

[illegible]

Nhn Ponderosa Dr
Hamilton, MT 59840
s16 t05N r20W S2SW Index 12

State of Montana (See Att.)
PO Box 201601
Helena, MT 59620-1601

\$650,000

08/30/2023

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Bitterroot Appraisal, LLC

Scott Spear MBA, MAI, SRA
Certified General Appraiser
spear.scott@gmail.com
www.BitterrootAppraisalMT.com



Bitterroot Appraisal, LLC
PO Box 423
Hamilton, MT 59840

10/23/2023

Seth Goodwin
State of Montana (See Att.)
Dept Natural Resources and Conservation
PO Box 201601
Helena, MT 59620-1601

Re: Property: Nhn Ponderosa Dr
Hamilton, MT 59840
Borrower: None
File No.: 245019

Opinion of Value: \$650,000
Effective Date: 08/30/2023

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) and the Department of Natural Resources and Conservation (DNRC) and Lessee Elk Park Ranch - Montana, LLC. 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.

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 purposed, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licensed do not exist. The subject property is valued with the hypothetical condition that the site has legal access. No comparable property sales have been located without legal access. See attached Letter of Engagement.

Sincerely,

A handwritten signature in blue ink that reads "SCSPEAR".

The logo for the Appraisal Institute, featuring a red triangle with white vertical lines inside, and the text "Appraisal Institute®" and "MAI SRA" below it.

Scott Spear MAI, SRA
Certified General Appraiser
License or Certification #: REA-RAG-LIC-521
State: MT Expires: 03/31/2024
spear.scott@gmail.com; BitterrootAppraisalMT.com

LAND APPRAISAL REPORT

Sale No. 2063

File No. 245019

BitterrootAppraisalMT.com

SUBJECT

BorrowerNone

Census Tract0006.02

Map Reference13136716301170000

Property AddressNhn Ponderosa Dr

CityHamilton

CountyRavalli

StateMT

Zip Code59840

Legal Descriptions16 t05N r20W S2SW Index 12

Sale Price\$NA

Date of SaleNA

Loan TermNA

yrs.

Property Rights Appraised

☒ Fee

☐ Leasehold

☐ De Minimis PUD

Actual Real Estate Taxes\$0

(yr)

Loan charges to be paid by seller\$NA

Other sales concessionsNA

Lender/ClientState of Montana (See Att.)

AddressPO Box 201601, Helena, MT 59620-1601

OccupantVacant

AppraiserScott Spear MAI, SRA

Instructions to Appraiser

Estimate market value as of date of appraisal.

NEIGHBORHOOD

Location

☐ Urban

☐ Suburban

☒ Rural

Built Up

☒ Over 75%

☐ 25% to 75%

☐ Under 25%

Growth Rate

☐ Fully Dev.

☐ Rapid

☒ Steady

☐ Slow

Property Values

☐ Increasing

☒ Stable

☐ Declining

Demand/Supply

☐ Shortage

☒ In Balance

☐ Oversupply

Marketing Time

☐ Under 3 Mos.

☒ 4-6 Mos.

☐ Over 6 Mos.

Present75 % One-Unit1 % 2-4 Unit1 % Apts.2 % Condo1 % Commercial

Land Use0 % Industrial20 % Vacant0 %

Change in Present☒ Not Likely☐ Likely (*)☐ Taking Place (*)

Land Use(*) FromTo

Predominant Occupancy☒ Owner☐ Tenant1 % Vacant

One-Unit Price Range\$226to \$2,550

Predominant Value\$785

One-Unit Age Range0 yrs.to 140 yrs.

Predominant Age30 yrs.

Employment Stability

Convenience to Employment

Convenience to Shopping

Convenience to Schools

Adequacy of Public Transportation

Recreational Facilities

Adequacy of Utilities

Property Compatibility

Protection from Detrimental Conditions

Police and Fire Protection

General Appearance of Properties

Appeal to Market

Good

Avg.

Fair

Poor

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise)

Subject mkt area typical home size is 1000 - 3000 +- sf;

typical age is 10 - 50 +- years; typical lot size 1 - 20 +- acres. Subject area has typical proximity to employment, shopping, and school district; 'Other' land use denotes vacant parcels.

Subject market area has non-defined boundaries of interspersed commercial, single unit residential, multi-unit residential, condominium, and townhouse properties, which does not impact subject marketability. Typical SP/LP ratio ~ 100 - 110%. Subject market area viewed as stable as of date of appraisal following appreciation c. 2019-2022.

SITE

DimensionsSubject has not been surveyed; aliquot part parcel.

=80.0 Acres

☐ Corner Lot

Zoning ClassificationNone Exists.

Present Improvements☒ Do☐ Do Not

Conform to Zoning Regulations

Highest and Best Use☐ Present Use☒ Other (specify)

Highest and Best Use estimated as res/ag use; there is no other reasonably probable use; see attached discussion.

Elec.☐None

Gas☐None

Water☐None

San. Sewer☐None

☐ Underground Elect. & Tel.

OFF SITE IMPROVEMENTS

Street Access☐ Public☒ Private

SurfaceGravel

Maintenance☐ Public☒ Private

☐ Storm Sewer☐ Curb/Gutter

☐ Sidewalk☐ Street Lights

TopoRolling Hillside

SizeTypical

ShapeRectangular

ViewMtns-Valley/Typ

DrainageAdequate

Is the property located in a FEMA Special Flood Hazard Area?☐ Yes☒ No

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions)

Utilities are typical for vacant land tracts in the subject market area; permitting is assumed permissible. municipal water/sewer is not available to the subject property. Subject highest and best use is estimated to be residential/agricultural use. Alternate uses not reasonably probable as of date of appraisal. Legal access to the subject is assumed via hypothetical condition as required by client; this is contrary to fact for analytical purposes of the stated client(s); sales lacking legal access are not available.

MARKET DATA ANALYSIS

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
Address	Nhn Ponderosa Dr Hamilton, MT 59840	Nhn Jenne Ln Florence, MT 59833	Nhn French Basin Rd Sula, MT 59871	Nhn Jenne Ln Florence, MT 59833			
Proximity to Subject		31.84 miles N	21.93 miles SE	32.00 miles N			
Sales Price	\$NA	\$832,500	\$750,000	\$560,000			
Price \$/Ac.	\$	\$6,139	\$6,025	\$7,000			
Data Source(s)	Site Review	MRMLS 22108955 ; DOM 850	MRMLS 22103499 ; DOM 82	MRMLS 22108941 ; DOM 305			
ITEM	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Date of Sale/Time Adj.	NA	08/21/2023	0	06/08/2021	+110,144	04/15/2022	+51,239
Location	Rural/Typical	Rural/Typical		Rural/Typical		Rural/Typical	
Site/View	80.0 Acres	135.60		124.48		80.00	
Utilities	None	None		None		None	
Listing Price	0	880000	0	750000	0	560000	0
Lot Size Adj	80.0	135.60	-200,160	124.48	-160,128	80.00	
Sales or Financing Concessions	NA	ArmLth Cash Equiv;0		ArmLth Cash Equiv;0		ArmLth Cash Equiv;0	
Net Adj. (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$-200,160	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$-49,984	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$51,239
Indicated Value of Subject			\$632,340		\$700,016		\$611,239

Comments on Market Data

See attached addenda. There are no prior sales of the subject in the prior 36 month period. Subject is not listed for sale. Sales greater than 20+ acres are infrequent in the subject market area, with only 26 total sales 20+ acres in size in the prior 12 month period; as such, sales of larger acreage parcels throughout Ravalli County in the prior 3-year period have been researched and presented.

RECONCILIATION

Comments and Conditions of Appraisal

See attached addenda and reconciliation analysis. There are 6 sales presented with an adjusted range of \$ 611,000 (R) to \$ 700,000 (R); avg adjusted sale price is \$ 653,000 (R); median adjusted sale price is \$ 644,000 (R). All sales presented are rural dry land parcels with similar highest and best use as that of the subject parcel. Market conditions adjusted through Q3-2022, thence stabilization; incremental acreage adjusted at \$3,500 - \$4,000 per acre. The mid-range of indicated value is deemed reasonable. The sales presented have a narrow range of indicated value; the subject is comparable to, and bracketed by, available sales; see att. discussion on reconciliation analysis.

Final Reconciliation

See attached appraiser's certification and Statement of Limiting Conditions. Based upon the quantity and quality of available data, it is the opinion of this appraiser that the Sales Comparison Approach is persuasive to the final value conclusion. The cost approach and the income approach are not relevant due to a lack of improvements and lack of an income stream.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF

08/30/2023

TO BE \$

650,000

Appraiser

Scott Spear MAI, SRA

Supervisory Appraiser (if applicable)

Date of Signature and Report

10/23/2023

Date of Signature

Title

Certified General Appraiser

Title

State Certification #

REA-RAG-LIC-521

ST

MT

State Certification #

ST

Or State License #

ST

Or State License #

ST

Expiration Date of State Certification or License

03/31/2024

Expiration Date of State Certification or License

Date of Inspection (if applicable)

08/29/2023

☐ Did☐ Did Not Inspect Property

Date

Assumptions and Limiting Conditions

Sale No. 2063
File # 245019

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal assignment, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the subject property, (2) inspect the neighborhood, (3) research, verify, and analyze data from reliable public and/or private sources, and (4) report his or her analysis, opinions, and conclusions in this appraisal report.

To my knowledge, the statements of fact contained in this report are true and correct. It is an extraordinary assumption of this report that all sources of information relied upon as a component of this assignment, including but not limited to public and MLS records, are complete and accurate. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. See attached addenda.

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) and the Department of Natural Resources and Conservation (DNRC) and Lessee Elk Park Ranch - Montana, LLC. 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.

INTENDED USE: The intended use of this appraisal report 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.

INTENDED USER: The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC) and Lessee Elk Park Ranch - Montana, LLC.

DEFINITION OF MARKET VALUE: See attached LOE as defined in 12 C.F.R. 34,42(h).

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her 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; 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.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent deficiencies or adverse conditions of the property (such as, but not limited to, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. If the appraiser has based his or her appraisal report and valuation conclusion for an appraisal subject to certain conditions, it is assumed that the conditions will be met in a satisfactory manner.

Certifications

Sale No. 2063
File # 245019

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual viewing of the subject property. I reported the site characteristics in factual, specific terms.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on any prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
9. I verified all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
10. I have knowledge and experience in appraising this type of property in this market area.
11. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
12. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
13. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
14. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
15. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
16. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
17. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
18. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
19. I identified the client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Certifications

Sale No. 2063
File # 245019

20. The client may disclose or distribute this appraisal report without having to obtain the appraiser's or supervisory appraiser's consent.

21. I am aware that any disclosure or distribution of this appraisal report by me or the client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

22. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

23. Unless otherwise indicated, 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.

NOTE: 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 purposed, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licensed do not exist.

The subject property is valued with the hypothetical condition that the site has legal access. No comparable property sales have been located without legal access.

See attached Letter of Engagement.

APPRAISER © 2023 by Scott Spear REA-RAG-LIC-521, VA ID #5002793

Signature 

Name Scott Spear MAI, SRA

Company Name Bitterroot Appraisal, LLC

Company Address PO Box 423
Hamilton, MT 59840

Telephone Number (406) 369-1969

Email Address spear.scott@gmail.com

Date of Signature and Report 10/23/2023

Effective Date of Appraisal 08/30/2023

State Certification # REA-RAG-LIC-521

or State License # _____

or Other (describe) _____ State # _____

State MT

Expiration Date of Certification or License 03/31/2024

ADDRESS OF PROPERTY APPRAISED

Nhn Ponderosa Dr

Hamilton, MT 59840

APPRAISED VALUE OF SUBJECT PROPERTY \$ 650,000

LENDER/CLIENT

Name Seth Goodwin

Company Name State of Montana (See Att.)

Company Address PO Box 201601
Helena, MT 59620-1601

Email Address Seth.Goodwin2@mt.gov

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

SUBJECT PROPERTY

☐ Did not inspect subject property

☐ Did inspect exterior of subject property from street
Date of Inspection _____

☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street

☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 245019

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					

• **Intended Use/User/Scope of Work**

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) and the Department of Natural Resources and Conservation (DNRC) and Lessee Elk Park Ranch - Montana, LLC. 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.

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The subject property is valued with the hypothetical condition that the site has legal access. No comparable property sales have been located without legal access.

See attached Letter of Engagement.

The only intended user of this appraisal is the stated client(s). There is no other intended user other than as stated. No party, other than the intended user(s), should rely upon this appraisal for any purpose, whatsoever. The fact that some party, other than the client, paid for the appraisal, either directly, or indirectly, does not make them an intended user. The report was prepared specifically to address, and to meet, the needs of the client(s). The report should not be relied upon for any other purpose. The report was prepared solely for the specific use of the client(s). No other use, other than as stated, of the appraisal is intended, contemplated, or authorized by the appraiser. This report was not prepared for use by any borrower

This appraisal report is not an inspection. It does not guarantee or imply that the subject property is free of defects. The appraiser is not an inspector. It is suggested that any interested party secure a professional inspection of the property and take the necessary steps to insure the property is acceptable to them. Note: The term "Inspected" within this appraisal report shall be deemed to mean "VIEWED." The appraiser is not a professional home inspector, engineer, or environmental inspector. The appraiser can only view reasonably accessible areas of the property in order to observe the overall condition. The appraiser is not an environmental or hazardous waste expert or inspector. The Appraiser is not qualified to detect such substances. The appraisal was prepared based on the assumption that no such substances exist at the subject property. The Appraiser assumes no responsibility for determining whether or not flood insurance is required. The Appraiser attempted to review what was considered to be the most recent FEMA maps available. The appraiser assumes no responsibility for the accuracy of the FEMA maps. The Appraiser is not a surveyor, nor an expert in legal matters. The Appraiser assumes no responsibility for the legal description or the accuracy of any boundary issues, including easements and/or encroachments.

Highest and Best Use:

The subject is currently utilized as dry land grazing in an area where agricultural productivity is not a determinant of inherent site value due to significant population growth and high demand for residential properties and building sites.

Legally Permissible uses include dry land grazing, or residential development. Hypothetical subdivision is unlikely to be approved due to county and DEQ requirements, particularly for roadway construction to county standards from the nearest public roadway. Commercial, multi-unit, light industrial uses are legally permissible, but not reasonably probable.

Physically Possible uses include continued dry land grazing, or residential development. It would be physically possible to subdivide, pending hypothetical county and DEQ approval, however subdivision is not reasonably probable due to location and permitting requirements.

Financially Feasible uses include continued dry land grazing, or residential development. Vacant land prices in the Ravalli County area are not dependent upon agricultural productivity. Due to the rolling topography, and limited moisture, agricultural use has minimal productivity. Due to the rural location at the end of several miles of undeveloped two track roadway, subdivision or high density residential use is unlikely to be financially feasible. Single unit residential use is common and typical for comparable sites and locations in the Ravalli County area. The sales presented are likely to be developed for single unit residential use. Residential use has a higher per unit return than does minimally productive dry land grazing use.

As such, the **Maximally Productive** use of the subject site is viewed as single unit residential use. Subdivision is not reasonably probable. Dry land grazing is not financially feasible. Commercial, high density, or industrial uses lack demand at the subject location. As such, the only reasonably probable maximally productive use of the subject property would be for single unit residential use.

• **Subject - Overall Condition of the Property**

No portion of the subject site or any improvements thereon was inspected, tested, probed, or dismantled.

Private utilities (wells, septic systems) are common and typical for the subject market area and: have no detrimental impact upon subject marketability, have market acceptance; utilities are typical of area and are not an adverse market condition; permitting is unknown and assumed permissible. Subject access roadway is accessible and adequately maintained to market area expectations. Zoning, or lack thereof, is typical for subject market area; comparables presented have similar zoning, or lack thereof; a title report has not been provided.

There are no known atypical deed restrictions; a title report has not been provided; the appraiser is not qualified to conduct a title search and the appraisal should not be utilized to disclose specific chain of title information inclusive of but not limited to: easements, encroachments, deed restrictions, zoning compliance, shared well agreements, shared septic agreements, shared drainfield agreements, road maintenance agreements, etc.

The subject highest and best use is estimated to be residential/agricultural use. The current use is dry land grazing. If available on the open market, the subject would compete with like res/ag properties in the identified subject market area. Subdivision and high density development is not a reasonable use due to location and access. Comparable properties are utilized as single unit residential building sites with ag use of the remainder.

• **Sales Comparison Analysis - Summary of Sales Comparison Approach**

The sales provided are a representative sample of available sales from the identified subject market area; due to sale density in the subject market area, the appraiser's comparable search included all sales in the identified market area in the prior 12-months, as provided by the area MLS, with emphasis given those sales occurring in the prior 90-days, as available. MT is not a public disclosure state; sales information is provided by area MLS systems; physical characteristics are provided by the applicable MLS listing, and/or assessment records, and/or prior appraisal records. All sales are located in a similar directly competing market area.

Adjustments presented are market derived and attempt to quantify market reactions to differing features, i.e. how much typical buyer and seller transfer prices are influenced by various factors. Various methods are utilized to measure market reaction to specific features. Incremental lot size typically has minimal impact in the subject market area with relatively minor adjustment typically made.

Sales will bracket key subject features to the extent possible; not all features are able to be bracketed due to sale density limitations in the subject market area in the prior 12-months. The subject and comparables cross main roadways, which does not impair subject marketability. An effort was made to bracket key features of the subject property physical characteristics; if a characteristic is not bracketed, bracketing was not possible due to sales constraints. Sales from the immediate subject market area and similar directly competing market areas have been considered and presented. A locational adjustment is not required other than as applied.

Supplemental Addendum

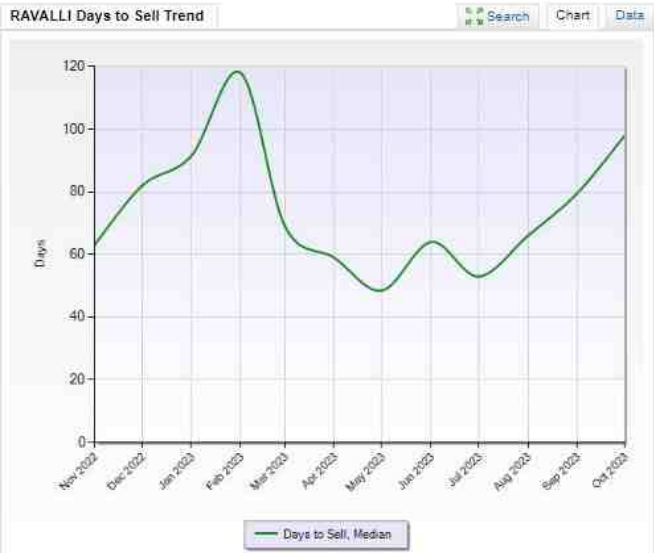
File No. 245019

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					

Market Conditions:



RESIDENTIAL SALES PRICES



RESIDENTIAL SALES DOM



VACANT LAND SALES PRICES



VACANT LAND SALES DOM

Reconciliation:

The income approach is not relevant due to lack of a potential income stream other minimally productive dry land grazing with minimal ALUM potential. The cost approach is not relevant due to lack of improvements; the cost approach typically relies upon the sales comparison approach for determination of inherent site value. The sales comparison approach is the only reasonable approach for the subject assignment, and relies upon sales of comparable vacant land parcels from throughout the Ravalli County competing market area.

Six comparable land sales have been located countywide in the prior 36-month time period. All sales have similar locations, utilities, access, and highest and best use potential. The available sales bracket subject acreage, and range in size from 40+- acres to 135+- acres. Market conditions are adjusted through Q3-2022, thence stabilization. Adjustments for attributes other than market conditions and lot size are not indicated by available market data in the subject market area.

The sales presented have a per unit range of \$6,000 to \$13,500 per acre, as rounded. Linear regression of the sales is indicative of an adjustment for incremental acreage of \$3,500 to \$4,000 per acre. Following adjustment, the indicated subject range of all sales provided is \$611,000 to \$700,000. The average adjusted sale price is \$ 653,000 (R), and the median adjusted sale price is \$ 644,000 (R). Half of the six sales presented have a higher indicated adjusted value than the subject, and the other half of the six sales presented have a lower indicated adjusted value than the subject. The subject property is generally comparable to the sales presented. Physically superior sales in the Ravalli County area in the prior 36-month period do not exist. The Coefficient of Determination is indicative that ~ 95%+- of the variation in sales prices demonstrated is reflected by the acreage of the sales. The subject has greatest similarity to sales #1, 3, 4, 6. As such, the mid-range of indicated value is deemed reasonable, as rounded.

Supplemental Addendum

File No. 245019

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					

Sale #	Adj Sale \$
1	\$632,340
2	\$700,016
3	\$611,239
4	\$652,234
5	\$635,726
6	\$684,540
Average	\$652,683
Median	\$643,980
Min	\$611,239
Max	\$700,016
Reconciled Value	\$650,000



Land Sale Analysis

SALE #	MLS #	SALE DATE	CONT DATE	SALE \$\$\$	LOT SIZE (UNITS)	UN-ADJ \$\$\$/UNIT	TIME ADJ SALE \$\$\$	TIME ADJ \$\$\$/UNIT	ADJ SALE PRICE	EXPOSURE TIME (DOM)	LOCATION	ZONING	HBU	Address
1	22108955	08/21/23	04/20/23	\$832,500	135.60	\$6,139	\$832,500	\$6,139	\$632,340	850	Rural	None	Res/Ag	Tract 3 Jenne Lane
2	22103499	06/08/21	03/18/21	\$750,000	124.48	\$6,025	\$860,144	\$6,910	\$700,016	82	Rural	None	Res/Ag	Tbd French Basin Road
3	22108941	04/15/22	02/18/22	\$560,000	80.00	\$7,000	\$611,239	\$7,640	\$611,239	305	Rural	None	Res/Ag	Nhn Jenne Lane
4	22200778	02/24/22	01/27/22	\$485,000	46.36	\$10,462	\$531,130	\$11,457	\$652,234	29	Rural	None	Res/Ag	1099 Jenne Lane
5	22113416	02/22/22	02/12/22	\$450,000	39.97	\$11,258	\$491,618	\$12,300	\$635,726	186	Rural	None	Res/Ag	408 Double D Road
6	22216179	12/30/22	11/15/22	\$540,000	39.85	\$13,551	\$540,000	\$13,551	\$684,540	45	Rural	None	Res/Ag	Parcel D&E Chase Lane

Avg	77.71	\$644,439	\$652,683	250
Median	63.18	\$575,620	\$643,980	134
Min	39.85	\$491,618	\$611,239	29
Max	135.60	\$860,144	\$700,016	850
Range	240%	75%		

Indicated Value:

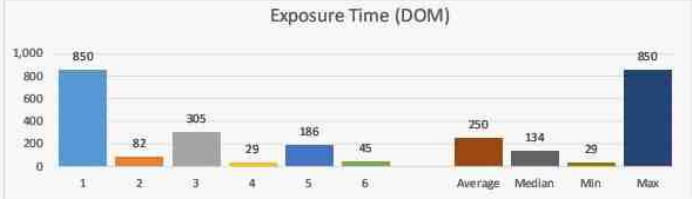
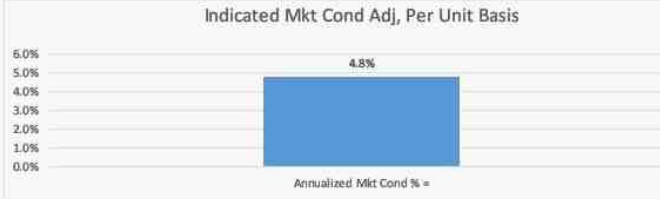
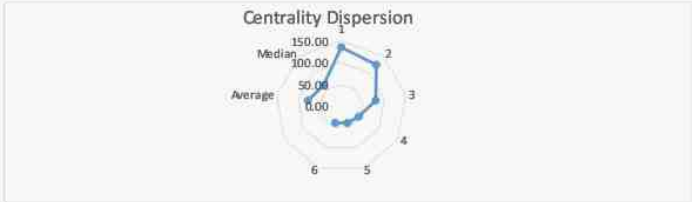
	Lot Size	Slope	Y Intercept	Regression	Rounded
Sale # 2063	80.00	\$3,641	\$361,460	\$652,777	\$650,000

Potential Unitary Size Adjustment

\$3,641

Value Per Unit

\$8,125



Subject Photo Page

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



Subject Lot

Nhn Ponderosa Dr



Subject Lot



Subject Access Road

Photograph Addendum

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



SW Corner Pin



SW Corner Facing E



Subject Lot



SW Corner Facing N



Subject Lot



Subject Lot



Subject Lot



Ditch



Subject Lot



Subject Lot



Subject Lot



Subject Lot

Comparable Photo Page

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



Comparable 1

Nhn Jenne Ln



Comparable 2

Nhn French Basin Rd



Comparable 3

Nhn Jenne Ln

Comparable Photo Page

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



Comparable 4

1099 Jenne Ln



Comparable 5

408 Double D Rd

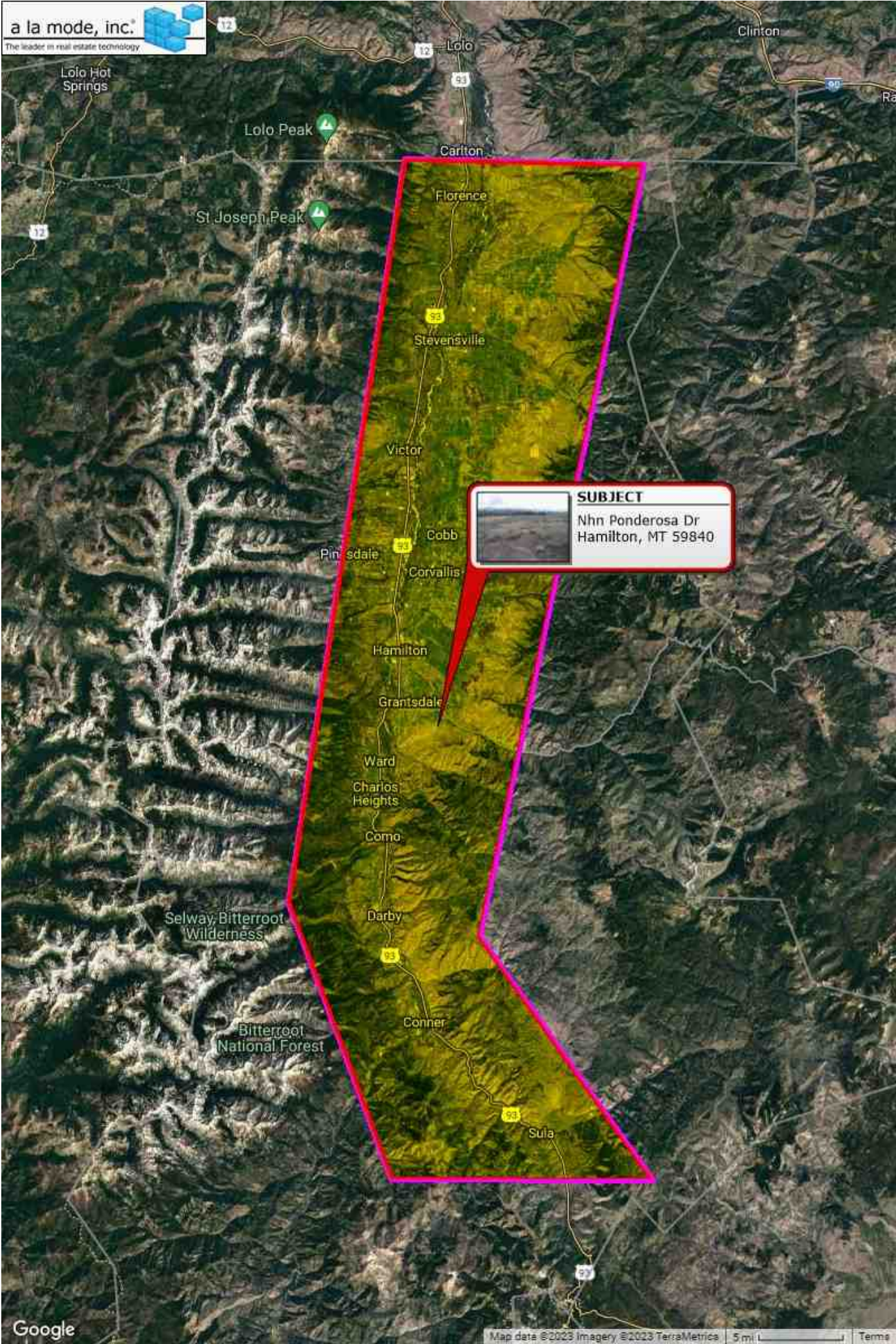


Comparable 6

Nhn Chase Ln

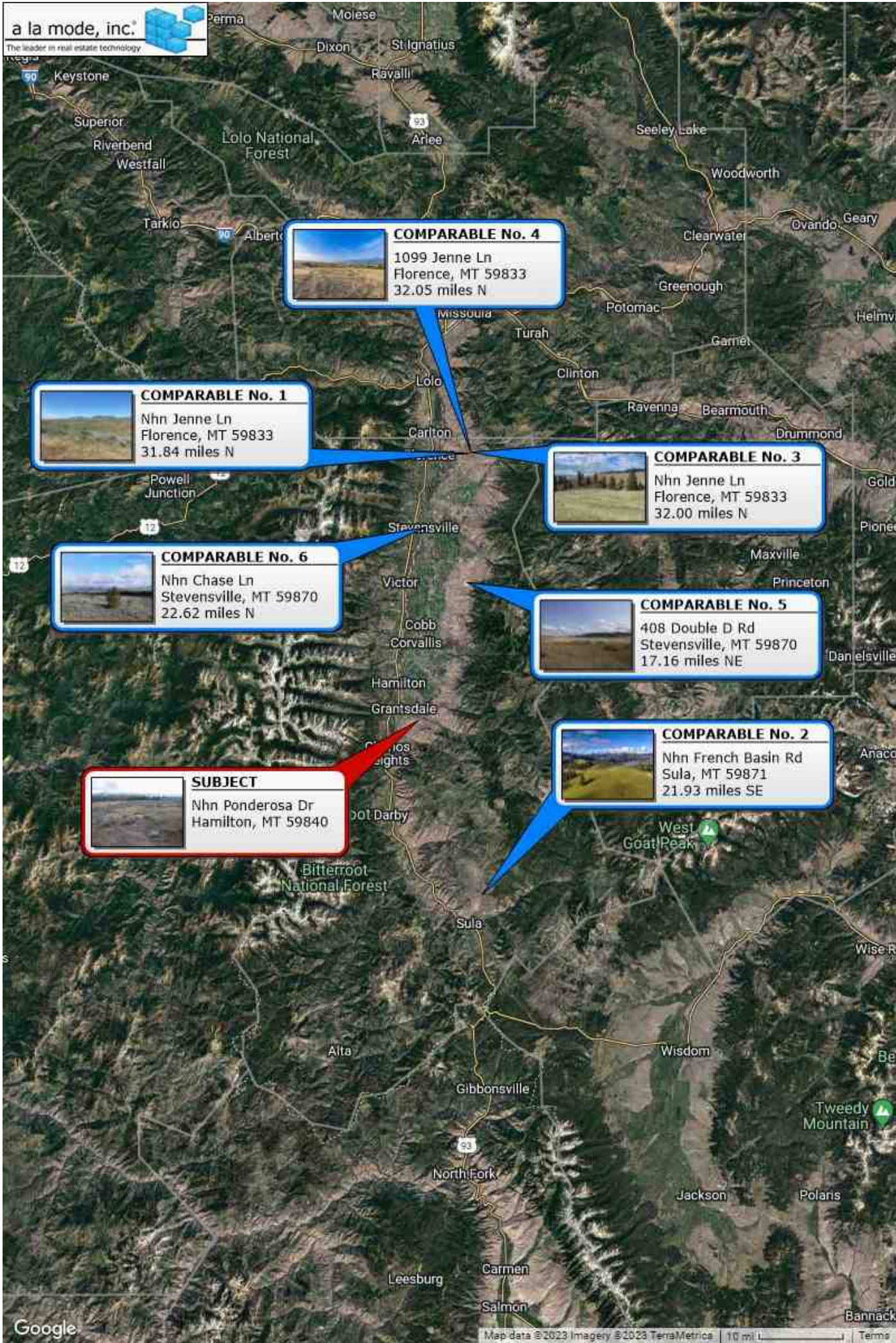
Competing Market Area Map

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



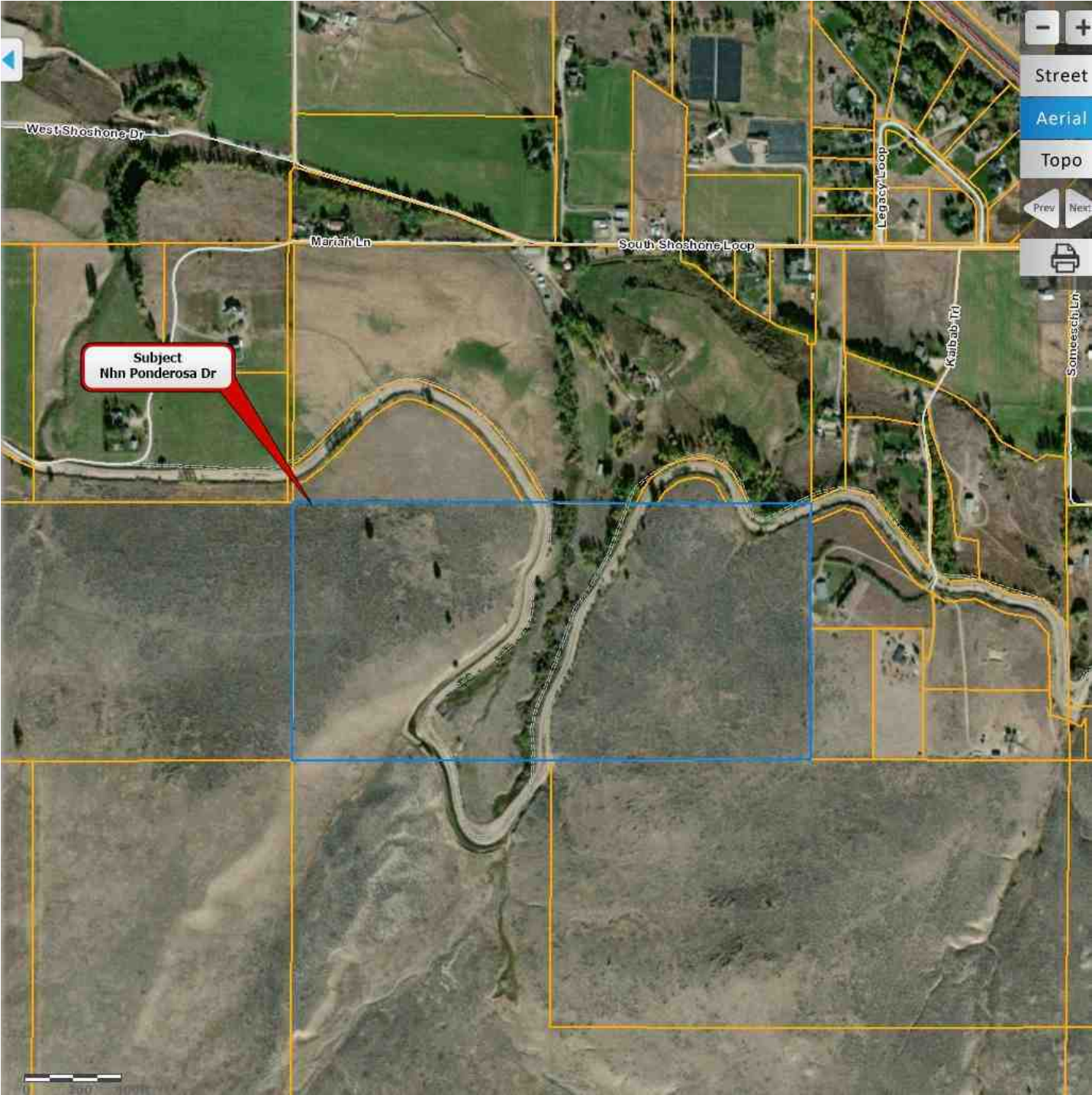
Location Map

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



Aerial Map

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



Aerial Image

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



USPAP ADDENDUM

Borrower	None		
Property Address	Nhn Ponderosa Dr		
City	Hamilton	County	Ravalli
		State	MT
		Zip Code	59840
Lender	State of Montana (See Att.)		

This report was prepared under the following USPAP reporting option:

☒ Appraisal Report

This report was prepared in accordance with USPAP Standards Rule 2-2(a).

☐ Restricted Appraisal Report

This report was prepared in accordance with USPAP Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is:0-180 days

Per MRMLS data.

Additional Certifications

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

☒ I have NOT performed 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.

☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.

- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.

- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).


Additional Comments

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

APPRAISER:

Signature: 

Name: Scott Spear MAI, SRA

Date Signed: 10/23/2023


State Certification #: REA-RAG-LIC-521

or State License #:

State: MT

Expiration Date of Certification or License: 03/31/2024

Effective Date of Appraisal: 08/30/2023



SUPERVISORY APPRAISER: (only if required)

Signature: _____

Name: _____

Date Signed: _____

State Certification #: _____

or State License #: _____


State: _____

Expiration Date of Certification or License: _____

Supervisory Appraiser Inspection of Subject Prope

☐ Did Not

☐ Exterior-only from Street

terior

Property Record Card

Summary

Primary Information

Property Category: RP

Subcategory: Government Property

Geocode: 13-1367-16-3-01-17-0000

Assessment Code: 0000659850

Primary Owner:

PropertyAddress:

MONTANA STATE OF

COS Parcel:

2705 SPURGIN RD

MISSOULA, MT 59804-3111

NOTE: See the Owner tab for all owner information

Certificate of Survey:

Subdivision:

Legal Description:

S16, T05 N, R20 W, S2SW INDEX 12 80 AC

Last Modified: 7/19/2023 7:36:51 PM

General Property Information

Neighborhood: 213,840,E

Property Type: EP - Exempt Property

Living Units: 0

Levy District: 13-2734-3-3

Zoning:

Ownership %: 100

Linked Property:

No linked properties exist for this property

Exemptions:

No exemptions exist for this property

Condo Ownership:

General: 0

Limited: 0

Property Factors

Topography:

Fronting:

Utilities:

Parking Type:

Access:

Parking Quantity:

Location:

Parking Proximity:

Land Summary

Land Type	Acres	Value
Grazing	0.000	5,076.00
Fallow	0.000	00.00
Irrigated	0.000	00.00
Continuous Crop	0.000	00.00
Wild Hay	0.000	00.00
Farmsite	0.000	00.00
ROW	0.000	00.00
NonQual Land	0.000	00.00

Assessment Records - Page 2

Total Ag Land	80.000	5,076.00
Total Forest Land	0.000	00.00
Total Market Land	0.000	00.00

Deed Information:					
Deed Date	Book	Page	Recorded Date	Document Number	Document Type

Owners

Party #1		
Default Information:	MONTANA STATE OF	
	2705 SPURGIN RD	
Ownership %:	100	
Primary Owner:	"Yes"	
Interest Type:	Conversion	
Last Modified:	11/28/2007 1:51:37 AM	
Other Names		Other Addresses
Name	Type	
DEPARTMENT OF STATE LANDS	L Additional Legal Owners	No other address

Appraisals

Appraisal History				
Tax Year	Land Value	Building Value	Total Value	Method
2023	5076	0	5076	COST
2022	4860	0	4860	COST
2021	4860	0	4860	COST

Market Land

Market Land Info
No market land info exists for this parcel

Dwellings

Existing Dwellings
No dwellings exist for this parcel

Other Buildings/Improvements

Outbuilding/Yard Improvements
No other buildings or yard improvements exist for this parcel

Commercial

Assessment Records - Page 3

Existing Commercial Buildings

No commercial buildings exist for this parcel

Ag/Forest Land

Ag/Forest Land Item #1

Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.093	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 2.028	Per Acre Value: 25.63
Value: 52	

Ag/Forest Land Item #2

Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.129	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 24.626	Per Acre Value: 35.47
Value: 873	

Ag/Forest Land Item #3

Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.162	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 20.815	Per Acre Value: 44.69
Value: 930	

Ag/Forest Land Item #4

Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.167	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 1.511	Per Acre Value: 45.94
Value: 69	

Ag/Forest Land Item #5

Acre Type: G - Grazing	Irrigation Type:
------------------------	------------------

Assessment Records - Page 4

Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.186	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 2.925	Per Acre Value: 51.25
Value: 150	
Ag/Forest Land Item #6	
Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.213	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 10.372	Per Acre Value: 58.75
Value: 609	
Ag/Forest Land Item #7	
Acre Type: G - Grazing	Irrigation Type:
Class Code: 1651	Timber Zone:
Productivity	
Quantity: 0.49	Commodity: Grazing Fee
Units: AUM/Acre	
Valuation	
Acres: 17.723	Per Acre Value: 135
Value: 2393	

Letter of Engagement - Page 1

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FOR DNRC USE ONLY

Amount under this Agreement: \$1,850

Source of Funds

Fund Name

Land Banking Private Closing Costs

Fund No.

02031

Subclass

555HA

Org. No.

6043-59

Percent

100%


Approved

No. 245019

Division DK

Legal MP

F.S.O. GU



TRUST LAND MANAGEMENT DIVISION
APPRAISAL OF POTENTIAL LAND BANKING SALE PROPERTY IN RAVALLI 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) 444-1445 and, Scott Spear, Bitterroot Appraisal, LLC., (Contractor), whose address and phone number are PO Box 423, Hamilton, MT 59840, 406-369-1969.

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

1.1 **Contract Term.** The contract’s initial term is upon contract execution, through October 31, 2023, 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, at P.O. Box 201601, 1539 11th Avenue, Helena, MT 59620-1601 by October 2, 2023.**

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 parcel in Ravalli County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an

Letter of Engagement - Page 2

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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.

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

Attachments A and B are incorporated herein by reference.

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: \$1,850.00

In No case shall the State's total cumulative payment under this contract exceed One Thousand Eight Hundred and Fifty dollars and No/100.

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.

Letter of Engagement - Page 3

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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.

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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.

Letter of Engagement - Page 5

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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.

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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.

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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.

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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

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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, is the State's liaison.
(Address): PO Box 201601, 1539 11th Avenue
(City, State, ZIP): Helena, MT 59620
Telephone: 406-444-1445
E-mail: Seth.Goodwin2@mt.gov

Scott Spear, is Contractor's liaison.
(Address): PO Box 423
(City, State, ZIP): Hamilton, MT 59840
Telephone: 406-369-1969
E-mail: spear.scott@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.

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- 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 11 numbered pages, Attachment – A Scope of Work and Attachment B – Supplemental Appraisal instructions, pages 12-17, the Solicitation, as amended, and the Contractor's response, as amended. 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

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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
PO Box 201601
1539 11th Avenue
Helena, MT 59620-1601

CONTRACTOR

Scott Spear
Bitterroot Appraisal, LLC.,
PO BOX 423
Hamilton, MT 59840

FEDERAL ID #: 0.00

BY: Deidra Klobberdanz REMB Lands Supervisor
(Name/Title)

DocuSigned by:
Deidra Klobberdanz
(Signature)

DATE: 8/25/2023

BY: SCOTT SPEAR Appraiser
(Name/Title)

(spear.scott@gmail.com)
DocuSigned by:
SCOTT SPEAR
(Signature)

DATE: 8/25/2023

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ATTACHMENT A

Scope of Work for Appraisals of Potential Property Sales through the Land Banking Program

**DNRC TLMD Real Estate Management Bureau
Land Banking Program**

Scope of Work for the Appraisal of Potential Property Sale Through the Land Banking Program:
2023 Ravalli 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 Elk Park Ranch – Montana, LLC. 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.

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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.

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. For those properties which consist of more than one section, the appraiser must at least view each section. 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 subject property must be valued with the actual or hypothetical condition that the site has legal access. Parcels with no legal access will be appraised with the hypothetical condition of having legal access. For a parcel that lacks legal access, the appraiser is to:

- (A) provide a value with the hypothetical condition that the parcel has legal access;
- (B) if there are comparable sales available to provide a credible opinion of the value without legal access, the appraiser is to provide that value as well; and
- (C) if comparable sales are not available to provide a credible opinion of value without legal access, the appraiser will note the unavailability of sufficient sales data.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the

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market value trends, and provide a rate of change, for the markets of each 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.

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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 Ravalli County):

Sale #	Acres ±	Legal Description
2063	80±	S2SW4, Section 16, T5N-R20W

<u>Area Office Contact Information:</u> Thayer Jacques, Forester Hamilton Unit 1801 N. First Street Hamilton, MT 59840 Phone: (406) 363-1585 TJacques@mt.gov	<u>DNRC REMB CONTACT</u> Seth Goodwin, Real Estate Specialist, DNRC TLMD Real Estate Management Bureau PO Box 201601 Helena, MT 59620-1601 Phone (406) 444-1445 Seth.goodwin2@mt.gov	<u>Lessees:</u> Sale 2063: Elk Park Ranch – Montana, LLC., 6479 Hwy 93 S, #485 Whitefish, MT 59937 (206) 930-6686
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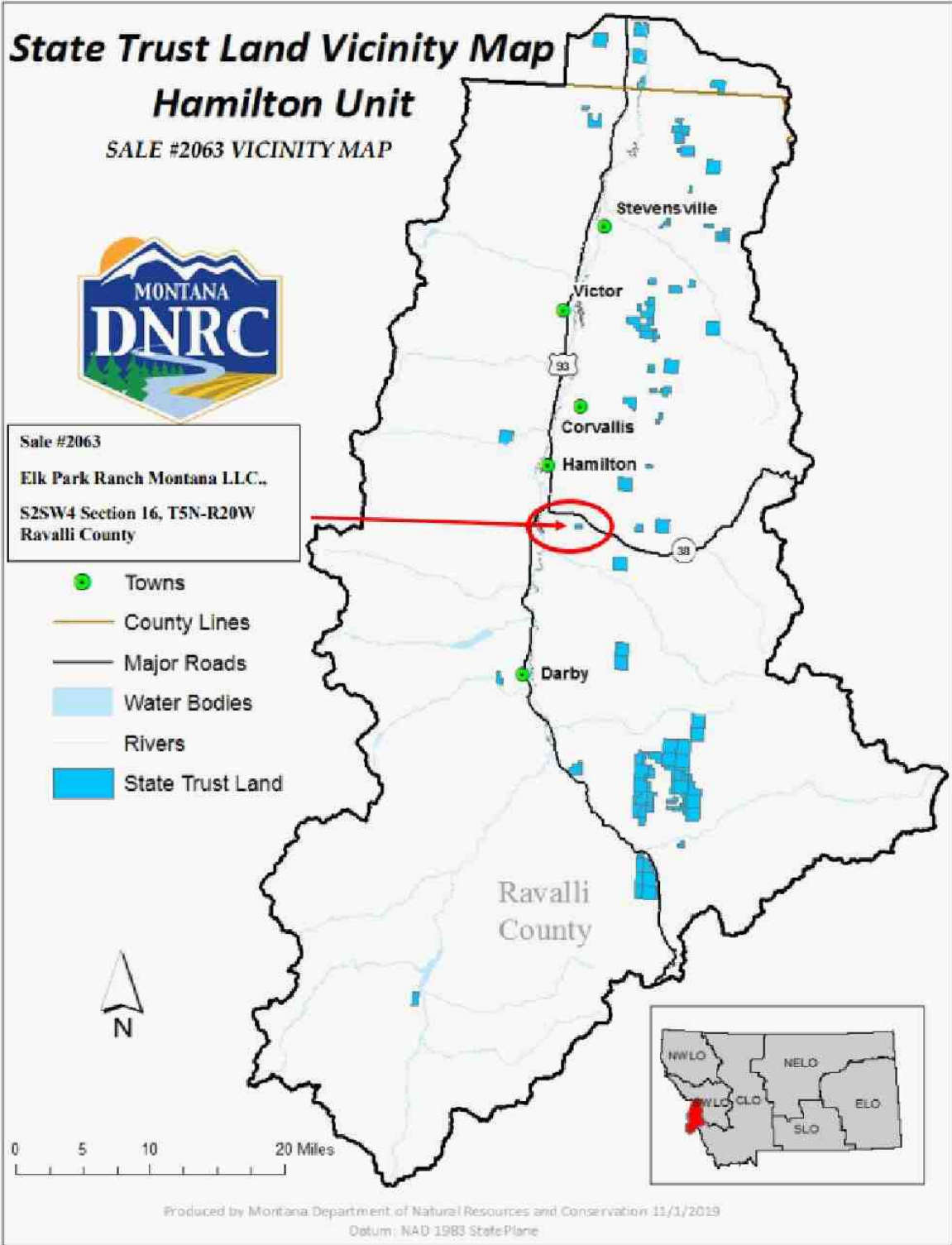
The following will be located in the body of the contract:
The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel(s). If deemed necessary by the contractor rather than including the specific market data in the appraisal 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 offices, including but not limited to aerial photos, land improvements, current lease data (lease #, name of lessee, AUMs, acres, costs, etc.), any known property issues, surveys (if any), and production history. 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.

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Location Map of Parcel



License

Lender	State of Montana (See Att.)					
Property Address	Nhn Ponderosa Dr					
City	Hamilton	County	Ravalli	State	MT	Zip Code 59840
Client	State of Montana					



State of Montana
Business Standards Division
Board of Real Estate Appraisers

REA-RAG-LIC-521

Status: **Active**
Expires: 03/31/2024

SCOTT SPEAR
PO BOX 423
HAMILTON, MT 59840

This certificate verifies licensure as:
CERTIFIED GENERAL APPRAISER





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

Resume

SCOTT SPEAR, MBA, MAI, SRA
CERTIFIED GENERAL APPRAISER #REA-RAG-LIC-521

EDUCATION

University of Montana • 1993

- B.S. - Business Administration

University of Montana • 1997

- M.B.A. - Business Administration, Finance Emphasis

EXPERIENCE

Owner/Appraiser • 1998 – Present

- Bitterroot Appraisal, LLC

Supervisor of Field Operations; Appraisal Specialist/Modeler • 1993 – 2002

- MT Department of Revenue



APPRAISAL EDUCATION

• November, 2021	McKissock	Supervisor-Trainee Course	4h
• June, 2021	McKissock	USPAP	7h
• June, 2021	McKissock	Bifurcated/Hybrid Appraisals	3h
• June, 2021	McKissock	Evaluations, Desktop, Limited Scope	4h
• June, 2021	McKissock	Owner-Occupied Commercial	7h
• June, 2021	McKissock	Industrial & Flex Buildings	7hj
• December, 2019	Appraisal Institute	USPAP	7h
• May, 2019	Appraisal Institute	Condemnation Appraisal	21h
• October, 2018	Appraisal Institute	Bus. Practices & Ethics	7h
• February, 2018	McKissock	USPAP	7h
• March, 2017	McKissock	FHA Handbook 4000.1	7h
• January, 2016	Appraisal Institute	USPAP	7h
• October, 2015	IRWA	Valuation of Partial Acquisitions	32h
• October, 2015	Appraisal Institute	Appraisal Litigation	15h
• September, 2014	Appraisal Institute	Residential Applications II	7h
• January, 2014	Appraisal Institute	USPAP	7h
• September, 2013	Appraisal Institute	Bus. Practices & Ethics	4h
• November, 2013	Hagar Institute	Mortgage Fraud	8h
• November, 2013	Hagar Institute	Appraisal Adjustments	4h
• November, 2013	Hagar Institute	Appraiser Independence	4h
• March, 2013	Appraisal Institute	Practical Regression	14h
• March, 2013	Appraisal Institute	USPAP	7h
• September, 2012	Appraisal Institute	Appraising the Appraisal	7h
• January, 2011	Appraisal Institute	USPAP	7h
• October, 2010	Appraisal Institute	Hotel Appraising	7h
• October, 2010	Appraisal Institute	Discounted Cash Flow Modeling	7h
• September, 2009	Appraisal Institute	Appraisal Curriculum Overview	15h
• Jan, 2009	Appraisal Institute	USPAP	7h
• May, 2007	Appraisal Institute	Report Writing 540	40h
• August, 2006	Appraisal Institute	Advanced Applications 550	40h
• March, 2006	Appraisal Institute	National USPAP	7h
• March, 2006	Appraisal Institute	Bus. Practices & Ethics	7h
• October, 2005	Appraisal Institute	Highest & Best Use 520	40h
• August, 2005	Appraisal Institute	Adv. Sales Comparison 530	40h
• February, 2005	Appraisal Institute	Adv. Income Capitalization 510	40h
• February, 2005	McKissock	USPAP	7h
• April, 2004	Appraisal Institute	Convenience Store Valuation	7h
• September, 2003	IAAO	Environmental Contamination	15h
• January, 2002	MDOR	Market Modeling	40h
• March, 2001	Thimgan	Advanced SPSS Modeling	26h
• November, 2000	Thimgan	Intro. SPSS Modeling	26h
• October, 2000	MDOR	Land Valuation	7h
• February, 2000	Chicopee	USPAP	15h
• February, 2000	McKissock	Regression Analysis	15h
• April, 1998	IAAO	Comm. & Industrial Modeling	40h
• March, 1998	MDOR	Cost Approach Workshop	15h
• March, 1998	MREI	Direct Capitalization	32h
• February, 1998	NAIFA	USPAP	15h
• October, 1996	IAAO	Income Approach to Value	40h
• October, 1996	MDOR	Agricultural Appraisal	40h
• January, 1996	MDOR	Adv. Market Modeling	15h
• October, 1995	MDOR	Intro. Market Modeling	15h
• July, 1995	MDOR	Cost Approach to Value	15h
• June, 1994	IAAO	Fundamental of RE Appraisal	40h

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SRA Designation



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These individuals have the necessary residential property valuation experience and knowledge to produce a valuation that ensures confidence.

SRA Designated Members of the Appraisal Institute inspire trust.

SRA Designated members agree to adhere the Appraisal Institute Code of Professional Ethics and Standards of Professional Practice, underscoring a commitment to sound and ethical professional practice.

SRA Designated Members of the Appraisal Institute provide insight.

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- Be a Certified Residential or Certified General Real Property Appraiser (or meet equivalency);
- Hold a bachelor's degree or higher (or be a Certified Residential or Certified General Real Property Appraiser);
- Meet standards and ethics requirements;
- Pass rigorous education requirements;
- Pass a final comprehensive examination;
- Receive credit for residential experience that meets strict criteria; and
- Receive credit for the demonstration of knowledge requirement.

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MAI Designated Members of the Appraisal Institute are recognized for their excellence.

The MAI designation has long been recognized by courts of law, government agencies, financial institutions, and investors as a mark of excellence in the field of real estate valuation and analysis.

Requirements for the MAI designation far exceeds those for state certification.

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- Have good moral character;
- Be a Certified General Real Property Appraiser (or meet equivalency);
- Hold a bachelor's degree or higher (or be a Certified General Real Property Appraiser);
- Meet standards and ethics requirements;
- Pass rigorous education requirements;
- Pass a final comprehensive examination;
- Receive credit for specialized experience that meets strict criteria; and
- Receive credit for the demonstration of knowledge requirement.

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