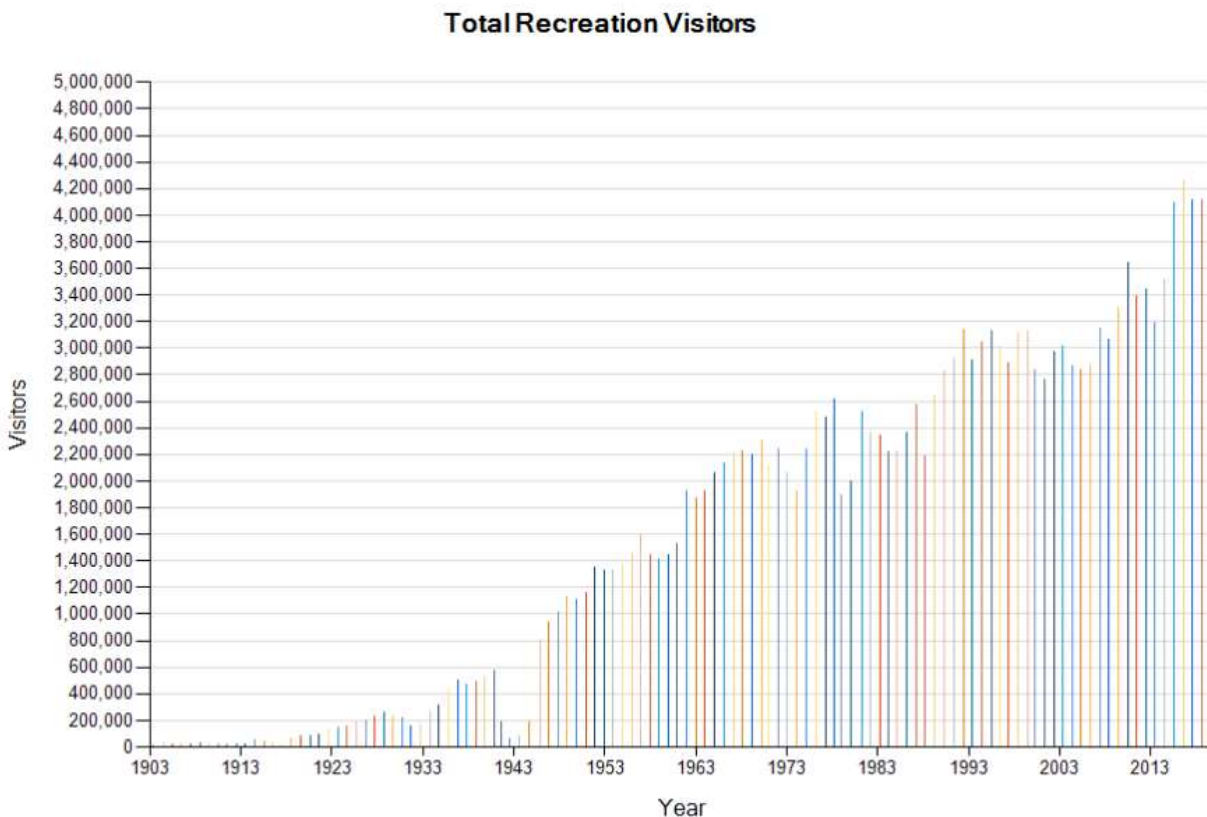


Key Metrics	Historical Sparkbars	Q3-2020	Q3-2021	Percent Change	YTD 2020	YTD 2021	Percent Change
New Listings		300	334	+11.3%	994	902	-9.3%
Pending Sales		429	310	-27.7%	999	868	-13.1%
Closed Sales		383	359	-6.3%	789	852	+8.0%
Average Days on Market		52	41	-21.2%	59	49	-16.9%
Median Sales Price		\$340,000	\$455,000	+33.8%	\$320,000	\$430,250	+34.5%
Average Sales Price		\$466,120	\$734,016	+57.5%	\$449,843	\$644,307	+43.2%
Percent of List Price Received		99.6%	100.8%	+1.2%	99.1%	101.3%	+2.2%
Housing Affordability Index		113	85	-24.8%	121	90	-25.6%
Inventory of Homes for Sale		172	100	-41.9%	--	--	--
Months Supply of Inventory		1.8	1.1	-38.9%	--	--	--

Current as of October 15, 2021. All data from Big Sky County Multiple Listing Service®. Report 9/20/2021 Showing/View: 1/3

Tourism

Yellowstone National Park is a significant generator of visitation to Bozeman. Yellowstone visitation has gradually increased over the years, ranging from 2,835,651 visitors in 2005 to an estimated number of visitors in 2019 of approximately 4,020,287. Yellowstone was the first U.S. national park, and with 3,472 square miles of land is larger than Rhode Island and Delaware combined. It features an active volcano, more than 300 geysers, approximately 290 waterfalls and the 136 square mile Yellowstone Lake. Through the National Park Service, the park employs around 380 people year-round and 800 during its peak summer season. In addition, approximately 3,700 people work for concessionaires operating such services as lodging, food service, retail and transportation.



The Big Sky Resort area is located approximately 45 miles south of Bozeman. Originally conceived and built by the late NBC newscaster Chet Huntley, Big Sky first opened for skiing in 1974. In 1976, Michigan-based Boyne USA Resorts purchased the resort and they continue to own and manage it to this day. Under the current management, Big Sky Resort continues to grow and provide year-round attractions for locals and tourists alike. The ski terrain has grown from an original four ski lifts that served 18 runs to now boasting 38 lifts that service more than 300 ski runs. In 2018, Big Sky Resort implemented the first eight-seat, high-speed chairlift in North America. This is on the heels of the 2016 installation of a six-seat chairlift with heated seats and bubble covers in the Lone Peak bowl. There are plans for a new six-seat chairlift that will replace the existing Swift Current lift and will be North America's fastest six seat chairlift when it is complete in 2021. These improvements are part of the Big Sky 2025 vision plan.

During the winter season, Big Sky Resort offers winter activities such as snow shoeing, ice climbing, zip lining, sleigh rides and a high-ropes suspension course. Skiers and snowboarders are able to enjoy over 5,850 skiable acres spanning across three mountains. Big Sky Resort has seen annual skier visits surpass 500,000 in recent years. In the summer months, there are over 13,600 private acres to enjoy activities such as horseback riding, mountain biking, hiking, rock climbing, tennis, fly fishing and whitewater rafting. In addition, there is an 18-hole, par 72 golf course.

Another development in Big Sky is the exclusive Yellowstone Club. As the only private ski and resort in the world, the Yellowstone Club is home to some of the most spectacular real estate and skiing in the country. This residential and vacation development has a \$400,000 membership fee and a \$44,000 annual fee. Included in the development are 2,200 skiable acres with over 60 runs. Pioneer Mountain has a peak elevation of 9,860 feet and an average annual snow fall of over 300 inches. The Yellowstone Club is also home to a private 18-hole mountain golf course.

In 2012, Cross Harbor Capital, the owner of the Yellowstone Club, partnered with Boyne Resorts, owners of Big Sky Resort, to purchase Spanish Peaks, a 5,700 acre upscale golf community that was undergoing bankruptcy proceedings at the time of acquisition. In addition, Moonlight Basin, a ski and golf resort adjacent to Big Sky Resort, exited bankruptcy proceedings and was also purchased by Cross Harbor Capital Partners and Boyne Resorts in November of 2013. After the purchase, the ski operations of both Big Sky Resort and Moonlight Basin were then combined to form the largest ski operation in North America, which now includes more than 5,850 skiable acres, 4,350 vertical feet and 38 chairlifts. A very notable development that is proposed for Spanish Peaks in the near future is the Montage Big Sky hotel and condominium project. This ultra-luxury development is expected to cost \$400 million and will include 150 guestrooms and suites, 39 residential condominiums, a restaurant, lobby bar and lounge, market, pub, recreation room, bowling alley, indoor lap pool, family swimming pool, fitness center, spa, ski lockers, event space, and an approximate gross building area of 520,000 square feet. Construction is currently underway and the development is expected to be complete in 2021.

Governmental Factors:

The City of Bozeman is a City Commission/City Manager form of government with an elected Municipal Judge. These three entities form the legislative, executive and judicial branches of government. Five commissioners, elected with no party affiliation, make up the City Commission. They are elected to four- year, overlapping terms and are part time officials. Terms are staggered, and elections are held every two years. The candidate who receives the most votes in an election becomes the Mayor the last two years of their term.

There are three fire stations, one located on South 19th Avenue, one located on North Rouse Avenue and one on Davis Lane. Both the fire and police protections are considered good. The State of Montana assesses an ad valorem property tax to run public schools and other government agencies. There is also a State levied income tax in Montana but there is no sales tax in the state.

Zoning Activity:

Gallatin County administers the zoning code for properties outside the city limits, but within the zoning “donut” area. In general, planning and zoning regulations in the area are considered stringent. The Gallatin County Comprehensive Plan encourages development near existing cities and discourages those in more remote locations. Bozeman’s Planning Department enforces zoning regulation within the city limits.

Subdivision Activity:

Subdivision activity began to increase in 2014 with the highest number of lots in the entitlement process in six years. In 2014, the Department of Community Development processed 58 subdivision applications and 32 subdivision exemption applications, which represented a 143% increase over 2013. Until 2013 there had been little planning activity by local developers due to market conditions, which caused a pent up demand for residential building sites. As of 2021, there is more demand than supply for residential building sites. The Four Corners area west of the Bozeman city limits is expected to see significant growth in the near future with two large subdivisions receiving approval in late 2019. These two subdivisions are expected to create over 200 combined residential lots.

Environmental Factors:

Environmental factors consist of both natural and man-made features that can influence property values. These forces include but are not limited to climate, topography, natural barriers and transportation systems. Bozeman’s climate reflects its mountain valley location. Bozeman, Gallatin County and the entire State of Montana have four seasons. Summers are pleasant and characterized by warm to hot days, cool nights and an abundance of sunshine. Humid conditions are infrequent. The average high temperatures in the summer are in the upper 80’s and the average lows in the winter are in the mid 20’s to lower 30’s. The average high and low monthly temperatures for December, January, and February are 34 degrees and 15 degrees, 33 degrees and 14 degrees, and 39 degrees and 18 degrees, respectively. Springs tend to come late in the Gallatin Valley. The average annual mean snowfall in Bozeman is 72.1 inches and the average length of the growing season is 107 days. The climate of the county varies according to elevation, but it is generally characterized by relatively cold winters and warm summers. Typical operation costs that affect real estate are the inclusion of snow removal in the winter. Due to the fairly temperate summers, cool air conditioning costs are less; however, heating bills can be high due to the cold winter months.

Conclusion

In general, the outlook for Bozeman and the surrounding communities is good. Bozeman's economy is diverse and anchored by Montana State University. With regards to the labor market, Bozeman has a young and very well-educated work force. The quality of life and outdoor activity will continue to be one of the driving factors for population growth in the Gallatin Valley. Gallatin County has a wide variety of excellent outdoor recreational opportunities. There are cultural and additional recreational resources in Bozeman due to the presence of MSU, and the tourism industry in southwestern Montana is poised for continued growth. Current population trends continue in an upward direction and growth has been sustained over the past decade. There are no local employers or industries that are in imminent danger of changing unemployment levels. We expect to see continued steady population growth in the future for the greater Bozeman area. The overall real estate market in Bozeman was better in 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 than it was in the preceding years and it continues to see steady growth in 2021. Residential and commercial activity has increased significantly. Residential apartment occupancy is nearly at 100%. Commercial lease rates and property values have been increasing as well. The long-term effects of the COVID-19 virus are unknown at this time and these circumstances will have some effects on the real estate markets on local and regional levels. Since the Bozeman market was exposed to these conditions the week of March 16th, 2020, there is no way to quantitatively measure the long-term effects on the local market. It appears, however, that the COVID-19 global pandemic has positively impacted real estate values in Bozeman and the surrounding market areas as there has been an influx of buyers from larger metropolitan areas.

Subject Neighborhoods

The subject Walker Road property is located in the Springhill area which is situated north of the Bozeman city limits. The Springhill area is predominately residential and agricultural in nature. The majority of single-family residences in the area have relatively large lot sizes and there are no high-density residential developments in the area. The land that immediately borders the subject Walker Road property to the north, south, and west is owned by the State of Montana and appears to be leased for agricultural use. The eastern side of the Walker Road property is bordered by Walker Road itself.

The subject Thorpe Road property is located in an area that includes a mix of commercial, residential, and agricultural properties. The land that immediately borders the subject Thorpe Road property to the north and to the west is owned by the State of Montana and has been improved with a center pivot for agricultural use, the parcel that borders the subject Thorpe Road property to the east is improved with a single-family residence, and the southern boundary of the subject Thorpe Road property is bordered by Thorpe Road itself.

TAXES AND ASSESSMENT ANALYSIS

The State of Montana, through the Department of Revenue, is responsible for valuing all taxable real and personal property. Department of Revenue field offices accomplish this property valuation. State guidelines are followed to ensure property is assessed in a fair and equitable manner. According to the Department of Revenue, all three approaches to value are considered in the appraisal process.

The amount of property tax paid is not determined solely by a property's value. The property's value is multiplied by a tax rate, set by the Montana Legislature, to determine its taxable value. The taxable value is then multiplied by the mill levy established by various taxing jurisdictions, city and county government, school districts and others, to provide services in the property's area.

The following calculations are used to determine general property tax:

$$\begin{aligned}\text{Value} \times \text{Tax Rate} &= \text{Taxable Value} \\ \text{Taxable Value} \times \text{Mill Levy} &= \text{General Property Tax}\end{aligned}$$

The property tax process begins with an assessment of the property. As of 2015, state law requires the Department of Revenue to reassess residential and commercial property every two years. The most recent reassessment was completed on January 1, 2020.

Each year, the Department of Revenue field offices must certify the taxable value of all properties incorporated within the boundaries of each existing tax jurisdiction or school district. This valuation is then submitted to the taxing jurisdictions and the county commissioners.

The taxing jurisdictions then set mill levies based on these values and the budget required to provide the necessary services. The levy is calculated by dividing the necessary budget by the taxable value. In addition to local levies, there are statewide mills mandated by the Montana Legislature to provide school equalization and funding for the university system.

Given that the subject properties are both newly created parcels of land, the subject lots have not been assessed by the tax assessor and therefore are not subject to county taxes as of the effective date of this appraisal. Shown below are the assessment and taxes for the single-family residential improvements on the 6383 Walker Road property:

Real Estate Assessment and Taxes				
Tax ID	Land	Improvements	Total	County Taxes
REG15490 (Walker Road Improvements)	\$0	\$290,530	\$290,530	\$2,202.02

Walker Road Improvements County Tax History

Property/Parcel TaxID: REG15490

Status: Current

Type: RE

Owner: ODT DAVID & LU ANNE

History:

Tax Year	Statement#	Bill Date	Bill Amount	Date Paid	** Paid Amount	Notes
2021	15490	10/27/2021	\$2,202.02	11/16/2021	\$1,101.02 \$0.00	
2020	12474	11/05/2020	\$1,817.56	11/18/2020 5/12/2021	\$908.78 \$908.78	
2019	15490	10/30/2019	\$1,853.46	11/30/2019 5/8/2020	\$926.74 \$926.72	
2018	15490	10/31/2018	\$1,763.10	11/28/2018 5/28/2019	\$884.86 \$878.24	
2017	15490	10/31/2017	\$1,717.17	11/30/2017 5/30/2018	\$861.89 \$855.28	
2016	15490	11/16/2016	\$1,454.38	12/14/2016 6/29/2017	\$730.50 \$742.92	
2015	15490	10/31/2015	\$1,356.18	11/18/2015 6/22/2016	\$681.39 \$690.13	

SITE DATA AND ANALYSIS

6383 Walker Road

According to Certificate of Survey No. 3074, the property located at 6383 Walker Road is site is irregularly shaped and has an approximate area of 2.850 acres or 124,146 square feet. This property is accessed from Walker Road which is a gravel road and is improved with a paved driveway. This site is improved with landscaping that includes numerous trees and sod. Although this property does not appear to be located within a flood hazard zone according to FEMA map number 30031C0620D dated September 2, 2011, Stimson ditch flows through a large portion of the subject property. The 6385 Walker Road property is perimeter fenced and is serviced by a private well and septic system. Natural gas is provided to the 6383 Walker Road site via NorthWestern Energy. The soil conditions observed at this site appear to be typical of the region and adequate to support development.

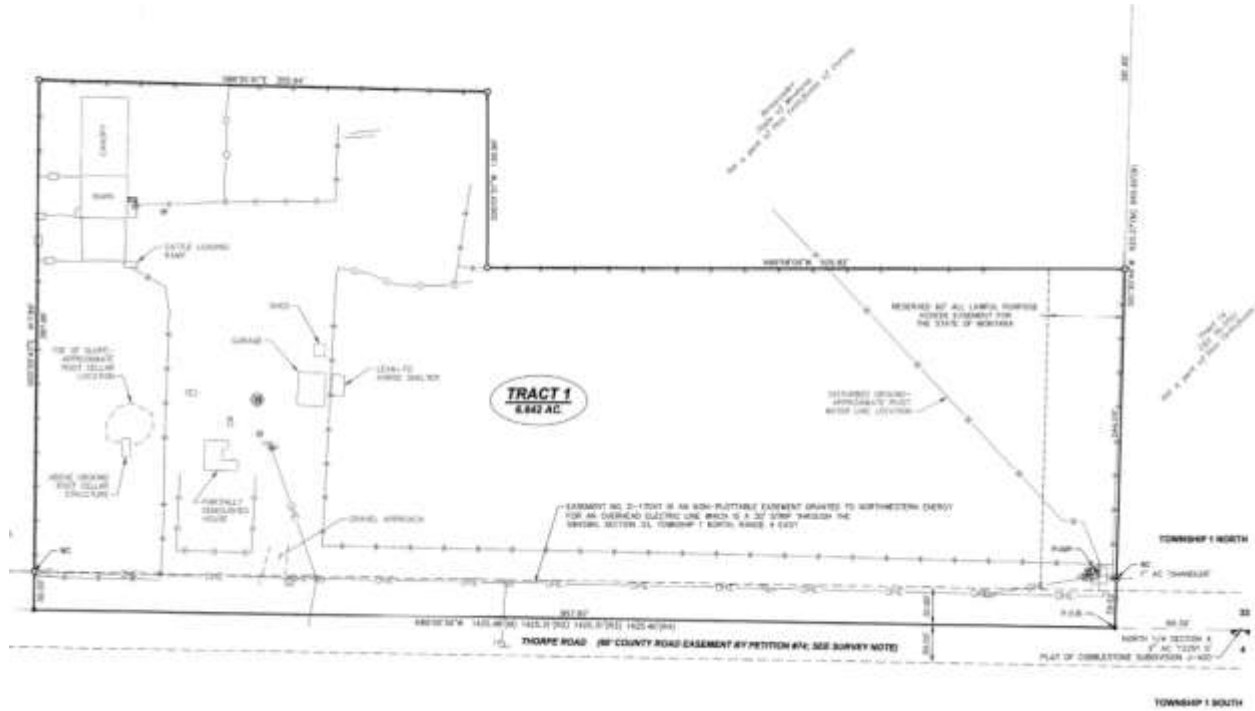
2990 Thorpe Road

According to Certificate of Survey No. 3075, the property located at 2990 Thorpe Road is irregularly shaped and has an approximate area 6.642 acres or 289,356 square feet. This property is accessed from Thorpe Road which is a paved road and is improved with a gravel driveway. This property contains no landscaping and does not appear to be located within a flood hazard zone according to FEMA map number 30031C0586E dated April 21, 2021. The 2990 Thorpe Road property is perimeter fenced and is serviced by a private well and septic system. Natural gas is provided to the 2990 Thorpe Road site via NorthWestern Energy. The soil conditions observed at this site appear to be typical of the region and adequate to support development.

Bridger Appraisals, Inc. ©



PLAT MAP – 2990 THORPE ROAD



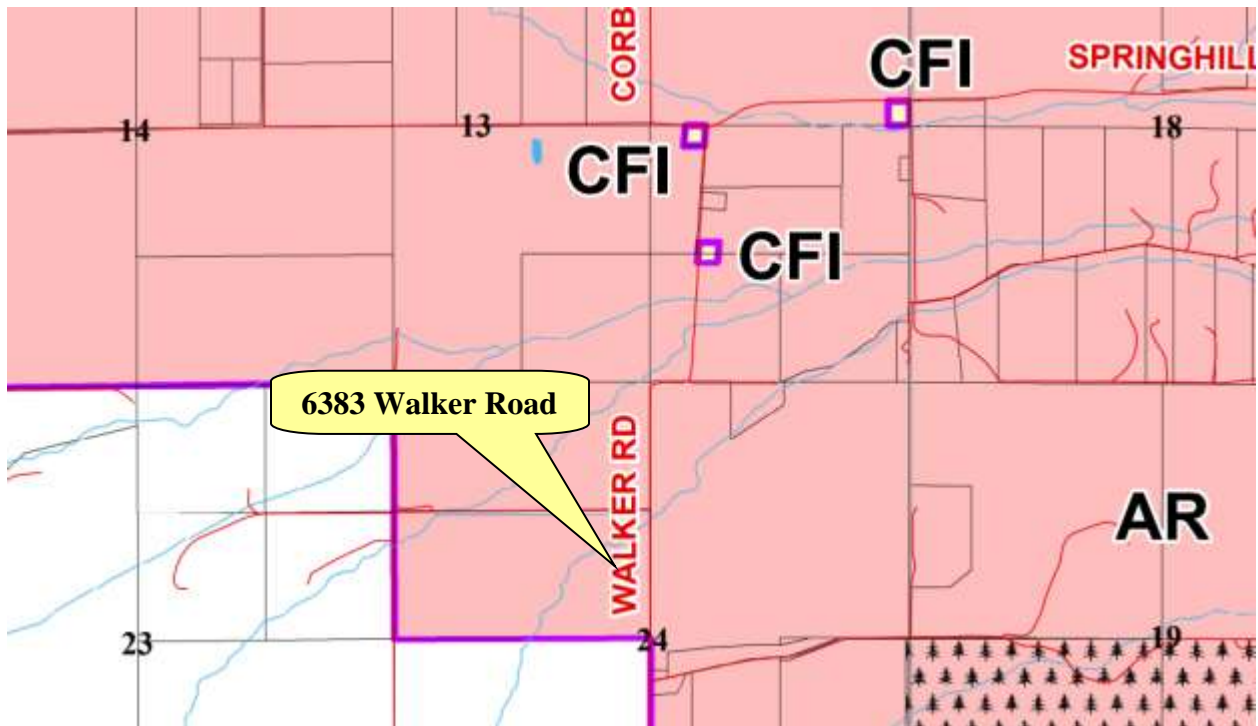
6383 WALKER ROAD FLOOD MAP



2990 THORPE ROAD FLOOD MAP



ZONING AND GOVERNMENT RESTRICTIONS



The subject property located at 6383 Walker Road is zoned by the Gallatin County Planning Department as AR, Agricultural and Rural Residential. The AR zoning designation is a sub-district of residential zoning. The intent of the AR sub-district zoning designation is to allow for individual rural homesites in location less conducive to agricultural areas. The subject improvements appear to represent a legally conforming use.

The subject property located at 2990 Thorpe Road is not zoned and does not appear to be subject to any covenants, conditions, or restrictions.

DESCRIPTION OF IMPROVEMENTS

6383 Walker Road

This property is improved with a single-family residence and a detached two car garage. According to county records, the single-family residence was originally constructed in 1925. According to the current owners of the single-family residence, the single-family residence underwent substantial renovations from 2008 to 2019. The exterior of the single-family residence includes a combination of stained wood siding, stone veneer, and cedar shingles. The exterior of the detached garage includes a combination of stained wood and cedar shingles. The asphalt shingle roofs of both the single-family residence and detached garage were reportedly installed in 2020. The windows of the single-family residence are double-paned vinyl. Interior finishes of the single-family residence include a combination of hardwood, vinyl, tile, and carpet floors. The kitchen contains hardwood cabinets, tile countertops, and tiled floor. Wall coverings include a combination of painted drywall and wooden tongue-in-groove. The bathrooms include tiled showers and solid surface countertops. This residence is heated and cooled with central air.

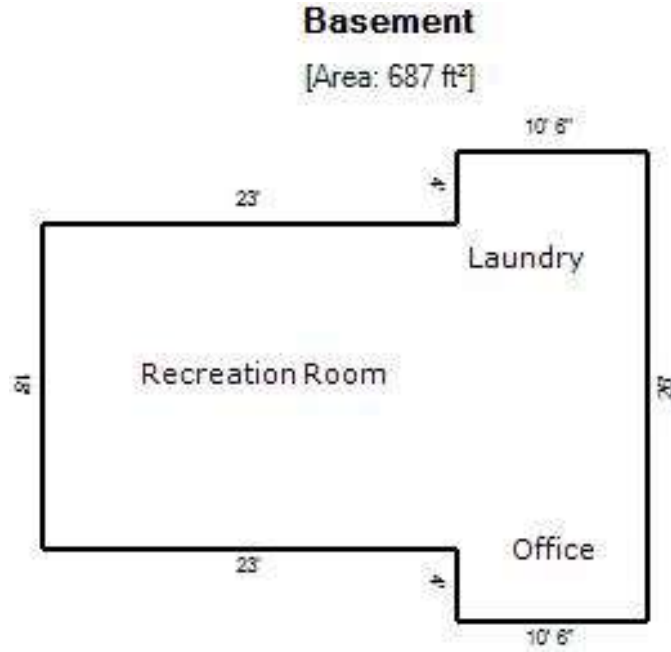
2990 Thorpe Road

As of the effective date of this appraisal, the property located at 2990 Thorpe Road is improved with a two-car garage and a barn. Both buildings were in a state of disrepair at the time of property viewing, and for this reason, it is our opinion that the garage and barn are considered to have no contributory value. For all intents and purposes “as improved” and “as vacant” for the subject Thorpe Road property are synonymous.

FIRST FLOOR SKETCH – 6383 WALKER ROAD SINGLE-FAMILY RESIDENCE



BASEMENT SKETCH – 6383 WALKER ROAD SINGLE-FAMILY RESIDENCE



SECOND FLOOR SKETCH – 6383 WALKER ROAD SINGLE-FAMILY RESIDENCE

Second Floor

[Area: 273 ft²]



PHOTOGRAPHS OF THE SUBJECT PROPERTIES



An exterior view of the southeast corner of the subject Walker Road residence.
Photo taken on October 18, 2021 by RJ Patch.



An exterior view of the northeast corner of the subject Walker Road residence.
Photo taken on October 18, 2021 by RJ Patch.



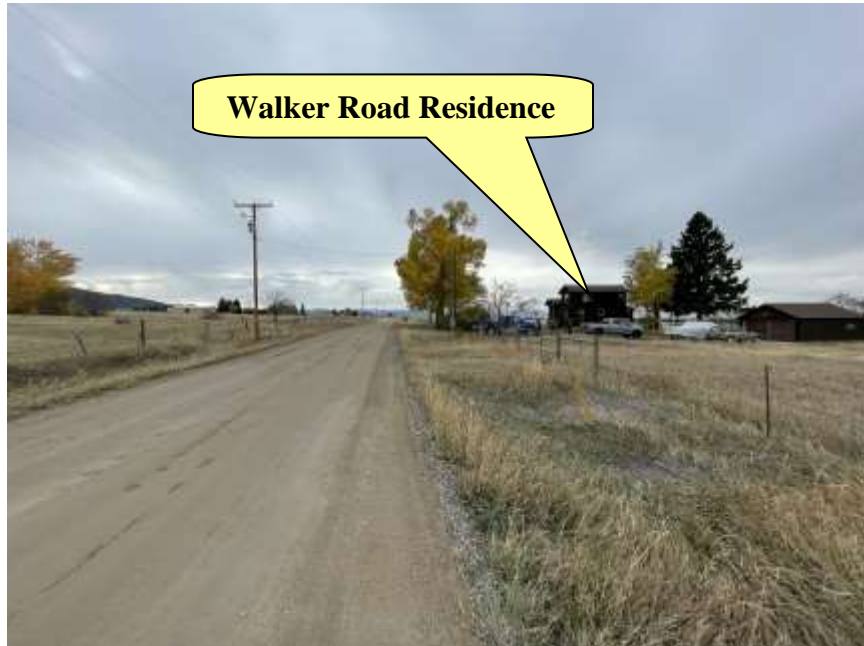
An exterior view of the northwest corner of the subject Walker Road residence.
Photo taken on October 18, 2021 by RJ Patch.



An exterior view of the southwest corner of the subject Walker Road residence.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject Walker Road lot.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject Walker Road property looking south on Walker Road.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the kitchen within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the basement within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the master bedroom within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the main floor bathroom within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the upstairs bedroom within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



An interior view of the upstairs bathroom within the subject Walker Road property.
Photo taken on October 18, 2021 by RJ Patch.



A view of the entrance to the subject Thorpe Road property.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject Thorpe Road property looking from southeast to northwest.
Photo taken on October 18, 2021 by RJ Patch.



A typical view of the subject Thorpe Road property looking northeast.
Photo taken on October 18, 2021 by RJ Patch.



A typical view of the subject Thorpe Road property looking east.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject Thorpe Road property looking west along Thorpe Road.
Photo taken on October 18, 2021 by RJ Patch.



A view of the subject Thorpe Road property looking east along Thorpe Road.
Photo taken on October 18, 2021 by RJ Patch.



A view of the existing garage on the Thorpe Road property.
Photo taken on October 18, 2021 by RJ Patch.



A view of the existing barn on the Thorpe Road property.
Photo taken on October 18, 2021 by RJ Patch.

HIGHEST AND BEST USE

Highest and best use is defined in the fifth edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015), as follows:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.³

1. **Permissible Use.** What uses are permitted by zoning and other legal restrictions?
2. **Possible Use.** To what use is the site physically adaptable?
3. **Feasible Use.** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and best use analysis is a three-step process. The first step involves the highest and best use of a site as though vacant. The determination must be made to leave the site vacant or improve it. If the conclusion is to improve the site, the second step is to determine the ideal improvement. The final step is a comparison between the ideal improvement and the existing improvement. At this point, the determination must be made to maintain the property in its present form or to modify the improvements to more closely conform to the ideal use.

Conclusion:

6383 Walker Road

Highest and Best Use As Improved:

The existing improvements make a substantial contribution to the total property in excess of the value of the site. Therefore, based on historical operation, no alternative legal use could economically justify removal of the existing buildings. It is our opinion that the land with the existing building improvements represent the highest and best use of the subject Walker Road property.

³ *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago; Appraisal Institute, 2015).

Highest and Best Use As Vacant:

The subject Walker Road site has numerous features that make it ideal to develop to its highest and best use. Foremost, the subject Walker Road site is a large residential lot near Bozeman and Belgrade where there is currently a relatively low supply of and high demand for residential lots. The Walker Road site is zoned by the Gallatin County Planning Department as AR, Agricultural and Rural Residential which allows for development of a single-family residence or for agricultural uses. It is our opinion that the highest and best use of the subject Walker Road property “as vacant” is for development of a single-family residence in accordance with the AR zoning of the property.

2990 Thorpe Road

Highest and Best Use As Vacant:

The subject Thorpe Road site has numerous features that make it ideal to develop to its highest and best use. Foremost, it is a large tract of land in Belgrade with no known zoning or covenants. It has generally level topography with no apparent wetland areas. There have been numerous comparable sites that have been purchased for development in the Belgrade market in recent history which indicates demand for these types of properties.

As indicated in our proceeding analysis, it is our opinion that the subject Thorpe Road property has a market value of approximately \$70,000 per acre as residential land and a market value of approximately \$100,000 per acre as commercial land. Therefore, based on the \$30,000 per-acre value discrepancy, it is our opinion that the highest and best use of the subject Thorpe Road property is for development of commercial improvements in accordance with market demand.

THE APPRAISAL PROCESS

Typically, real estate can be valued by applying three approaches. All of these approaches to value, (particularly when the purpose of the appraisal is to establish market value) are market data approaches since the data inputs are presumably market derived.

Cost Approach:

One of the approaches to value commonly applied in Market Value estimates and many other valuation situations. A comparative approach to the value of property or another asset that considers, as a substitute for the purchase of a given property, the possibility of constructing another property that is an equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The valuer's estimate is based on the reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation. The cost approach establishes the value of a real property by estimating the cost of acquiring land and building a new property with equal utility or adapting an old property to the same use with no undue cost due to delay. An estimate of entrepreneurial incentive or developer's profit/loss is commonly added to land and construction costs. For older properties, the cost approach develops an estimate of depreciation including items of physical deterioration and functional obsolescence.⁴

Sales Comparison Approach:

A comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. A general way of estimating a value indication for personal property or an ownership interest in personal property, using one or more methods that compare the subject to similar properties or to ownership interests in similar properties. This approach to the valuation of personal property is dependent upon the valuer's market knowledge and experience as well as recorded data on comparable items.⁵

Income Approach:

A comparative approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (whereby an overall capitalization rate or all risks yield is applied to a single year's income), yield or discount rates (reflecting measures or return on investment) applied to a series of incomes over a projected period, or both. The income approach reflects the principles of substitution and anticipation.⁶

⁴ *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago; Appraisal Institute, 2015).

⁵ *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago; Appraisal Institute, 2015).

⁷ *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago; Appraisal Institute, 2015).

SALES COMPARISON APPROACH

The Sales comparison approach is one of the three traditional approaches to value. It is also referred to as the market data or market comparison approach. It is defined as follows:

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.⁷

Basic real estate appraisal principles involved in this approach are the principles of substitution, anticipation and contribution. The "*principle of substitution*" is the underlying premise from the sales comparison approach and its definition is very similar to that of the approach itself. This principle fundamentally states that the value of a property is influenced to a large extent by the prices being paid in the open market for similar properties offering the same utility. It is irrational for somebody to pay an amount of money for a property that is greater than the price at which an equally desirable substitute may be acquired. The market, which is made up of substitute properties, thus represents alternatives for a prospective buyer and tends to set the range of values.

The "*principle of anticipation*" states that prices paid for property is a reflection of the market's expectation of future benefits that accrue from ownership. It follows, then, that if the property is old and nearing the end of its economic life, or for another reason has a dismal future, the present worth of all future benefits would be considerably lower than if the property was new and could generate benefits for a longer period of time. The value of real property, therefore, can be considered the present worth of all future benefits that can be derived from its ownership.

The "*principle of contribution*" is the underlying rationale for the adjustment process in the direct sales comparison approach. This principle views the sale price of real property as the sum of all value contributing characteristics. The individual characteristics are measured by the effect their presence or absence has on the total sale price. Not only is their mere presence important, but also the quantity and quality in which they exist.

There are other appraisal principles involved in direct sales comparison, but the three mentioned are considered most pertinent.

⁷ *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

Sales Comparison Analysis – Walker Road Property

In order to estimate the market value of the Walker Road property through utilization of the sales comparison approach, we completed two separate analyses to estimate the contributory value of the subject site and the contributory value of the subject improvements. For the contributory improvement value estimate, the contributory values of the sites at the comparable sales were estimated, deducted from the overall sale prices at the comparable sales, and the resulting contributory values of the improvements were compared to the subject improvements on a per square foot basis. Following are our contributory value analyses for the subject Walker Road property:

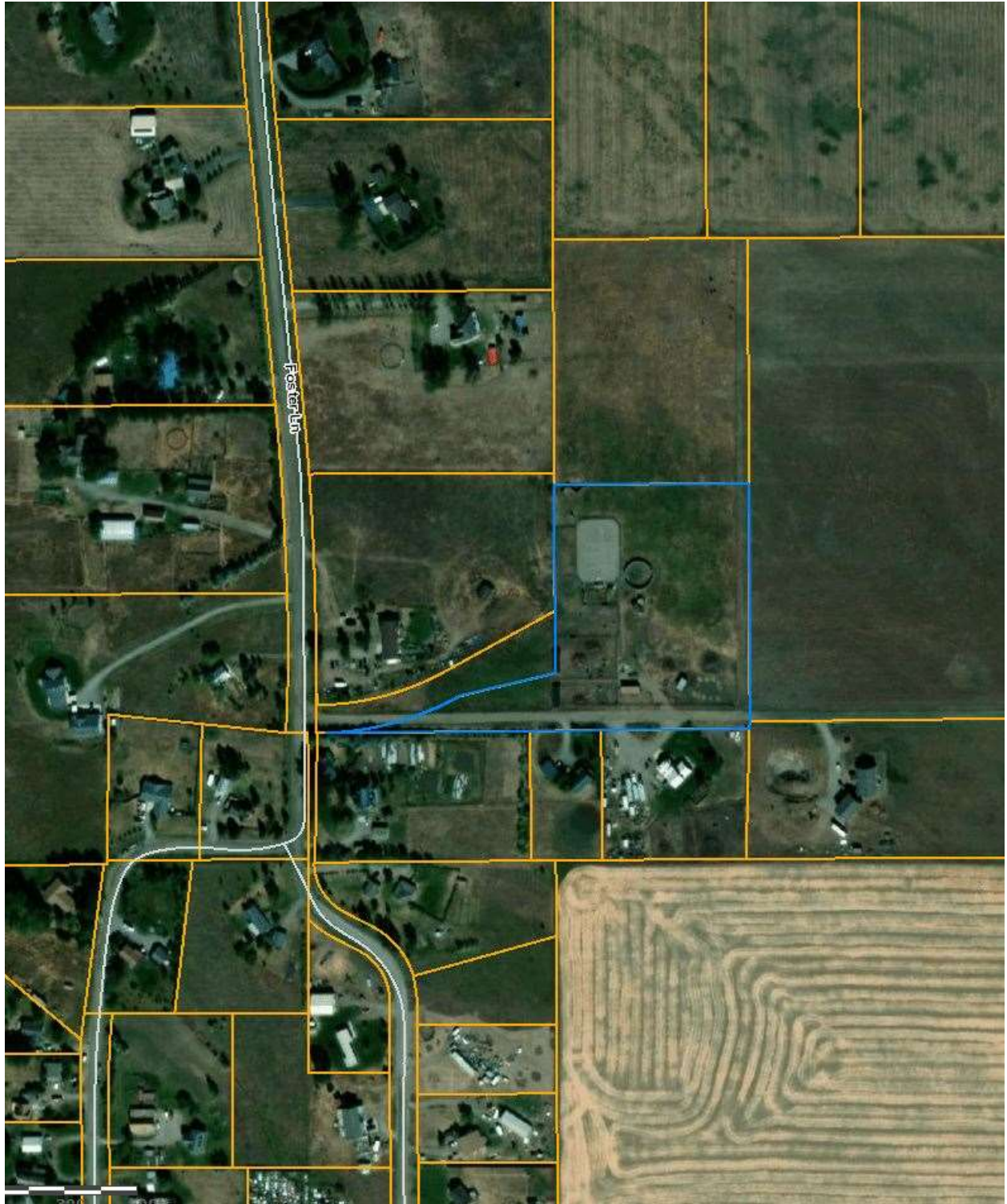
Summary of Comparable Land Sales – Walker Road Property

#	Location	Parcel Assessment Code	Land Size (Acres)	Sale Price	Sale Date
1	Residential Land TBD Foster Lane Belgrade, Montana	REG58348	5.705	\$585,000	Nov-21
2	Residential Land TBD Foster Lane Belgrade, Montana	REG58349	5.047	\$565,000	Sep-21
3	Residential Land 1500 Timothy Lane Belgrade, Montana	RFG21507	1.150	\$360,000	Sep-21
4	Residential Land 6092 Springhill Community Road Bozeman, Montana	REH10781	4.726	\$470,000	May-21
	Subject Walker Road Property	N.A.	2.850	*****	*****

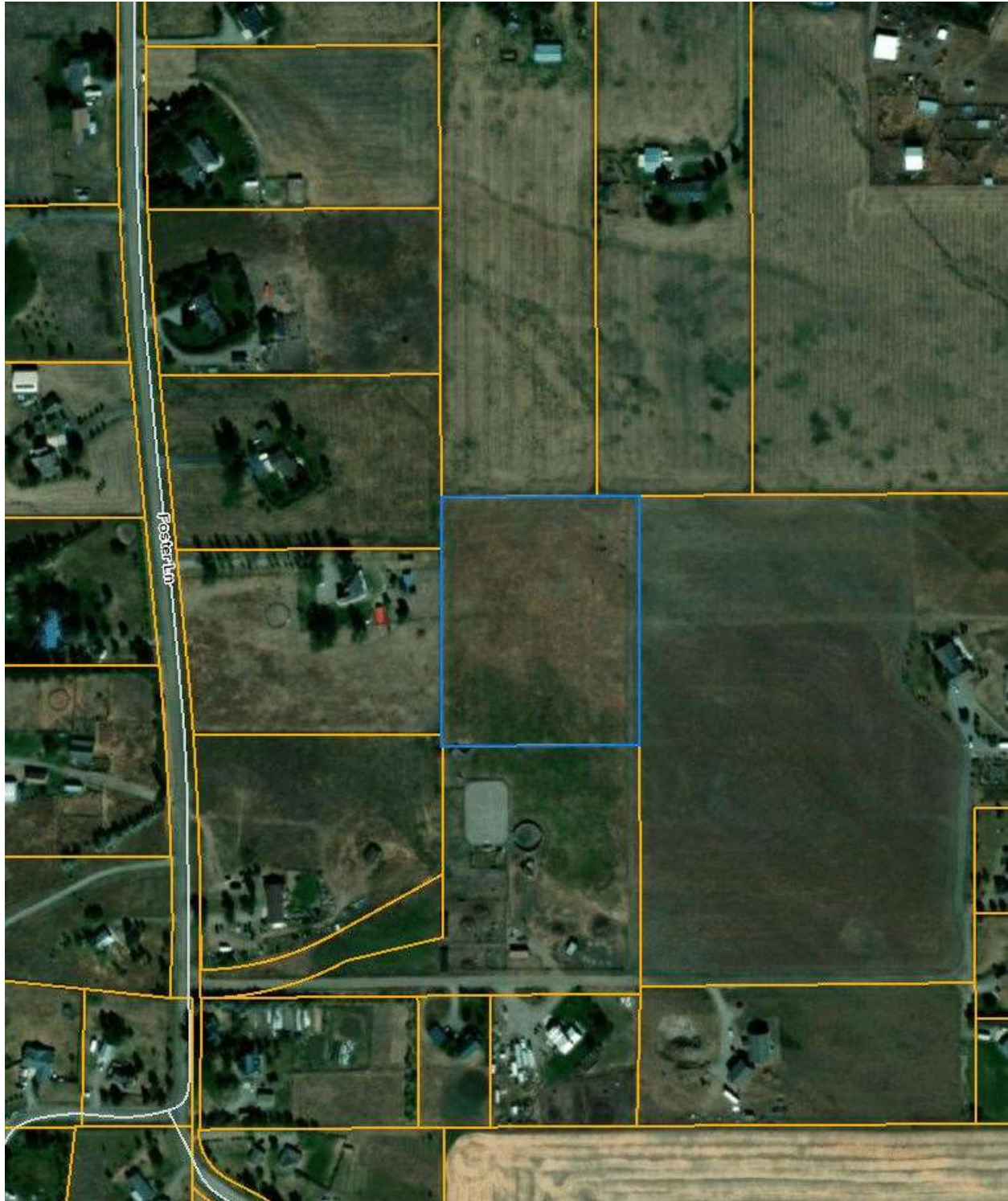
Map of Comparable Land Sales – Walker Road Property



Comparable Land Sale 1 Aerial Map – Walker Road Property



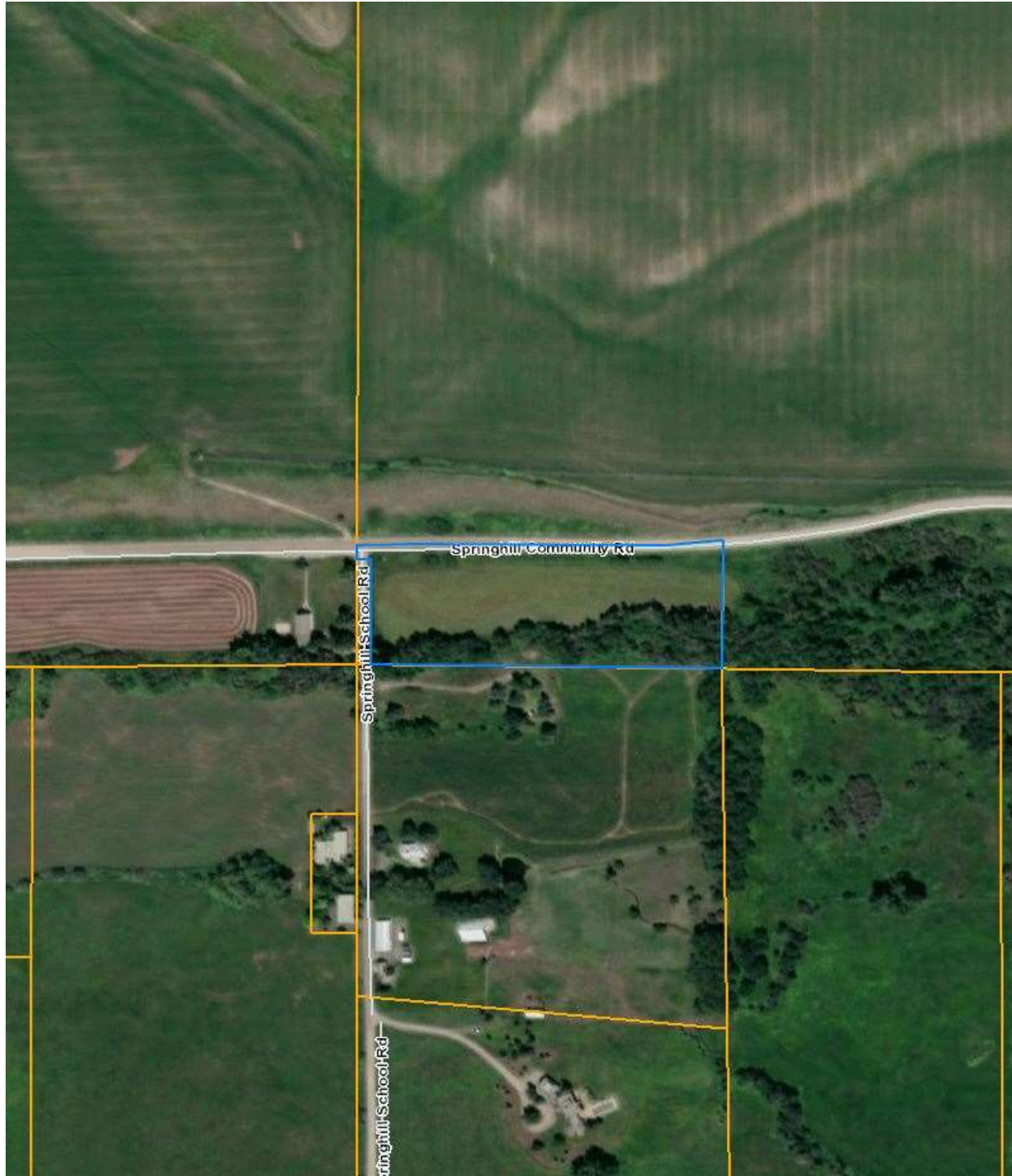
Comparable Land Sale 2 Aerial Map – Walker Road Property



Comparable Land Sale 3 Aerial Map – Walker Road Property



Comparable Land Sale 4 Aerial Map – Walker Road Property



Site Value Analysis – Walker Road Property

Similar to the subject Walker Road property, none of the comparable land sales that were examined are located within a major subdivision. The comparable land sales indicate a sale price range of between \$360,000 and \$585,000 with an average sale price of \$495,000. With regards to Comparable 1 and Comparable 2, they are the recent sales of two larger residential parcels. Although it is our opinion that the location of the subject Walker Road site is superior to the location of Comparable 1 and Comparable 2, it is our opinion that the larger land area of the comparable properties has a greater influence on market value, and for that reason, it is our opinion that the subject Walker Road site has a market value that is lower than the \$585,000 and \$565,000 sale prices of Comparable 1 and Comparable 2.

With regards to Comparable 3, it is the sale of a smaller parcel of residential land located in closer proximity to Belgrade relative to the subject Walker Road property. Comparable 3 sits lower in elevation and is accessed through another residential lot. It is our opinion that the subject Walker Road property has a more desirable location and superior accessibility relative to Comparable 3. Due to these factors in combination with the smaller land area of Comparable 3, it is our opinion that the subject Walker Road site has a market value that is higher than the \$360,000 sale price of Comparable 3.

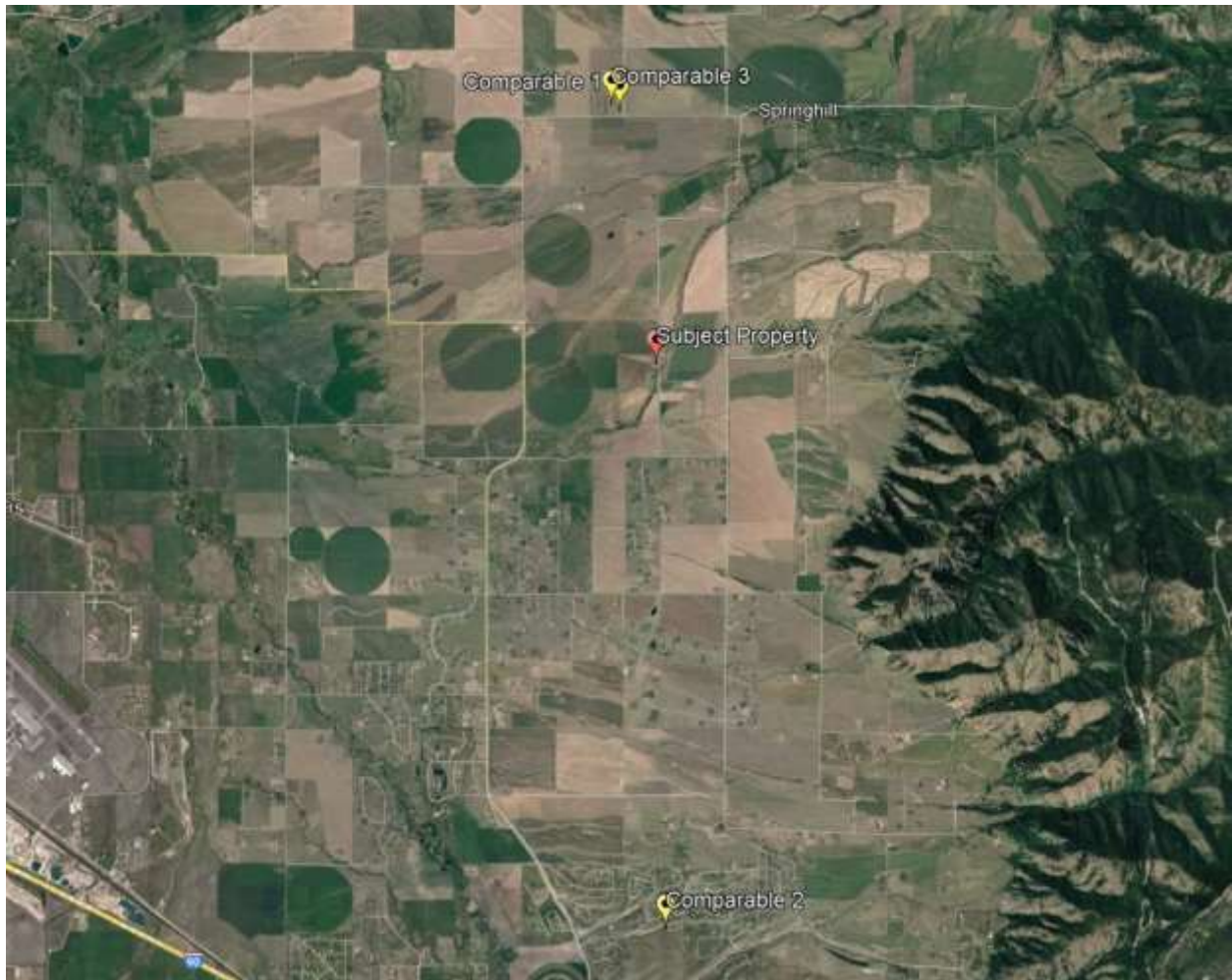
With regards to Comparable 4, it is the oldest of the four sales that were examined. Although Comparable 4 is larger than the subject Walker Road site, it is our opinion that market conditions have improved in the time since Comparable 4 was contracted in April of 2021. It is our opinion that the larger land area of Comparable 4 is generally offset by the increasing market conditions that have been observed since the contract date in addition to outlying location of Comparable 4. Furthermore, it is our opinion that the subject Walker Road property has a more desirable residential building envelope relative to that of Comparable 4 as Comparable 4 is a long rectangular lot with a large amount of the lot bordering Springhill Community Road. For these reasons, it is our opinion that the subject Walker Road site has a market value that is near the \$470,000 sale price of Comparable 4.

After consideration of the information presented above, it is our opinion that the subject Walker Road site has a market value “as vacant” that is bracketed between the \$585,000 recent sale price of Comparable 1 and the \$360,000 sale price of Comparable 3. We calculated the average sold price of Comparable 1 and Comparable 3 to be \$472,500 and have reconciled to a market value of \$475,000 for the subject Walker Road site “as vacant”. This value opinion is strongly supported by the \$470,000 sale price of Comparable 4 and the improving market conditions that have been observed in the time since Comparable 4 sold in May of 2021.

Summary of Comparable Improved Sales – Walker Road Property

#	Location	Sale Price	Sale Date	Land Area (Acres)	Gross Living Area (SF)	Year Built	Price Per Square Foot	Contributory Land Value	Contributory Improvement Value	Contributory Improvement Value PSF
1	Residential Property 4681 Springhill Community Road Bozeman, Montana	\$1,150,000	Jul-21	5.000	3,930	1979	\$292.62	\$450,000	\$700,000	\$178.12
2	Residential Property 535 Morningside Way Bozeman, Montana	\$955,000	Jun-21	1.239	2,170	2003	\$440.09	\$400,000	\$555,000	\$255.76
3	Residential Property 4623 Springhill Community Road Bozeman, Montana	\$1,050,000	Jun-21	5.000	2,758	1995	\$380.71	\$450,000	\$600,000	\$217.55
	Subject Walker Road Property	*****	*****	2.850	1,894	1925	*****	\$475,000	*****	*****

Map of Comparable Improved Sales – Walker Road Property



Comparable 1 – Walker Road Property – Big Sky County MLS Listing

Cross Property 360 Property View

4681 Springhill Community Road, Belgrade, MT 59714

Listing

CONFIDENTIAL DOCUMENT - BIG SKY COUNTRY MLS MEMBER USE ONLY ALL FIELDS DETAIL REPORT

MLS#: 354635 **Class:** Residential
Sold Price: \$1,150,000 (\$292.62)
Status: Sold **Type:** Single Family
Asking Price: \$1,150,000 (\$292.62/SF) **Total Sq Ft:** 3,930
Original Price: \$1,300,000 (\$330.79/SF) **Sq Ft Source:** Dept Of Revenue (C & A)
Address: 4681 Springhill Community Road
City: Belgrade **Levels:** Single Floor with Basement
State: MT **Bedrooms:** 3
Zip: 59714 **Baths:** 2.0
Area: 2N - Boz Area N of I90/City **Lot Size:** 5 - Acres
County: Gallatin **Garage:** 2 Attached
Subd/Complex: None **Year Built:** 1979
Legal: S14, T01 N, R05 E, C.O.S. 718, TRACT A, 5.00AC
Directions: Springhill heading N, Right on Springhill Community Road, 1 mile up is the property on the left.



GENERAL LISTING INFORMATION

Input Date: 01/20/2021 10:02 AM	Update Date: 07/09/2021
Listing Date: 01/20/2021	Expiration Date: 01/20/2022
Agent 1: Cortney Andersen Ph:(406) 599-1990	Administrative Fee:
Office 1: Cortney Andersen Real Estate Ph:(406) 599-1990	Selling Office Fee: 2.50
Agent 2:	Dual/Variable Comm: No
Office 2:	Listing Type: Exclusive Right to Sell
Agent 3:	Short Sale/Foreclosure: Neither
Office 3:	

PROPERTY DETAILS

New Construction: No	HOA: Subdivision HOA - No
New Const Type:	HOA Amount:
Est. Complete Dt:	HOA Pay Period:
1st Level Sq Ft: 1,965	HOA Contact:
2nd Level Sq Ft:	HOA Contact Ph:
3rd Level Sq Ft:	Zoning: RR - Rural Residential
Abv Grade Sq Ft: 1,965	Possible Use:
Bsmt Level Sq Ft: 1,965	Condo Name:
Permanent Foundation Type:	Livestock Permitted: Yes
Unfinished Sq Ft: 1,965	Modular Construction: No
Loc of Unfinish SF: Lower Level	Pets: Allowed
Guest Quarters: No	Water Amenity On/Adj.: None
Guest Sq Ft:	Flood Plain: No
# Full Baths: 2	Public Land Adjacent:
# 3/4 Baths:	Exceptions:
# 1/2 Baths:	Covenant Y/N: No
Builder/Architect:	Covenant Description:
Parcel Tax ID#: REG10728	Certified Green Bldg:
Additional Parcel Tax IDs	Airstrip Runway Airport:
Showing Instructions: Call/text Cortney 406-599-1990. 24hr notice preferred but short notice possible. Agent to be present	

MISCELLANEOUS

Days On Market: 84	Realtor.com: Yes
CDOM: 84	IDX Include: Yes
Lockbox Type: Supra	IDX Include Address: Yes
Owner Name: Daniels	ListHub: Yes
Occupant: Owner	VOW Comment: No
Rent Amount:	Automated Valuation: No
Rental Period:	

FEATURES

Flooring: Hardwood Floors, Partial Carpeting, Tile Floors	Basement: 1 Bedroom, Den/Office, Extra Room, Family Room, Non-Egress Windows
Appliances: Dishwasher, Disposal, Microwave, Range, Refrigerator	Style: Ranch
Heating: Forced Air, Propane, Wood	Interior: Wood Stove, Automatic Garage Door, Window Coverings
Cooling: AC-Central	Site Improvements: Concrete Driveway, Garden, Gravel Driveway, Landscaped Yard, Lawn, Perimeter Fencing, Underground Sprinklers
Roof: Shingle	1st Level: 2 Bedrooms, Master Bedroom, 2 Full Baths, Den/Office, Dining Area, Family Room,

Patio/Deck:	Patio	2nd Level:	Living Room, Kitchen, Laundry Room,
Exterior:		3rd Level:	Garage, Fireplace/Stove
View:	Farm Land, Mountains, Rural, Southern Exposure, Trees, Valley	Utility Services:	Available Electricity, Cable, Electricity In, Fiber Optic, Private Well, Septic, Telephone
Road Access:	Paved	Safety Features:	
Community:		Outbuildings:	Shop
HOA Includes:			

AGENT INFORMATION

Agent Only Remarks

Sale Fall due to one of the Buyer's having a life threatening medical emergency. Exterior and Interior main level have been completely renovated. Concrete patio in the back of house. Shop needs concrete slab and is on dirt. Lower level has one bedroom they use for one of their kids but the lower level needs to be finished. No egress on lower level. New windows on upper level.

PUBLIC INFORMATION

Public Remarks

Nestled at the base of the Bridger Mt Range. This 5 acre Estate captivates you with "VIEWS" in every direction. Enjoy the abundant wildlife including Elk, Deer, Bald Eagle and so much more. The Exterior and Interior of the home have been completely remodeled, which provides a striking and timeless appearance. The Lower Level is framed and ready to customize to your liking. This Estate also has a 40x60 workshop with two electric 14ft Roll up doors and the perimeter of the property is completely fenced in for horses, dogs and animals alike. Enjoy the ranching lifestyle that is conveniently located 10-15 minutes from Downtown Bozeman.

FINANCIALS

Tax Year:	2020	Terms Acceptable:	3rd Party Financing, Cash
Apx Tax Amt:	\$3,317	Preferred Title Company:	MTE
SID/RID:		Ownership:	
Possession:	All Documents/Funds Rec'd	Financial Comments:	

SOLD INFORMATION

Contract Date:	04/23/2021	Agent 1:	Trent Lister Ph:(406) 595-0149
Proposed Closing Date:		Office 1:	(674) PureWest Christie's Bozeman Ph:(406) 586-9418
Closing Date:	07/08/2021	Agent 2:	
Sold Price:	\$1,150,000	Office 2:	
Sold Price per SF:	\$292.62	Agent 3:	
How Sold:	Trust Indenture	Office 3:	
Type of Sale:	Standard Sale	Buyer State:	59718
Sold Lender:		Buyer Zip:	
Appraiser Name/Office:	No Appraisal	Concessions Y/N:	
SP%LP/OL:	100% / 88%	Concession Details:	
		Cmnts/Imprmnts:	

Prepared By: RJ Patch

Date Printed: 12/08/2021

Photos







Comparable 2 – Walker Road Property – Big Sky County MLS Listing

Cross Property 360 Property View

535 Morningside Way, Bozeman, MT 59715

Listing

CONFIDENTIAL DOCUMENT - BIG SKY COUNTRY MLS MEMBER USE ONLY

ALL FIELDS DETAIL REPORT

MLS#: 357515
Sold Price: \$955,000 (\$440.09)
Status: Sold
Asking Price: \$879,000 (\$405.07/SF)
Original Price: \$879,000 (\$405.07/SF)
Address: 535 Morningside Way
City: Bozeman
State: MT
Zip: 59715
Area: 2N - Boz Area N of I90/City
County: Gallatin
Subd/Complex: Spirit Hills
Legal: SPIRIT HILLS SUB, S13, T01 S, R05 E, LOT 97, ACRES 1.239, PLUS OPEN SPACE PLAT J-241
Directions:

Class: Residential
Type: Single Family
Total Sq Ft: 2,170
Sq Ft Source: Floor Plans
Levels: Single Floor no Basement
Bedrooms: 3
Baths: 2.0
Lot Size: 1.239 - Acres
Garage: 2 Attached
Year Built: 2003



GENERAL LISTING INFORMATION

Input Date: 05/19/2021 09:59 AM	Update Date: 06/08/2021
Listing Date: 05/10/2021	Expiration Date: 10/01/2021
Agent 1: Kelsey Comer Ph.(406) 579-1752	Administrative Fee:
Office 1: Savage Real Estate Group Ph.(406) 209-8884	Selling Office Fee: 2.50
Agent 2:	Dual/Variable Comm: No
Office 2:	Listing Type: Exclusive Right to Sell
Agent 3:	Short Sale/Foreclosure: Neither
Office 3:	

PROPERTY DETAILS

New Construction: No	HOA: Subdivision HOA - Yes
New Const Type:	HOA Amount: \$500.00
Est. Complete Dt:	HOA Pay Period: Yearly
1st Level Sq Ft: 2,170	HOA Contact: Saddle Peak
2nd Level Sq Ft:	HOA Contact Ph: 406-581-0142
3rd Level Sq Ft:	Zoning: RR - Rural Residential
Abv Grade Sq Ft: 2,170	Possible Use:
Bsmt Level Sq Ft:	Condo Name:
Permanent Foundation Type:	Livestock Permitted:
Unfinished Sq Ft:	Modular Construction: No
Loc of Unfinish SF:	Pets:
Guest Quarters: No	Water Amenity On/Adj.: None
Guest Sq Ft:	Flood Plain: No
# Full Baths: 2	Public Land Adjacent:
# 3/4 Baths:	Exceptions:
# 1/2 Baths:	Covenant Y/N: Yes
Builder/Architect:	Covenant Description:
Parcel Tax ID#: RFG40949	Certified Green Bldg:
Additional Parcel Tax IDs	Airstrip Runway Airport:
Showing Instructions:	

MISCELLANEOUS

Days On Market: 12	Realtor.com: Yes
CDOM: 12	IDX Include: Yes
Lockbox Type: Supra	IDX Include Address: Yes
Owner Name: Shute	ListHub: Yes
Occupant: Owner	VOW Comment: Yes
Rent Amount:	Automated Valuation: Yes
Rental Period:	

FEATURES

Flooring: Partial Carpeting, Tile Floors	Basement:
Appliances: Central Vacuum, Dishwasher, Microwave, Range, Refrigerator	Style: Ranch
Heating: Forced Air, Natural Gas	Interior: Central Vacuum, Automatic Garage Door, Gas Fireplace, Jet Tub, Vaulted Ceiling, Walk-In Closets, Window Coverings
Cooling: AC-Central, Ceiling Fans	Site Improvements: Black Top Driveway, Garden, Landscaped Yard, Lawn, Partial Fencing, Underground Sprinklers Yard, Woven Wire Fencing
Roof: Asphalt	1st Level: 3 Bedrooms, 2 Full Baths
Patio/Deck: Deck, Porch	2nd Level:
Exterior: Hardboard	3rd Level:

View:	Farm Land, Mountains, Southern Exposure, Valley	Utility Services:	Community Water System, Electricity In, Natural Gas, Septic
Road Access:	Paved	Safety Features:	
Community:		Outbuildings:	Green House
HOA Includes:	Road Maintenance, Snow Removal		

AGENT INFORMATION

Agent Only Remarks

PUBLIC INFORMATION

Public Remarks

Enjoy end of the road privacy and amazing views of the Tobacco Root and Bridger Mountains in this 3 bed, 2 bath custom home in Spirit Hills on 1.2 acres. You are surrounded by open space on 3 sides with easy access to community trails! This home has an open concept with the living, dining and kitchen areas. You will love the oversized 2 car garage that's heated with a natural gas heater and a DOG WASH. A large, fenced backyard has well-manicured landscaping with underground sprinklers, and irrigated beds. Enjoy the newly added greenhouse year round! It has electricity, water, and thermostat for venting. Call us and we'll email a 3D Virtual Tour link.

FINANCIALS

Tax Year:	2020	Terms Acceptable:	3rd Party Financing, Cash
Apx Tax Amt:	\$3,796	Preferred Title Company:	MTE
SID/RID:		Ownership:	
Possession:	Closing	Financial Comments:	\$180/qr for water use from Spirit Hills Community Water System - Article VI in covenants. HOA \$500/yr

SOLD INFORMATION

Contract Date:	05/22/2021	Agent 1:	Jackie Miller Ph (406) 539-5003
Proposed Closing Date:		Office 1:	(568) PureWest Christie's Big Sky Ph (406) 995-4009
Closing Date:	06/08/2021	Agent 2:	
Sold Price:	\$955,000	Office 2:	
Sold Price per SF:	\$440.09	Agent 3:	
How Sold:	Cash	Office 3:	
Type of Sale:	Standard Sale	Buyer State:	NY
Sold Lender:		Buyer Zip:	14216
Appraiser Name/Office:	n/a	Concessions Y/N:	No
SP%LP/OL:	+100% / +100%	Concession Details:	
		Cmnts/Imprvmnts:	Multiple offers.

Prepared By: RJ Patch

Date Printed: 12/08/2021

Photos



Bridger Mountain Views and surrounded by HOA open space.



New stainless steel appliances



Owner's suite with access to the back deck.



Dog wash in the garage



Comparable 3 – Walker Road Property – Big Sky County MLS Listing

Cross Property 360 Property View

4623 Springhill Community Road, Belgrade, MT 59714

Listing

CONFIDENTIAL DOCUMENT - BIG SKY COUNTRY MLS MEMBER USE ONLY ALL FIELDS DETAIL REPORT

MLS#: 356966
Sold Price: \$1,050,000 (\$380.71)
Status: Sold
Asking Price: \$1,050,000 (\$380.71/SF)
Original Price: \$1,050,000 (\$380.71/SF)
Address: 4623 Springhill Community Road
City: Belgrade
State: MT
Zip: 59714
Area: 3N - Belgrade Area N of I90
County: Gallatin
Subd/Complex: Minor Subdivision
Legal: MINOR SUB 62, S14, T01 N, R05 E, LOT 2, ACRES 5.001
Directions: Head North on Springhill, take a right on Springhill Community Road, go one mile and property is on the left.

Class: Residential
Type: Single Family
Total Sq Ft: 2,758
Sq Ft Source: Fee Appraiser
Levels: Single Floor with Basement
Bedrooms: 3
Baths: 2.0
Lot Size: 5 - Acres
Garage: 3 Attached
Year Built: 1995



GENERAL LISTING INFORMATION

Input Date: 05/04/2021 01:39 PM	Update Date: 06/04/2021
Listing Date: 05/03/2021	Expiration Date: 10/31/2021
Agent 1: Bessie Hudgens Ph.(406) 595-6030	Administrative Fee:
Office 1: Berkshire Hathaway - Rozean Ph.(406) 586-7576	Selling Office Fee: 2.75
Agent 2:	Dual/Variable Comm: No
Office 2:	Listing Type: Exclusive Right to Sell
Agent 3:	Short Sale/Foreclosure: Neither
Office 3:	

PROPERTY DETAILS

New Construction: No	HOA: Subdivision HOA - No
New Const Type:	HOA Amount:
Est. Complete Dt:	HOA Pay Period:
1st Level Sq Ft: 1,988	HOA Contact:
2nd Level Sq Ft:	HOA Contact Ph:
3rd Level Sq Ft:	Zoning: AR - Agricultural & Rural Residential
Abv Grade Sq Ft: 1,988	Possible Use:
Bsmt Level Sq Ft: 770	Condo Name:
Permanent Foundation Type:	Livestock Permitted: Yes
Unfinished Sq Ft:	Modular Construction: No
Loc of Unfinish SF:	Pets:
Guest Quarters: No	Water Amenity On/Adj.: None
Guest Sq Ft:	Flood Plain: No
# Full Baths: 2	Public Land Adjacent:
# 3/4 Baths:	Exceptions:
# 1/2 Baths:	Covenant Y/N: No
Builder/Architect: Ken LeClair	Covenant Description:
Parcel Tax ID#: REC10731	Certified Green Bldg:
Additional Parcel Tax IDs	Airstrip Runway Airport:
Showing Instructions: Call listing agent--no showing time. Short notice ok. Press any key to open gate at end of driveway.	

MISCELLANEOUS

Days On Market: 5	Realtor.com: Yes
CDOM: 5	IDX Include: Yes
Lockbox Type: Supra	IDX Include Address: Yes
Owner Name: Grossenbacher	ListHub: Yes
Occupant: Owner	VOW Comment: Yes
Rent Amount:	Automated Valuation: No
Rental Period:	

FEATURES

Flooring: Hardwood Floors	Basement: 1 Bedroom, Den/Office, Extra Room, Family Room, Egress Windows, Full - Finished, Crawl Space
Appliances: Dishwasher, Disposal, Dryer, Freezer, Microwave, Range, Refrigerator, Washer	Style: Ranch
Heating: Electric Baseboard, Propane	Interior: Automatic Garage Door, Gas Fireplace, Jet Tub, Vaulted Ceiling, Walk-In Closets
Cooling: AC-Central	Site Improvements: Garden, Gravel Driveway, Landscaped Yard, Lawn, Perimeter Fencing, Smooth Wire Fencing
Roof: Asphalt	1st Level: 1 Bedroom, Master Bedroom, 1 - 3/4 Bath, Den/Office, Dining Area, Extra Room,

Patio/Deck:	Covered Deck, Covered Patio, Deck, Patio, Porch	2nd Level:	Family Room, Living Room, Kitchen,
Exterior:	Other	3rd Level:	Laundry Room, Garage, Fireplace/Stove
View:	Farm Land, Mountains, Rural, Southern Exposure, Trees, Valley	Utility Services:	Cable, Electricity In, Private Well, Septic
Road Access:	Paved	Safety Features:	
Community:		Outbuildings:	Shed
HOA Includes:			

AGENT INFORMATION

Agent Only Remarks

Showings start 5/5. Open House Times: 5/5, 10AM - 2PM and 5/6, 11AM - 3PM. Call LA to show outside of these times. Offers will be presented in the order in which they are received, but please submit offers by noon on 5/10 (with a response time of 5 PM on 5/11). Seller reserves the right to accept an offer before this time. Approximately 300 SF of the basement is unfinished; currently used as a woodworking shop/man cave. Buyer to verify all information. See supplements for a list of upgrades and features.

PUBLIC INFORMATION

Public Remarks

This is the Springhill property you've been dreaming of! Tranquility awaits as you drive up to this ranch-style custom home that boasts mature landscaping and jaw-dropping views of the Bridger Mountain Range. Step inside this thoughtfully designed Ken LeClair home with its vaulted ceilings and open floor plan and just imagine the Montana lifestyle you could enjoy at this address. The home has been meticulously maintained and within the last few years has received new exterior paint, a new roof, a new water heater, a new furnace/ac, and several new appliances. Horses and Llamas and Sheep... oh my! But, if domestic livestock isn't your cup of tea, you will surely enjoy the wild resident populations of deer, elk and birds that call this area home. With five acres and no covenants, the world could be your oyster! Better still, this pastoral paradise is situated just 15 minutes from Bozeman and 15 minutes from her world-class airport.

FINANCIALS

Tax Year:	2020	Terms Acceptable:	3rd Party Financing, Cash
Apx Tax Amt:	\$3,516	Preferred Title Company:	First American Title Co.
SID/RID:		Ownership:	Full
Possession:	Recording of Deed	Financial Comments:	

SOLD INFORMATION

Contract Date:	05/08/2021	Agent 1:	Curtis VanDyken Ph/(406) 580-4407
Proposed Closing Date:		Office 1:	(382) Venture West Realty Ph/(406) 522-9378
Closing Date:	06/04/2021	Agent 2:	
Sold Price:	\$1,050,000	Office 2:	
Sold Price per SF:	\$380.71	Agent 3:	
How Sold:	Cash	Office 3:	
Type of Sale:	Standard Sale	Buyer State:	MT
Sold Lender:		Buyer Zip:	59715
Appraiser Name/Office:	n/a	Concessions Y/N:	No
SP%/LP/OL:	100% / 100%	Concession Details:	
		Cmnts/Imprvmnts:	Multiple offers... thanks Curt!

Prepared By: RJ Patch

Date Printed: 12/08/2021

Photos









Contributory Value Analysis – Walker Road Property

The comparable improved sales indicate per square foot contributory improvement values that range from \$178.12 to \$255.76 and average \$217.14. With regards to Comparable 1, its improvements were originally constructed in 1979. Although the above grade square footage of Comparable 1 had been updated, the below grade square footage had not been updated at the time of sale and portions of the below grade square footage were unfinished. Therefore, it is our opinion that the subject improvements have a contributory value that is higher than the \$178.12 per square foot contributory improvement value indicated by Comparable 1.

With regards to Comparable 2, its improvements are considered to be in similar condition to the subject improvements; however, all of the square footage of Comparable 2 is located above grade whereas a portion of the subject square footage is located below grade. Typically, we have found that above grade square footage has a higher contributory value per square foot than below grade square footage with all other factors being generally comparable. For this reason, it is our opinion that the subject improvements have a contributory value that is lower than the \$255.76 per square foot contributory improvement value indicated by Comparable 2.

With regards to Comparable 3, it is the sale of a residence that was originally built in 1995 and had received minimal updates since its original construction. Similar to the subject improvements, a portion of the square footage within Comparable 3 is located below grade; however, it is our opinion that the quality of finishes within the subject improvements are superior to those of Comparable 3 which has vinyl countertops and flooring. Due to the minimal updates and inferior finishes within Comparable 3, it is our opinion that the subject improvements have a contributory value that is higher \$217.55 per square foot contributory improvement value indicated by Comparable 3.

After consideration of the available information, it is our opinion that the subject improvements have a contributory value that is between the per square foot contributory improvement values indicated by Comparable 2 and Comparable 3. We calculated the average contributory improvement values of Comparable 2 and Comparable 3 to be approximately \$236.65 per square foot which we have rounded to \$235.00 per square foot for the purposes of our analysis. Given the 1,894 square feet within the subject Walker Road property, the indicated contributory value for the subject improvements is \$445,090 which we have rounded to \$445,000 for the purposes of our analysis.

Market Value Estimate – Walker Road Property

In order to estimate the final market value estimate for the subject Walker Road property as determined by the sales comparison approach, we added together the contributory values of the subject Walker Road site and the subject Walker Road improvements. Shown below are our market value calculations for the subject Walker Road property:

Contributory Value Estimate of the Subject Walker Road Site:	\$475,000
Plus: Contributory Value Estimate of the Subject Walker Road Improvements:	<u>\$445,000</u>
Equals: Market Value Estimate of the Subject Walker Road Property:	\$920,000

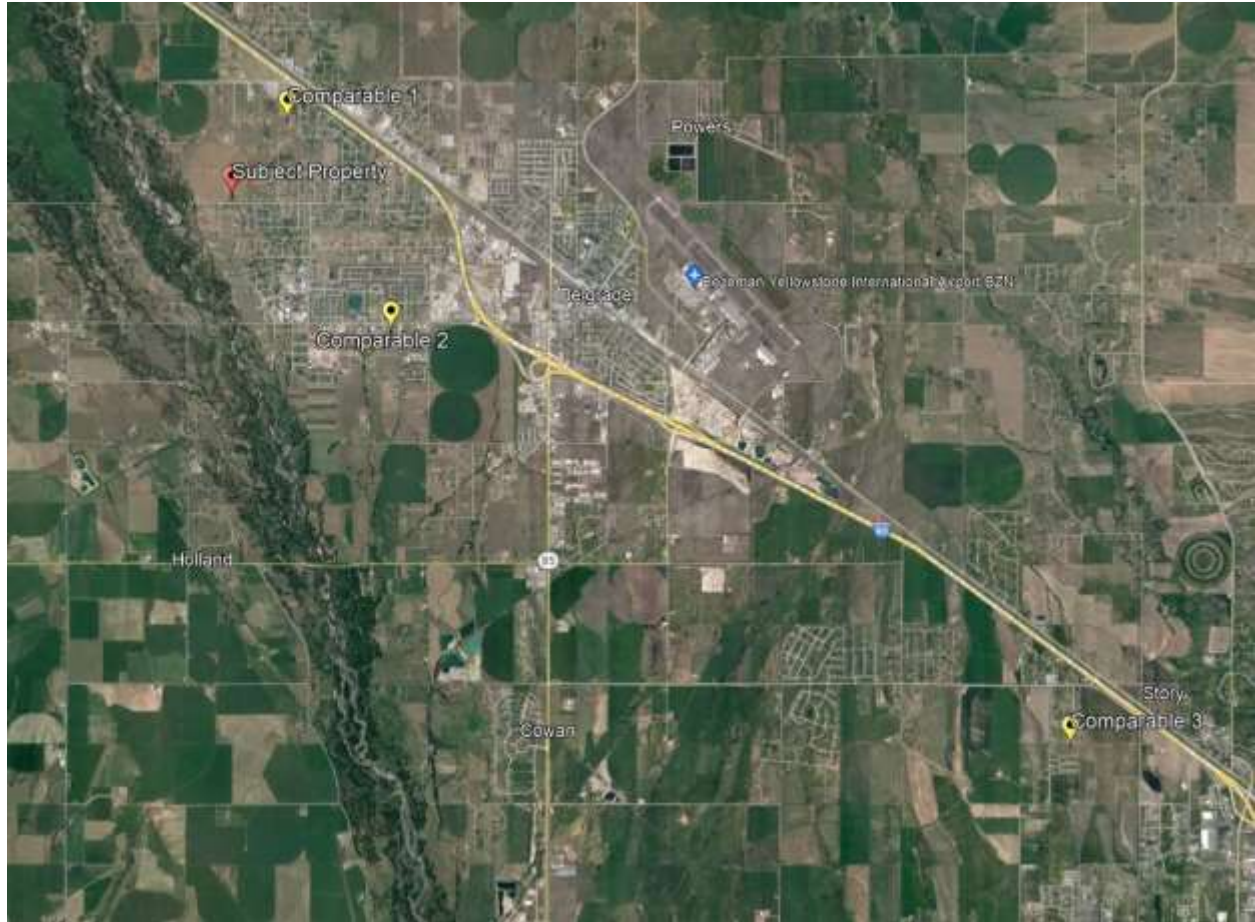
Sales Comparison Analysis – Thorpe Road Property

In order to estimate the market value of the subject Thorpe Road property through utilization of the sales comparison approach, we completed two separate analyses to determine the highest and best use for the subject Thorpe Road site. First, we analyzed and compared residential land sales in order to determine the current market value for the subject Thorpe Road site as residential land. Second, we analyzed and compared commercial land sales in order to determine the current market value for the subject Thorpe Road site as commercial land. Both analyses were completed on a price per acre basis. Below is a summary of the residential land sales that were analyzed followed by a map of the comparable residential land sales and aerial maps for the comparable residential land sales. Following is a summary of the commercial land sales that were analyzed followed by a map of the comparable commercial land sales and aerial maps for the comparable commercial land sales. Finally, is our analysis of the data and market value opinion for the subject Thorpe Road property.

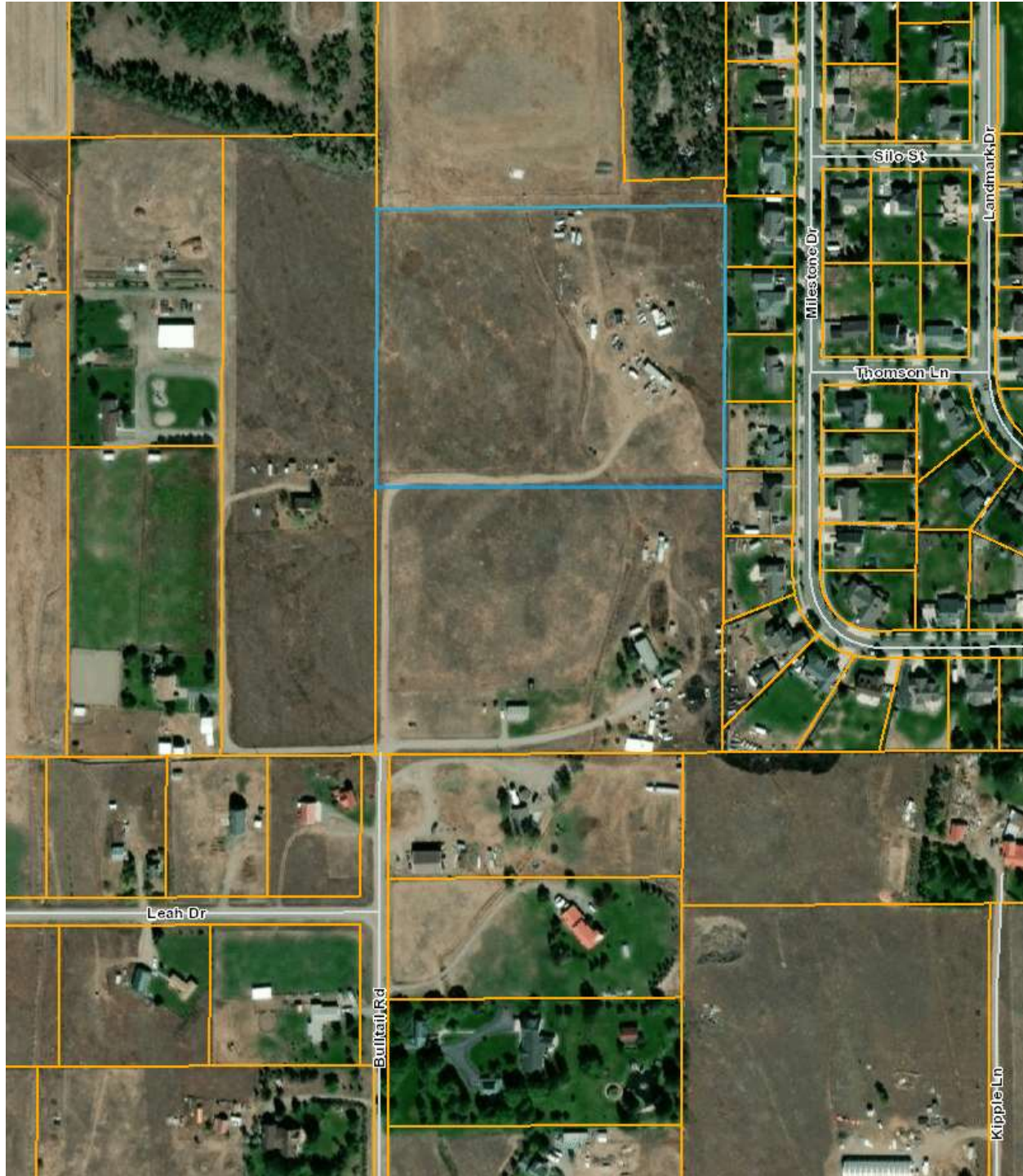
Summary of Comparable Residential Land Sales – Thorpe Road Property

#	Location	Parcel Assessment Code	Sale Price	Sale Date	Land Area (Acres)	Land Area (SF)	Sale Price Per Acre
1	Land 640 Bulltail Road Belgrade, Montana	REF28535	\$601,000	Nov-21	10.000	435,600	\$60,100
2	Land TBD Pony Drive Belgrade, Montana	RFF32476	\$228,000	Feb-21	4.000	174,240	\$57,000
3	Land TBD Stubbs Lane Bozeman, Montana	RFG69610	\$550,000	Jul-20	7.053	307,229	\$77,981
Subject Thorpe Road Property		*****	*****	*****	6.642	289,326	*****

Map of Comparable Residential Land Sales – Thorpe Road Property



Comparable Residential Land Sale 1 Aerial Map – Thorpe Road Property



Comparable Residential Land Sale 2 Aerial Map – Thorpe Road Property



Comparable Residential Land Sale 3 Aerial Map – Thorpe Road Property



Residential Site Value Analysis – Thorpe Road Property

The comparable residential land sales indicate a relatively small sale price per acre range at between \$57,000 and \$77,981 with an average sale price per acre of \$65,027.

With regards to Comparable 1, it is the very recent sale of a residential lot located in close proximity to the subject property. Comparable 1 is a 10.000-acre parcel that was recently split from a 20.000-acre parcel prior to the sale. Generally, we have found that as the amount of acreage increases, the price per acre decreases with all other factors being generally comparable. Furthermore, Comparable 1 is accessed via an easement across a neighboring residential parcel which is not considered to be a desirable trait. Due to the large acreage of Comparable 1 in addition to the less desirable accessibility of Comparable 1, it is our opinion that the current market value for the subject Thorpe Road site for residential purposes is higher than the \$60,100 sale price per acre of Comparable 1.

With regards to Comparable 2, it is the sale of a smaller residential lot located directly south of Bridger Steel's Belgrade location. Although Comparable 2 has a smaller land area relative to the subject Thorpe Road property which would normally result in a higher per acre price when all other factors are generally comparable, it is our opinion that the sale price of Comparable 2 is negatively affected by an easement put in place by Bridger Steel in order to access their existing storage yard. For this reason, it is our opinion that the current market value for the subject Thorpe Road site for residential purposes is higher than the \$57,000 sale price per acre of Comparable 2.

With regards to Comparable 3, it is the sale of a 7.053-acre residential property with a Bozeman address. Although Comparable 3 is most similar in size to the subject property, Comparable 3 was improved with a new-construction pole barn at the time of sale. Furthermore, it is our opinion that Comparable 3 has a more desirable residential location in comparison to the location of the subject property. As a result, it is our opinion that the current market value for the subject Thorpe Road site for residential purposes is lower than the \$77,981 sale price per acre of Comparable 3.

After consideration of the available information, it is our opinion that the current market value for the subject Thorpe Road property for residential purposes is bracketed between the per acre sale price of Comparable 1 and the per acre sale price of Comparable 3. We calculated the midpoint of these sales to be \$69,041 per acre which we rounded to a market value of \$70,000 per acre for the purposes of our analysis. Shown below are our market value calculations for the subject Thorpe Road property for residential purposes:

$$\begin{array}{rcl} 6.642 \text{ Acres} & \times & \$70,000 \text{ per Acre} = \$464,940 \\ \text{Rounded To} & & = \$465,000 \end{array}$$

Summary of Comparable Commercial Land Sales – Thorpe Road Property

#	Location	Parcel Assessment Code	Sale Price	Sale Date	Land Area (Acres)	Land Area (SF)	Sale Price Per Acre
1	Land Lot 4, Thorpe Road Belgrade, Montana	RFF83877	\$600,000	Feb-21	4.861	211,745	\$123,431
2	Land 22311 Frontage Road Belgrade, Montana	RFG16110	\$800,000	Aug-20	7.270	316,681	\$110,041
3	Land TBD Countryside Lane Belgrade, Montana	RFF43172	\$580,000	Jul-20	6.400	278,784	\$90,625
Subject Thorpe Road Property		*****	*****	*****	6.642	289,326	*****

Map of Comparable Commercial Land Sales – Thorpe Road Property



Comparable Commercial Land Sale 1 Aerial Map – Thorpe Road Property



Comparable Commercial Land Sale 2 Aerial Map – Thorpe Road Property



Comparable Commercial Land Sale 3 Aerial Map – Thorpe Road Property



Commercial Site Value Analysis – Thorpe Road Property

The comparable commercial land sales indicate a relatively small sale price per acre range at between \$90,625 and \$123,431 with an average per acre sale price of \$108,033. With regards to Comparable 1, it is the sale of a commercial lot located along Thorpe Road in close proximity to the subject Thorpe Road property. Comparable 1 is the smallest of the three comparable sales at approximately 4.861 acres. Generally, we have found that as the amount of acreage increases, the price per acre decreases with all other factors being generally comparable. Furthermore, Comparable 1 has frontage along Interstate 90. For these reasons, it is our opinion that the current market value for the subject Thorpe Road site for commercial purposes is lower than the \$123,431 per acre sale price of Comparable 1.

With regards to Comparable 2, it is the sale of a 7.270-acre parcel of land. Comparable 2 was improved with a house built in the 1930's at the time of the sale which was reportedly in tear-down condition. Although this property would previously be considered residential in nature, the buyer of Comparable 2 plans to use the property for the commercial operation of their construction company. It is our opinion that the location of Comparable 2 along the Frontage Road and in close proximity to Belgrade is superior to the outlying location of the subject Thorpe Road property. For this reason, it is our opinion that the current market value for the subject Thorpe Road site for commercial purposes is lower than the \$110,041 per acre sale price of Comparable 2.

With regards to Comparable 3, it is the sale of a 6.400-acre commercial lot located in close proximity to the subject Thorpe Road property along Countryside Lane. This site was purchased with the intent of developing a storage facility. Although Comparable 3 is located in close proximity and has a similar size to the subject Thorpe Road property, it is our opinion that market conditions have improved since the July 2020 sale of Comparable 3. For this reason, it is our opinion that the current market value for the subject Thorpe Road site for commercial purposes is higher than the \$90,625 per acre sale price of Comparable 3.

After consideration of the available information, it is our opinion that the current market value for the subject Thorpe Road property for commercial purposes is bracketed between the \$90,625 per acre sale price of Comparable 3 and the \$110,041 per acre sale price of Comparable 2. We calculated the midpoint of these sales to be approximately \$100,333 per acre which we rounded to a market value of \$100,000 per acre for the purposes of our analysis. Shown below are our market value calculations for the subject Thorpe Road property for commercial purposes:

$$\begin{array}{rcl} 6.642 \text{ Acres} & \times & \$100,000 \text{ per Acre} = \$664,200 \\ \text{Rounded To} & & = \$665,000 \end{array}$$

Sales Comparison Approach Conclusion

Based on the preceding analyses, it is our opinion that the subject Thorpe Road property has a market value of approximately \$70,000 per acre as residential land and a market value of approximately \$100,000 per acre as commercial land. Based on the \$30,000 per-acre value discrepancy, it is our opinion that the highest and best use of the subject Thorpe Road property is for development of commercial improvements. Thus, the most likely buyer of the subject Thorpe Road property would be purchasing the property with commercial development in mind. The highest and best use for the subject Thorpe Road property is further demonstrated by Comparable 2 which was purchased with the intent of converting the property from residential to commercial use. Based on the preceding analysis, we have reconciled to a sales comparison approach value estimate of \$665,000 for the subject Thorpe Road property as of October 18, 2021.

FINAL RECONCILIATION

Value Indications

6383 Walker Road

Sales Comparison Approach: \$475,000 – “As Vacant”
 \$920,000 – “As Improved”

2990 Thorpe Road

Sales Comparison Approach: \$665,000 – “As Vacant”

Cost Approach

The cost approach was omitted because the cost approach is most appropriate when the replacement cost of the improvements as well as accrued depreciation can be estimated with a high degree of accuracy. As a result, the cost approach is most applicable when the improvements are relatively new. However, in this case, the subject Walker Road improvements were originally constructed in 1925; thus, the estimate of accrued depreciation from physical deterioration, functional obsolescence, and/or external obsolescence would be difficult to estimate with a high degree of certainty due to their older age. The cost approach was not developed for the subject Thorpe Road property given that it is our opinion that the improvements on the subject Thorpe Road property have no contributory value. It is our opinion that our final market value estimate for the subject properties would have been no more reliable had the cost approach been developed.

Sales Comparison Approach

The sales comparison approach provides a good indication of market value for the subject properties. In order to estimate the market value of the subject Walker Road property “as vacant” through utilization of the sales comparison approach, we analyzed four comparable land sales on a price per lot basis. Next, in order to estimate the contributory value of the subject Walker Road residential improvements, we determined the contributory value of improvements within three closed residential sales. Given the available market data, it is our opinion that our contributory value estimate for the subject Walker Road property is strongly supported. In order to estimate the market value of the subject Thorpe Road property “as vacant” through utilization of the sales comparison approach, we analyzed both residential and commercial land sales on a price per acre basis. Based on our analysis, we determined that the highest and best use of the subject Thorpe Road property is for commercial development. Given the available market data, it is our opinion that our contributory value estimate for the subject Walker Road property is strongly supported.

Income Approach

The income approach was omitted because neither of the subject properties are typical income producing properties and it is our opinion that the most typical buyer would not purchase the subject properties for their income producing potential. It is our opinion that our final market value estimate for the subject properties would have been no more reliable had the income approach been developed.

Value Conclusions

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as improved” in the subject Walker Road property, as of October 18, 2021, is:

**NINE HUNDRED TWENTY THOUSAND DOLLARS
(\$920,000)**

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as vacant” in the subject Walker Road property, as of October 18, 2021, is:

**FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
(\$475,000)**

As a result of our investigation and analysis, it is our opinion that the current market value of the fee simple interest, “as vacant” in the subject Thorpe Road property, as of October 18, 2021, is:

**SIX HUNDRED SIXTY-FIVE THOUSAND DOLLARS
(\$665,000)**

This appraisal is being completed under multiple hypothetical conditions. The first hypothetical condition is that each of the subject parcels are in fee simple ownership and are therefore sellable parcels which is contrary to their existing leasehold ownership. The second hypothetical condition is that neither of the subject properties are encumbered by leases or licenses which is contrary to the ground leases currently in place at each of the subject properties. The third hypothetical condition is that the current market value was estimated for the subject Walker Road property “as vacant” which is contrary to the existing improvements currently present on the subject Walker Road property. Finally, this appraisal was completed under the hypothetical condition that the subject properties had been created through their respective certificates of survey as of the effective date of this appraisal when they actually had not yet been created through their respective certificates of survey as of the effective date of this appraisal. A hypothetical condition is contrary to what currently exists but is necessary to complete the appraisal for its intended use.

CERTIFICATION

As a result of a request for an appraisal assignment of the property, identified as:

A Residential Property & A Vacant Lot
Located at 6383 Walker Road & 2990 Thorpe Road
Bozeman & Belgrade, MT 59715 & 59714

I certify:

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 is my personal, unbiased professional analyses, opinions, and conclusions. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My engagement in this assignment and compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. My analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the standards and reporting requirements of and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice (USPAP)*, published and copyrighted by the Appraisal Foundation.

The value reported is based upon cash in U.S. dollars or in terms of similar financial arrangements. 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, Keith O'Reilly, MAI, have completed the continuing education program of the Appraisal Institute. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. With the exception of Dan Wheeler and RJ Patch, no one provided significant real property assistance to the person signing this certification.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Keith O'Reilly", is written over a faint, light blue circular background.

Keith O'Reilly, MAI
General Certified Appraiser #400
State of Montana

As a result of a request for an appraisal assignment of the property, identified as:

A Residential Property & A Vacant Lot
Located at 6383 Walker Road & 2990 Thorpe Road
Bozeman & Belgrade, MT 59715 & 59714

I certify:

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 is my personal, unbiased professional analyses, opinions, and conclusions. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My engagement in this assignment and compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. My analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the standards and reporting requirements of and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice (USPAP)*, published and copyrighted by the Appraisal Foundation.

I have made a personal viewing of the property that is the subject of this report. In addition, I provided significant professional assistance in the preparation of this report by performing tasks that include, but are not limited to, presentation and organization of data, research and verification of comparable land and building sales, completion of the sales comparison approach to value, reconciliation of the final estimated value, and completion of all accompanying narrative to the previously listed tasks. Further, the value reported is based upon cash in U.S. dollars or in terms of similar financial arrangements. 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, Dan Wheeler, have not completed the continuing education program of the Appraisal Institute. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. With the exception of RJ Patch, no one provided significant real property assistance to the person signing this certification.

Respectfully Submitted,



Dan Wheeler
Certified General Appraiser #12347
State of Montana

ADDENDUM

Return to: DAVID ODT
PO Box 6232
Bozeman MT. 59771

NO. 5A — STRAIGHT BILL OF SALE — SHORT FORM.

Copyright © 2005 STATE PUBLISHING CO., HELENA, MT

Know All Men by These Presents: That GREGORY L. FINCK AND STACEY L. FINCK
of BOZEMAN, MONTANA, party of the first part, for and in consideration of the sum of
ONE DOLLAR AND OTHER CONSIDERATION Dollars,
in hand paid by DAVID ODT AND LU ANNE ODT, P.O. Box 6232 Bozeman, MT 59771
party of the second part, receipt whereof is hereby acknowledged, does bargain, sell, transfer and deliver over unto
the party of the second part THEIR executors, administrators and assigns, the following chattels:
HOUSE, GARAGE AND OTHER IMPROVEMENTS LOCATED ON STATE
OF MONTANA LEASE NO. 86465, LOCATED IN THE
NE 1/4 SE 1/4 SW 1/4 SECTION 36, T.1N, R.5E, P.M.M. GALLATIN
COUNTY, MONTANA.

TO HAVE AND TO HOLD the same, to the said parties of the second part, THEIR
executors, administrators, and assigns FOREVER; and SELLERS do for THEIR
executors and administrators, covenant and agree to and with the said parties of the second part, THEIR
executors, administrators and assigns, to warrant and defend and does warrant the sale of the said property, goods
and chattels and the sale hereby made, unto the said party of the second part, THEIR
executors, administrators and assigns, against all and every person and persons whatsoever, lawfully claiming or to
claim the same.

IN WITNESS WHEREOF, SELLERS have hereunto set THEIR hand and seal the
4th day of April in the year of our Lord
two thousand and EIGHT

Signed, Sealed and Delivered in the Presence of

(SEAL)

Gregory L. Finck
Stacey L. Finck

(SEAL)

STATE OF MONTANA

County of GALLATIN

ss.

On this 4th day of April 2008

before me, Ken Olson, a Notary Public for the
State of Montana, personally appeared STACEY L. FINCK AND GREGORY L. FINCK

known to me TO BE THE PERSONS WHO SIGNED THE ABOVE INSTRUMENT

(or proved to me on oath of _____)
to be the person, whose names are subscribed to the within instrument, and acknowledged
to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal
the day and year in this certificate first above written.

Notary Signature Ken Olson

Printed Name Ken Olson

Notary Signature for the State of Montana

Residing at Bozeman, Montana

My Commission expires May 17, 2011



2296185

Page: 1 of 1
04/04/2008 01:39P

Charlotte Mills-Gallatin Co. MTMISC 7.00

Keith O'Reilly, MAI

State of Montana General Certificate #400 Expires 3-31-2022

QUALIFICATIONS

EDUCATION/APPRaisal EDUCATION COURSES

- Educated in the Bozeman and Billings Public Schools Systems, Bozeman and Billings, MT.
- Obtained a B.S. degree in Business Marketing from Montana State University in 1992.
- Successfully completed the following courses and seminars from Appraisal Institute:

<u>Courses from Appraisal Institute</u>	<u>Seminars from Appraisal Institute</u>
I 110 & 120 Appraisal Principles	"The New URAR"
I 210, 410 & 420 Appraisal Principles	"High Tech Appraisal Office"
310 Basic Income Capitalization	"Fundamental of Relocation"
430 Standards of Professional Standards Part C	"Understanding Limited Appraisals Residential"
510 Advanced Income Capitalization	"Understanding Limited Appraisals General"
520 Highest & Best Use and Market Analysis	"660-Small Hotel/Motel Valuation"
530 Advanced Sales Comparison and Cost Approaches	"620-Mixed Use Valuation Analysis"
540 Report Writing and Valuation Analysis	"Appraising Manufactured Housing"
550 Advanced Application	"Data Confirmation and Verification Methods"
Business Ethics & Standards	"Partial Interest Valuation-Undivided"
Analyzing Operating Expenses	"Appraisal Review General"
Forecasting Revenue	"2020-2021-- 7hr USPAP Update"

APPRAISAL EXPERIENCE:

I have specialized in the appraisals of residential and commercial properties located in Gallatin County, MT since May of 1992. My experience includes an apprenticeship with Henry Neils, MAI & Patrick Nolan, MAI, SRA. appraising residential properties including single family, 2-4 family, and condominiums, industrial sites and buildings, commercial sites and buildings, and insurable value appraisals. I have completed appraisal work for a variety of purposes including acquisition, financing, consulting and litigation.

I am a native of Bozeman and have resided in the area for approximately 45 years. I served as a board member for the Montana Board of Real Estate Appraisers from 2001 -2007 and was the Chairman of the Screening Panel Committee for the Board of Appraisers.

I have completed work for the following:

Opportunity Bank, Wells Fargo Bank, Rocky Mountain Bank, First Interstate Bank, American Bank, Manhattan Bank, Valley Bank of Belgrade, Big Sky Western Bank, Stockman Bank, Sterling Savings and Loan, First Security Bank of Bozeman, U.S. Bank, Yellowstone Bank, Bozeman Deaconess Hospital, Burlington Northern Santa Fe Railroad, Washington Mutual Bank, State of Montana and United States Government General Services Administration, and a variety of law offices, both locally and nationally.



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-400

Status: **Active**
Expires: **03/31/2022**

KEITH PATRICK O REILLY
270 WEST KAGY BLVD E
BOZEMAN, MT 59715

This certificate verifies licensure as:

CERTIFIED GENERAL APPRAISER

Supervises: HEIDI SWITZER

With endorsements of:

* *REAL ESTATE APPRAISER MENTOR*



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

Dan Wheeler

State of Montana Certified General Appraiser #12347 – Expires March 31, 2022

Dan Wheeler has been an associate appraiser of Bridger Appraisals, Inc. since October 2013. Mr. Wheeler attended high school in Bozeman, Montana. He then graduated Magna Cum Laude from the University of St. Thomas in St. Paul, Minnesota with a Bachelor of Science Degree in Real Estate Studies. Below is a list of applicable courses successfully completed within the major:

- Real Estate Principles
- Real Estate Appraisal
- Real Estate Finance & Investments
- Real Estate Market Analysis
- Real Estate Law
- Real Estate Development
- Real Estate Property Management
- Regional & Urban Economics

Since college, Mr. Wheeler has completed courses that include the following;

- 15-Hour National USPAP Course
- 7-Hour National USPAP Update Course
- Revenue Forecasting
- Operating Expense Analysis
- Comparative Analysis
- Small Hotel/Motel Valuation
- Subdivision Valuation
- Automobile Dealership Valuation
- Eminent Domain & Condemnation
- Convenience Store Valuation
- Condominium, Co-op, & P.U.D. Valuation
- Expert Witnessing

Professional Associations

Mr. Wheeler has a State of Montana Certified General Appraiser License (#12347) which expires March 31, 2022.

Professional Experience

Bridger Appraisals, Inc. – Bozeman, Montana
Associate Appraiser
October 2013 – Current

Mark A. Ohrlein Appraisals, Inc. – Minneapolis, Minnesota
Associate Appraiser
August 2011 – October 2013

Duties and responsibilities include preparing professional valuations and market analysis of real estate. Appraisal assignments have included various types of residential, commercial, and special purpose properties. The specific purposes of these assignments have included mortgage financing, investment counseling, and potential sales and purchases.



State of Montana
Business Standards Division
Board of Real Estate Appraisers

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER


REA-RAG-LIC-12347

Status: **Active**
Expires: **03/31/2022**

BRIDGER APPRAISALS, INC.
DANIEL BURGESS WHEELER
P.O. BOX 11145
BOZEMAN, MT 59719



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

FOR DNRC USE ONLY			<div style="text-align: right; margin-bottom: 5px;">Approved</div> <div style="margin-bottom: 5px;">No. <u>225022</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>\$9,000.00</u>			
<u>Source of Funds</u>			
<u>Fund Name</u>	<u>Fund No.</u>		
Land Banking Private Closing Costs	02031		
<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>	
555HA	6049-59	50%	
	6048-01	50%	

**TRUST LAND MANAGEMENT DIVISION
APPRAISAL OF POTENTIAL CABIN/HOMESITE SALE PROPERTIES IN GALLATIN 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, Keith O'Reilly and Dan Wheeler of Bridger Appraisals (Contractor), whose address and phone number are PO Box 11145 Bozeman, MT 59719 (406) 587-2452.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is upon contract execution, through December 31, 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 30, 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 Gallatin 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 \$9,000.00.

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

In No case shall the State's total cumulative payment under this contract exceed Nine Thousand dollars and no/100 (\$9,000.00).

5.2 Withholding of Payment N/A

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

Keith O'Reilly, Bridger Appraisals, Inc. is the Contractors Liaison.
Address: PO Box 11145
Bozeman, MT 59719
Telephone: (406) 587-2452
E-Mail: keith4545@gmail.com

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

25.3 Identification/Substitution of Personnel. – N/A

26. MEETINGS

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

26.2 Progress Meetings. – N/A

26.3 Failure to Notify. – N/A

26.4 State's Failure or Delay. – N/A

27. Transition Assistance

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

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

28. CHOICE OF LAW AND VENUE

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

29. TAX EXEMPTION

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

30. AUTHORITY

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

31. SEVERABILITY CLAUSE

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

32. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

32.1 Contract. This contract consists of 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

**Keith O'Reilly
Bridger Appraisals, Inc.,
PO Box 11145
Bozeman, MT 59719
FEDERAL ID #:**

BY: Ryan Weiss Bureau Chief
(Name/Title)

DocuSigned by:
Ryan Weiss
(Signature)

DATE: 9/22/2021

BY: Keith Oreilly Appraiser
(Name/Title)

DocuSigned by:
Keith Oreilly
(Signature)

DATE: 9/22/2021

Sale 1163
Section 36, T1N-R5E



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 Gallatin County Appraisal

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee David & Lu Anne Odt, and Dean & Carrie Johnson. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

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

ASSIGNMENT CONDITIONS:

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

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

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the

appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.

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

Sale #	Acres ±	Legal Description	Site Address (if known)
1163	2.9 Approximate	Tract 1, Section 36, T1N-R5E	6383 Walker Road, Bozeman, MT 59715
1169	5.94 Approximate	Tract 1, Section 33, T1N-R4E	2990 Thorpe Road, Belgrade, MT 59714

<u>DNRC Contact Information:</u> Seth Goodwin, Real Estate Specialist PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4289 Fax: (406) 444-2684 Seth.Goodwin2@mt.gov	<u>Lessees:</u> Sale 1163: David & Lu Anne Odt - (406) 599-3164, (352)538-1166, (775) 385-6821 Sale 1169: Dean & Carrie Johnson - (406) 570-4092, (406)570-4091
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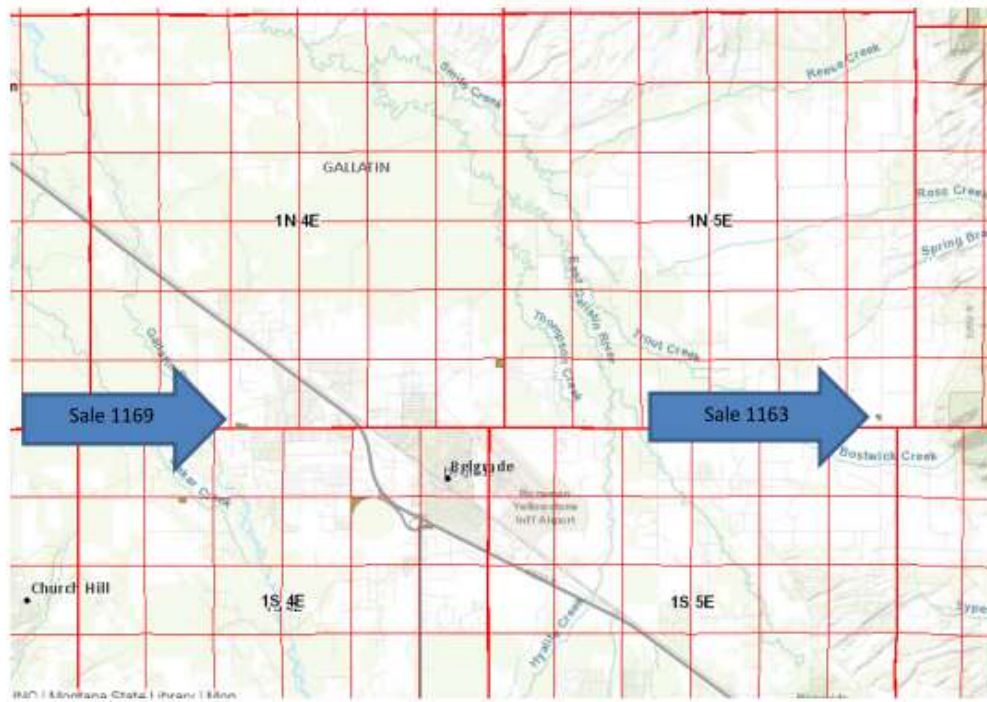
The following will be located in the body of the contract:

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.

Location Map of Parcels



Rev 2021021

Sale 1169

Section 33, T1N-R4E

