

# THE APPRAISAL GROUP, LTD.

Real Estate Appraisers and Consultants

*"A Sound Appraisal is Investment Insurance"*

State Certified General Appraisers  
Steven M. Repac  
Thomas C. Moss (1951-2003)

State Licensed Residential Trainee  
Becky Ketterling

Emily Cooper, Lands Section Supervisor  
State of Montana, MT Board of Land Commissioners, DNRC  
P.O. Box 201601  
Helena, MT 59620-1601

14 Aug 17

Re: Appraisal Report for DNRC Request: Sale 887  
T2N, R22E, Sec.04: Un-surveyed Lot in S2SW4SW4  
100 Cash Road, Molt, MT 59057

Dear Ms. Cooper:

Please find enclosed the appraisal report on the above referenced property rights. The property rights appraised are the fee simple rights of surface ownership of a state-owned tract of land currently leased by Mr. Terry Pierce. The effective date of the appraisal is 30 Jun 17 – the date of inspection. In my opinion, the total property value of the identified property rights as of the effective date of value is:

**\$195,000**

The allocation breaks out as follows:

**Value of the Raw Land: \$ 21,600**

**Value of the Improvements \$173,400**

There are Hypothetical Conditions connected with this report: the property was valued as Fee Simple Interest, and the site is valued as though it is vacant raw land, without any site improvements, utilities, or buildings (per DNRC Scope of Work for Appraisal of Potential Property Sale through the Cabin & Home Site Sale Program). The use of a Hypothetical Condition is used for the purpose of analysis, but is contrary to what is known by the appraiser to exist on the effective date of this assignment results.

This report has been prepared in compliance with prevailing standards outlined in the Uniform Standards for Professional Appraisal Practice (USPAP). This Appraisal Report is intended to comply with requirements set forth under Standards Rule 2-2(a) of USPAP.

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications. These documents comprise the appraisal in its entirety. Thank you for this appraisal opportunity. Please call with any questions or concerns.



Steven M. Repac  
MT. General Certification No. 058  
Tax I.D. No. 20-2004445

Steve Repac Home Office: 1533 Clark Avenue, Billings, MT • (406) 248-3945 • rredskin@outlook.com

**APPRAISAL OF**



**LOCATED AT:**

100 Cash Road  
Molt, MT 59057

**FOR:**

State of MT, MT Bd of Land Comm., DNRC  
700 Main Street, PO Box 250  
Helena, MT 59301-0250

**BORROWER:**

N/A

**AS OF:**

30 Jun 17

**BY:**

Steven M. Repac  
The Appraisal Group, Ltd., 1533 Clark Avenue, Billings, MT 59102

# Uniform Residential Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT	Property Address <b>100 Cash Road</b>		City <b>Molt</b>		State <b>MT</b> Zip Code <b>59057</b>	
	Borrower <b>N/A</b>		Owner of Public Record <b>DNRC School Land Trust</b>		County <b>Stillwater</b>	
	Legal Description <b>Lot in S2SW4SW4 of Sec. 4, T2N, R22E, P.M.M.</b>					
	Assessor's Parcel # <b>8050011 (Domicile) &amp; 6050001 (Imps.)</b>			Tax Year <b>2017</b>		R.E. Taxes \$ <b>463.56 + 536.64</b>
	Neighborhood Name			Map Reference <b>32-1128-04-3-01-01-2000</b>		Census Tract <b>9666.00</b>
	Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant			Special Assessments \$		<input type="checkbox"/> PUD HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)					
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>DNRC appraisal for potential purchase of state land by lessee</b>					
Lender/Client <b>State of MT, MT Bd of Land Comm., DNRC</b> Address <b>PO Box 201601, Helena, MT 59620-1601</b>						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s). <b>MLS, Cadastral (Orion) Stillwater County Treasurer's Office, Realtors</b>						

CONTRACT	I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.		
	Contract Price \$ <b>N/A</b>	Date of Contract	Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Data Source(s)		
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If Yes, report the total dollar amount and describe the items to be paid.			

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	5 %
Built-Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input checked="" type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input checked="" type="checkbox"/> Over 6 mths	35 Low	10	Multi-Family	%
Neighborhood Boundaries								1,500 High	115	Commercial	2 %
								175 Pred.	50	Other Agric	93 %
Neighborhood Description											
Market Conditions (including support for the above conclusions)											

SITE	Dimensions <b>600' x 750'</b>		Area <b>450,000 sf / 10.3 acres</b>		Shape <b>Rectangle</b>		View <b>Agricultural Vistas</b>			
	Specific Zoning Classification <b>None</b>		Zoning Description <b>N/A</b>							
	Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input checked="" type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)									
	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   If No, describe. _____									
	Utilities		Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type		Public	Private
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input checked="" type="checkbox"/> Well	Street	County - Gravel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> Propane	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> Septic & Drainfield	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone <b>D</b>		FEMA Map # <b>30095C0375d</b>		FEMA Map Date <b>16 Oct 15</b>				
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   If No, describe. _____										
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   If Yes, describe. _____										

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls		No Foundation		Floors	Carpet/Vinyl
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Hardboard		Walls	Vinyl surface
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq. ft.	Roof Surface		Asphalt		Trim/Finish	Molded
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts		Yes		Bath Floor	Vinyl
Design (Style) Manufactured	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Single-Hung Vinyl		Bath Wainscot	Fiberglass
Year Built 2005	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Metal soffit/fascia		Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 12 act / 10 eff	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens		Yes - Good		<input checked="" type="checkbox"/> Driveway	# of Cars 6+
Attic <input checked="" type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities		<input type="checkbox"/> WoodStove(s) #		Driveway Surface	Dirt/Gravel
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Propane	<input type="checkbox"/> Fireplace(s) #		<input type="checkbox"/> Fence		<input type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck		<input type="checkbox"/> Porch		<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool		<input checked="" type="checkbox"/> Other Deck		<input type="checkbox"/> Att. <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in	
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains: 8 Rooms 4 Bedrooms 2 Bath(s) 1,620 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.). An unfinished mud room (10' x 16' - 160 sf) was added to the manufactured home.							
Foundation: None; manufactured home on blocks. (Treated as Real Property per DNRC instruction.)							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). See Attached Addendum							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe. The lack of a drain field for the property's septic system is addressed as functional obsolescence per instruction from the State of Montana, Department of Natural Resources and Conservation. An adjustment for the drain field for this item is included in the Sales Comparison section under Functional Utility (URAR page 2).							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							

Uniform Residential Appraisal Report

DNRC Jun-Jul 2017  
File No. 100 Cash Rd\_Molt

There are 6 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 160,000 to \$ 339,999 .

There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 142,000 to \$ 358,500 .

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
100 Cash Road		3652 Justice Trail		3104 White Buffalo Road		36 Buckboard Road	
Address Molt 59057		Huntley 59037		Huntley 59037		Park City 59063	
Proximity to Subject		36.07 miles SE		35.99 miles SE		26.99 miles SSE	
Sale Price	\$ N/A		\$ 142,000		\$ 270,000		\$ 300,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 102.90 sq. ft.		\$ 166.26 sq. ft.		\$ 185.87 sq. ft.	
Data Source(s)	Inspection	MLS#265349 / Drive-by Inspection		MLS#265676 / Drive-by Inspection		MLS#270635 / Drive-by Inspection	
Verification Source(s)	Cadastral/Orion	Cadastral/Orion, Realtors		Cadastral/Orion, Realtors		Cadastral/Orion, Realtors	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		VA Loan		Conventional		Conventional	
Concessions		No Concessions		No Concessions		\$20k: Roof/Siding	-20,000
Date of Sale/Time		02/28/2017 (69)		5 May 17 (126)		06/12/2017 (84)	
Location	Rural	Rural/Rurban	-28,000	Rural/Rurban	-70,950	Rural/Rurban	-56,250
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10.30 acres	7.98 acres	-8,400	10.44 acres	-11,900	10.00 acres	-53,400
View	Rural	Rural/Rurban		Rural/Rurban		Rural/Rurban	
Design (Style)	Manufactured	Manufactured		Modular - As Below		Modular - As Below	
Quality of Construction	Average-Manftd.	Fair-Avg.-Manftd	4,500	Good-Modular	-17,500	Good-Modular	-17,500
Actual Age	12 Act / 10 Eff	32 Act / 20 Eff	2,500	6 Act / 3 Eff	-1,750	19 Act / 10 Eff	
Condition	Average-Good	Fair-Average	2,200	Good	-3,000	Good	-3,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	9 4 2	7 3 2	1,000	8 3 2	1,000	8 3 2	1,000
Gross Living Area	1,620 sq. ft.		3,600	1,624 sq. ft.		1,614 sq. ft.	
Basement & Finished	No Foundation	Crawl Space	-500	Crawl Space	-500	Crawl space	-500
Rooms Below Grade	None	None		None		None	
Functional Utility	Septic-no Drn Fld	Septic/Dr. Field	-6,000	Septic/Drn Field	-6,000	Septic/Drn Field	-6,000
Heating/Cooling	GFA, C/Air	GFA, C/Air		GFA C/Air		GFA, C/Air	
Energy Efficient Items	2" x 6" walls	2" x 6" walls		2" x 6" walls		2" x 6" walls	
Garage/Carport	2/Detached (Older)	None (Shop Below)		1 Detached	-5,000	None/Shop below	
Porch/Patio/Deck	Deck -Back Door	Front Patio-Equal		Decks-Fr/Bk 10x15'	-500	Deck (3 sided)	-5,000
EXTERIOR:	Shop/Garage, Pole	Shop: 6-car, septic,		2 Horse Shelt/pens		Fence, Irrig, Septic,	
	Barn, 3-sided shltr	Cistern w/ tank &		3 side barn, riding		Shop/Barn/RV stor,	
Net Exterior Adj:	Show barn, well	trailer, partial fence	44,250	arena, septic	46,750	Corrals-metal pipe	40,250
Net Adjustment (Total)		[X] + [ ] -	\$ 15,150	[ ] + [X] -	\$ 69,350	[ ] + [X] -	\$ 120,400
Adjusted Sale Price of Comparables		Net Adj. 10.7%		Net Adj. -25.7%		Net Adj. -40.1%	
		Gross Adj. 71.1%	\$ 157,150	Gross Adj. 61.1%	\$ 200,650	Gross Adj. 67.6%	\$ 179,600

I [X] did [ ] did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research [ ] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research [ ] did [X] did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Billings MLS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	NONE	NONE	NONE	NONE
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales The subject property has no record of prior sales. Comparable Property Number 4 had a prior sale on 8/21/2015 for \$299,000. The subsequent sale on 5/4/2017 reflects an increase in sales price of 6% over approximately 21 months.

Summary of Sales Comparison Approach. See Attached Addendum

Indicated Value by Sales Comparison Approach \$ 195,000

Indicated Value by: Sales Comparison Approach \$195,000 Cost Approach (if developed) \$ 21,600 Income Approach (if developed) \$ 0

COST APPROACH: LAND ONLY - Developed for the site as though vacant and unimproved as per DNRC Scope of Work Instructions.

The raw land value using the cost approach represents approximately 11.1% of the overall property value of \$195,000, derived from the sales comparison approach.

This appraisal is made [X] "as is," [ ] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [ ] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [ ] subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 195,000 as of 30 Jun 17 , which is the date of inspection and the effective date of this appraisal.

Freddie Mac Form 70 March 2005

Produced using ACI software, 800.234.8727 www.aciweb.com  
Page 2 of 6

Fannie Mae Form 1004 March 2005  
1004\_05 090909

The Appraisal Group

# Uniform Residential Appraisal Report

[illegible]

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) See Addendum Entitled: Tract Sales Analysis

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE VACANT RAW LAND..... = \$ 21,600		
Source of cost data	Dwelling	1,620 Sq. Ft. @ \$	..... = \$ 0
Quality rating from cost service	Effective date of cost data	Sq. Ft. @ \$	..... = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
Per the DNRC Scope of Work, the appraisal for each site must include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements. Per these instructions, a value of \$21,600 for the site value was derived from an analysis of comparable land sales in the market area.			
Garage/Carport		Sq. Ft. @ \$	..... = \$
Total Estimate of Cost-New			..... = \$ 0
Less 50 Physical	Functional	External	= \$ ( 0)
Depreciation			= \$ ( 0)
Depreciated Cost of Improvements			..... = \$ 0
"As-is" Value of Site Improvements			..... = \$
Estimated Remaining Economic Life (HUD and VA only)		Years	
INDICATED VALUE BY COST APPROACH			..... = \$ 21,600

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) Small acreage is not typically owned for rental income purposes. The income approach was not applied to the subject property.

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

# Uniform Residential Appraisal Report

**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 complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
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. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
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 the 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 not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. 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.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. 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.
13. 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.
14. 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, needed repairs, deterioration, 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.
15. 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.
16. 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.
17. 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.
18. 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).
19. 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.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Uniform Residential Appraisal Report

File No. 100 Cash Rd\_Molt

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/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.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. 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.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

In regard to # 19 Above: See 'Supervisory Appraiser's Certification' section below Labeled '#19' for 'Significant Real Property Appraisal Assistance' by Becky Ketterling, MT Appraisal Trainee REA-RET-LIC-9169.

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

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies with 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.
- 5. 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.

# 19 Above, Becky Ketterling, MT Appraisal Trainee REA-RET-LIC-9169, provided significant real property appraisal assistance to the person signing this certification. Significant appraisal assistance includes site, building and neighborhood inspections and descriptions, research of comparable sales and market analysis, reconciliation and report writing.

APPRAISER

Signature [Signature]  
Name Steven M. Repac  
Company Name The Appraisal Group, Ltd.  
Company Address 1533 Clark Avenue, Billings, MT 59102  
  
Telephone Number 406-248-3945  
Email Address rlredskin@outlook.com  
Date of Signature and Report 14 Aug 17  
Effective Date of Appraisal 30 Jun 17  
State Certification # REA-RAG-LIC-58  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State MT  
Expiration Date of Certification or License 31 MAR 18

ADDRESS OF PROPERTY APPRAISED  
100 Cash Road  
Molt, MT 59057

APPRAISED VALUE OF SUBJECT PROPERTY \$ 195,000

LENDER/CLIENT  
Name Emily Cooper, Lands Section Supervisor, DNRC  
Company Name State of MT, MT Bd of Land Comm., DNRC  
Company Address DNRC, PO Box 201601  
Helena, MT 59620-1601  
Email Address \_\_\_\_\_

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 \_\_\_\_\_

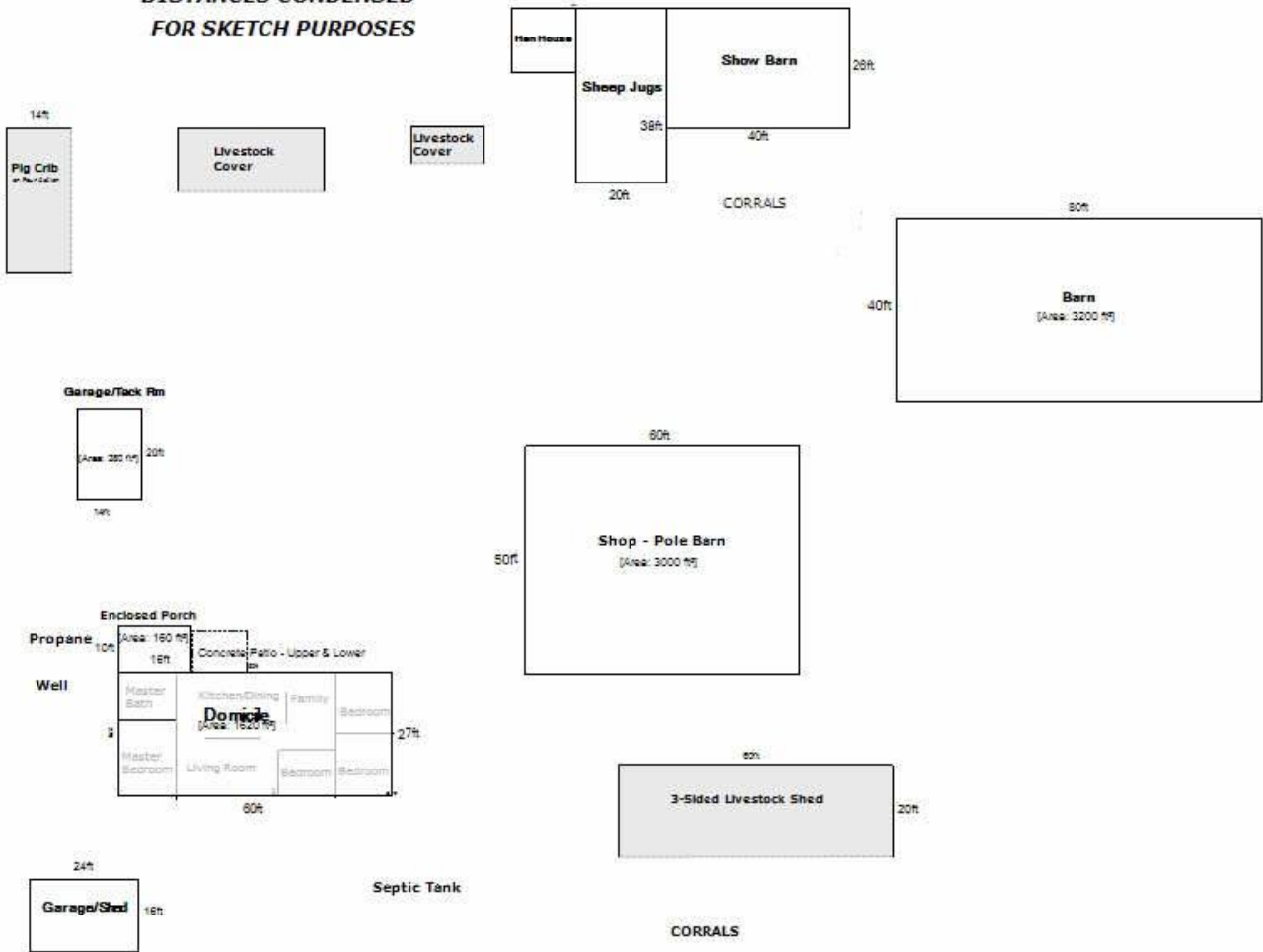


FLOORPLAN SKETCH

Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT
Lender: State of MT, MT Bd of Land Comm., DNRC	Zip: 59057

Sketch

DISTANCES CONDENSED  
FOR SKETCH PURPOSES



36 ft

Living Area	Area Calculation
Domicile	1620 ft² Domicile x 1.00 = 1620 ft²
Nonliving Area	60ft x 27ft x 1.00 = 1620 ft²
Mud Room	160.00 ft²
Concrete Patio - Upper & Lower	110.16 ft²
Shop	3000 ft²
Barn	3200 ft²
Show Barn	1040 ft²
Sheep Jugs	760 ft²
Hen House	196.00 ft²
Garage/Tack Rm	280 ft²
Garage/Shed	384 ft²
Total Living Area (rounded):	1620 ft²

## DIMENSION LIST ADDENDUM

Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT Zip: 59057
Lender: State of MT, MT Bd of Land Comm., DNRC	

GROSS BUILDING AREA (GBA)			1,620
GROSS LIVING AREA (GLA)			1,620
Area(s)	Area	% of GLA	% of GBA
Living	1,620		100.00
Level 1	0	0.00	0.00
Level 2	0	0.00	0.00
Level 3	0	0.00	0.00
Other	1,620	100.00	100.00
	GBA		
Basement	<input type="checkbox"/>		
Garage	<input type="checkbox"/>		
Other	<input type="checkbox"/>	9,130	

Area Measurements						Area Type					
Measurements		Factor		Total		Level 1	Level 2	Level 3	Other	Bsmt.	Garage
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SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A		File No.: 100 Cash Rd_Molt	
Property Address: 100 Cash Road		Case No.: DNRC_Jun-Jul_2017	
City: Molt		State: MT	Zip: 59057
Lender: State of MT, MT Bd of Land Comm., DNRC			



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: 30 JUN 17  
Appraised Value: \$ 195,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT
Lender: State of MT, MT Bd of Land Comm., DNRC	Zip: 59057



Shop Building - View from SW



Shop Building Interior



Farm Feedlot - Looking West  
Feedbunks and apron showing to right



Barn - West Entrance



Barn - Interior: Insulated, heated



Barn, House Corrals - Rear view



Auto-Waterer on Concrete Pad (4 total)



Show Barn (far right) Sheep Jugs and  
Hen House (North side of property)



Show Barn - Interior



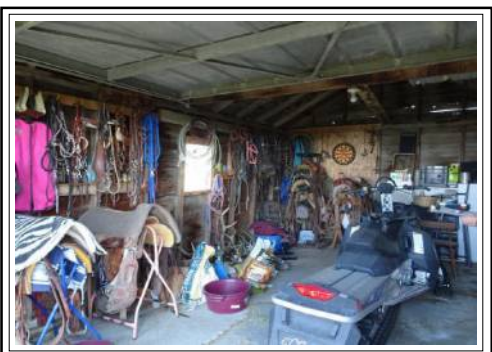
Sheep Jugs - Interior



View to the South: Corrals and Outbuildings



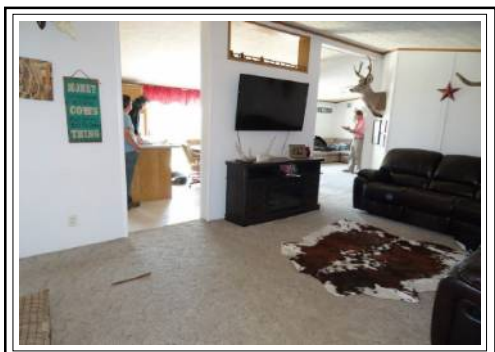
Garages/Tack Room



Garage/Tack Room - Interior



Domicile - Kitchen/Dining



Domicile - Living Room with view to Kitchen  
and Great Room



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A		File No.: 100 Cash Rd_Molt	
Property Address: 100 Cash Road		Case No.: DNRC_Jun-Jul_2017	
City: Molt		State: MT	Zip: 59057
Lender: State of MT, MT Bd of Land Comm., DNRC			



COMPARABLE SALE #1

3652 Justice Trail  
Huntley 59037  
Sale Date: 02/28/2017 (69)  
Sale Price: \$ 142,000



COMPARABLE SALE #2

3104 White Buffalo Road  
Huntley 59037  
Sale Date: 5 May 17 (126)  
Sale Price: \$ 270,000



COMPARABLE SALE #3

36 Buckboard Road  
Park City 59063  
Sale Date: 06/12/2017 (84)  
Sale Price: \$ 300,000

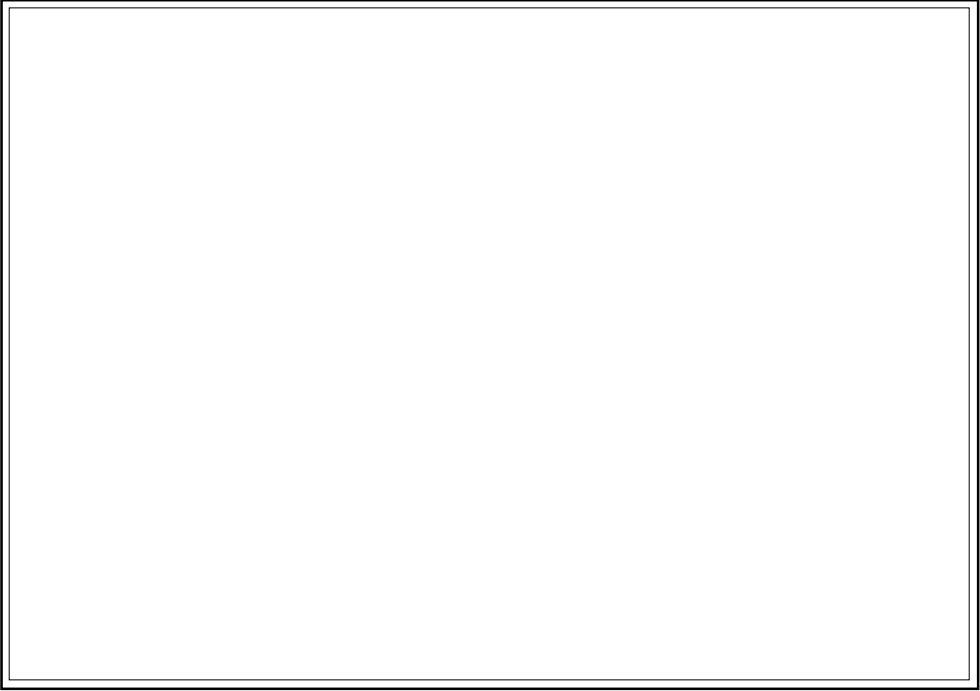
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT Zip: 59057
Lender: State of MT, MT Bd of Land Comm., DNRC	



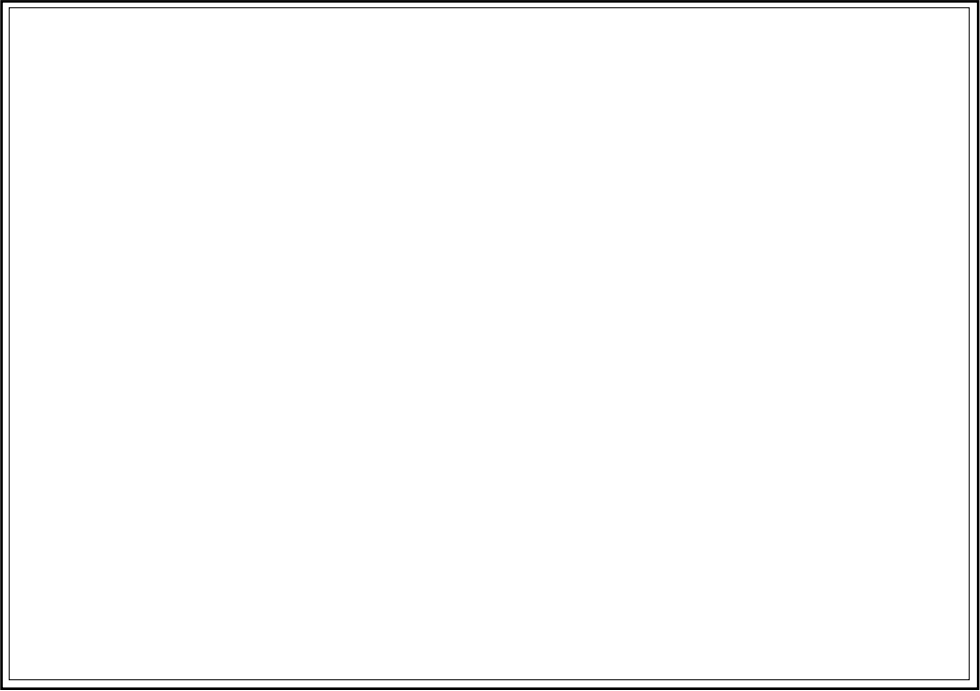
COMPARABLE SALE #4

9705 McCranie Street  
Shepherd, 59079  
Sale Date: 4 May 17 (66)  
Sale Price: \$ 316,000



COMPARABLE SALE #5

Sale Date:  
Sale Price: \$



COMPARABLE SALE #6

Sale Date:  
Sale Price: \$

Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT
Lender: State of MT, MT Bd of Land Comm., DNRC	Zip: 59057



Comparable Sale 1  
3652 Justice Trail, Huntley

Outbuilding



Comparable Sale 2  
3104 White Buffalo, Huntley

Outbuildings and Fencing



Comparable Sale 3  
36 Buckboard Road, Park City

Outbuildings and Fencing



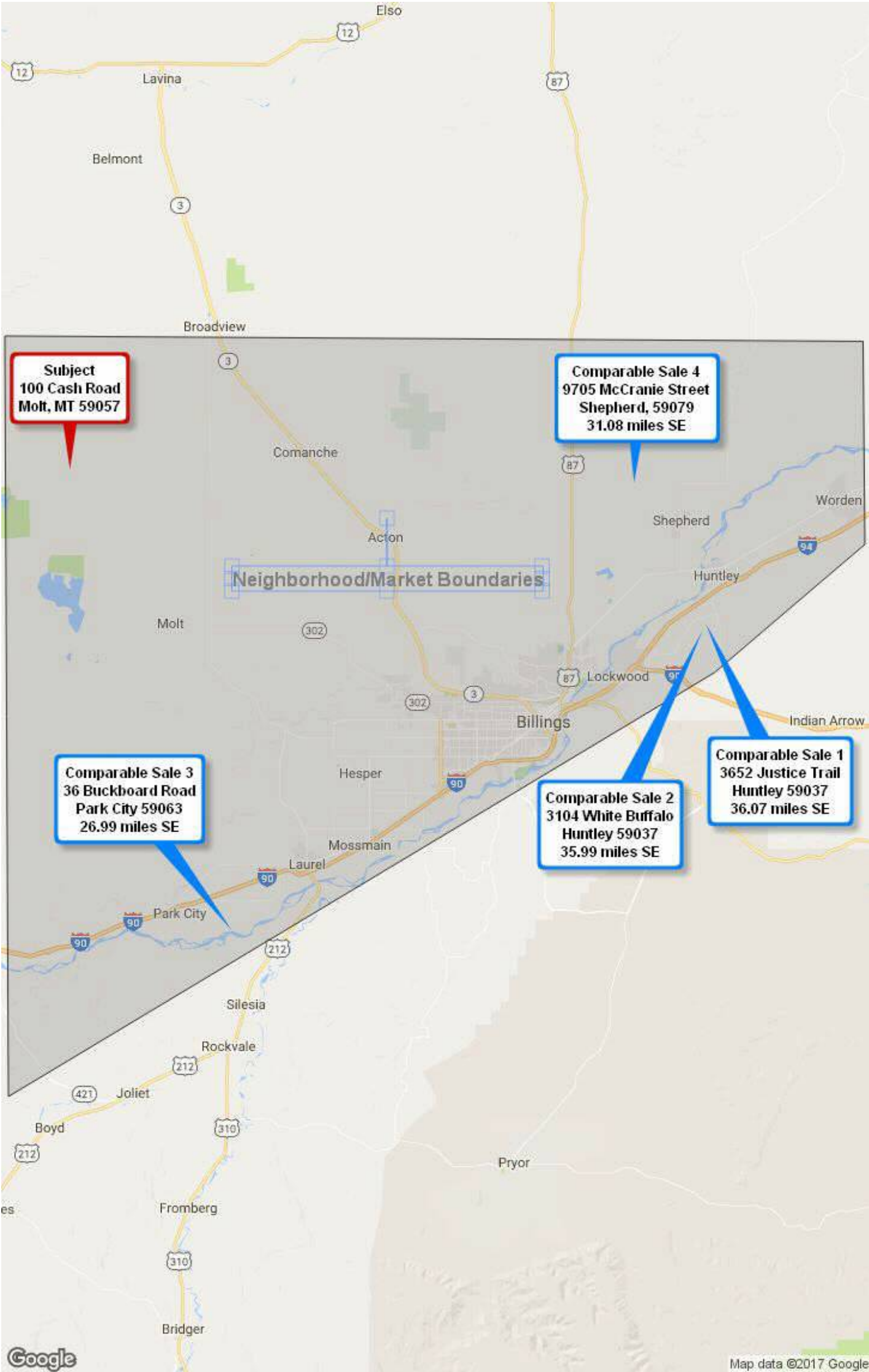
Comparable Sale 4  
9706 McCranie Street, Shepherd

Outbuildings and Fencing



LOCATION MAP

Borrower: N/A	File No.: 100 Cash Rd_Molt
Property Address: 100 Cash Road	Case No.: DNRC_Jun-Jul_2017
City: Molt	State: MT
Lender: State of MT, MT Bd of Land Comm., DNRC	Zip: 59057





**APPRAISAL ADDENDUM**  
***Cabin and Home Site Sale Program***

**Sale No. 887**  
**100 Cash Road, Molt, MT 59057**  
**Pierce, Terry – Lessee**

**Intended User(s)**

This appraisal report was ordered by the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners, Terry Pierce (lessee), and their assigns. The appraisal has been prepared in compliance with the requirements of the client and "Uniform Standards of Professional Appraisal Practices" (2016-2017 Edition).

**Purpose of Appraisal and Definition of Value**

The stated purpose 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.

Fair Market Value is defined as: (MCA 70-30-313)

Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

**Scope of Work Used to Develop the Appraisal**

The scope of this appraisal, specifically, the extent of the process of collecting, confirming, and reporting data, is presented as a means of conveying the methodology employed in assembling data. The scope of this appraisal included a detailed inspection of the subject site and the subject improvements and a review and analysis of neighborhood development trends. The subject property is analyzed using all appropriate, accepted valuation techniques and the appraisal process includes the assemblage, verification and analysis of all appropriate market data; and finally, reconciliation of the property's value.

In this particular appraisal, several sources are utilized for both general and detailed information pertaining to the subject property, the comparable sales and the area real estate market. Data sources include, but are not limited to, office files, market participants including brokers, agents, title companies, the Billings MLS Service, Yellowstone and Stillwater County Clerk and Records Office, the Yellowstone Stillwater County Assessor's Office, and information from various tradesmen/contractors. This written appraisal document was completed on 10 Aug 17.

**Personal Property / Fixtures / Intangible Items**

No items of personal property are included in the value estimates provided herein. For the purposes of this analysis, appliances are considered to be fixtures which have been attached or installed in such a manner as to become part of the real property. Inclusion of appliances is considered typical in most residential sales transactions, and the contributory value of these fixtures is reflected in each of the valuation approaches contained in this appraisal. No intangible items are included in the value estimates.

**Assumptions and Limiting Conditions**

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated.

2. The property is appraised as if free and clear of any and all liens or encumbrances unless otherwise stated. No title report was provided to the appraiser.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering and architectural data is assumed to be correct. The plot plans, building plans, and all other illustrative material in this report are included only to assist the reader in visualizing the material.
6. It is assumed that there are no hidden or unapparent conditions of the subsoil that render it less valuable. However, no responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated herein is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any legal use on which the value estimate contained herein is based.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. This appraisal report has been made with the following ***extraordinary assumptions***:
  - It is assumed that the land tract is already surveyed at 10.3 (+/-) acres.
13. This appraisal report has been made with the following ***hypothetical conditions***:
  - The property is valued in the Fee Simple Interest, and the site is valued as though it is vacant raw land, without any site improvements, utilities, or buildings (per DNRC Scope of Work for Appraisal of Potential Property Sale through the Cabin & Home Site Sale Program). The land and the improvements are in fee simple ownership, with one owner. The use of a Hypothetical Condition is used for the purpose of analysis, but is contrary to what is known by the appraiser to exist on the effective date of this assignment results.

This appraisal report has been made with the following general limitations:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, sales, or other media without the prior written consent and approval of the appraiser.

### **Neighborhood Boundaries**

A neighborhood can be defined as a group of complementary land uses. Due to the rural/remote location of the subject property and its market area, neighborhood boundaries had to be expanded to a much wider market area than is typically used for rural properties in close proximity to developed communities. The subject's neighborhood and market area is predominantly characterized by an agricultural base. The subject of this appraisal is defined as a small acreage. The expansion to a much larger market area - as the subject property's 'neighborhood' - was necessary for this appraisal due to almost non-existent sales of smaller tracts of land in this agricultural district. For these reasons, the neighborhood and market area was expanded to include the neighboring counties of: Yellowstone (to the east), Musselshell (to the northeast), Sweetgrass (to the west), and Carbon (to the south). Portions of these counties have a similar rural/agricultural base, with smaller towns, and smaller school districts. Comparable properties were identified in the Huntley/Shepherd areas of Yellowstone County, and near Park City in a southerly area of Stillwater County. Both areas have close proximity to Billings and the amenities it offers, while retaining small town environments and smaller school districts. (Refer to the "Location Map" in this appraisal for the depiction of the subject neighborhood and its boundaries.)

### **Neighborhood Description**

Molt is a rural area that is predominantly characterized by large agricultural tracts of small-grain crop land as well as rangeland and livestock pasture. It is located in Stillwater County, approximately 25 miles (40 minutes) northwest from Montana's largest city, Billings. Molt has a pre-K through eighth grade school which serves under 10 students, who then attend a nearby high school in the small, rural town of Rapelje.

### **Neighborhood Market Conditions**

From a broad market perspective, demand for land in certain sectors of Stillwater County is strong, with properties exhibiting selling periods under three months over the past six years if they are located in areas of high demand. The subject's market can best be described as an agricultural district (as noted above) that exhibits generally stable property values. Influences on the subject property's value include those shared within an expanded area (primarily Shepherd, Huntley and Park City) with similar influences on the property's value. The market area examined for this appraisal report includes rural property within one hour, or 50 miles, of Billings which is Montana's largest city. Strong industry (refineries, health care, etc.) and a low unemployment rate (3.9%) in Billings makes commuting to work from surrounding areas a popular option and offers the opportunity for supplemental income/employment for agricultural property owners. Oftentimes, communities outside Billings provide smaller school systems (often a priority to families) as well as larger tracts of land with flexible land use (few to no restrictions or covenants) and a more tranquil 'country' setting. Smaller acreage properties (e.g. five to 15 acres) are in high demand and low supply if located near thriving communities (per Realtor interviews and sales data analysis) making comparable properties and recent sales difficult to find in areas like the subject's, which are located some distance from communities, situated on

graveled roads (with inconstant county maintenance), and located in areas that lack good sources of domestic potable water. There are no trends noted in the subject's immediate neighborhood that indicate a growth of small tract sales. Indeed, low sales volumes and sample sizes make it difficult to analyze market conditions and extrapolate market movement over time.

### **Characterization and Condition of the Property**

*OVERALL UTILITY OF OUTBUILDINGS* – This 10.3 acre tract has historically been utilized as the operational base for additional state-leased and privately-owned land adjacent to it. This land is used for agriculture and livestock husbandry, which is typical for the area surrounding Molt; historically this “base” has had good utility for the broader livestock operation of the lessee. One would expect most of the outbuildings/improvements on this stand-alone 10.3 acre tract to have reduced utility if not somehow “connected” to a larger agricultural operation.

*DOMICILE* - Average to Good Condition: The subject property includes a well-maintained 2003 manufactured-home that is reportedly stationed on a temporary block foundation. The house has an attached 10'x16' mud room (partially finished with plywood floor) leading to a 9'x10' concrete upper patio with steps down to a larger concrete patio. The domicile exhibits average construction, but does have 2" x 6" walls. The domicile has four bedrooms, two baths, vaulted ceilings, fiberglass tub surrounds and a master suite including a four-piece bath with jetted tub and skylight. The home has a septic system (but no drainfield), high quality well water, and gutters with positive drainage. Landscaping is minimal but mature and attractive, with many bushes and several shade trees.

*OUTBUILDINGS* - Pole Barns, Good Condition:

- 1) Barn (40'x80' pole barn) in good condition with foam insulation, electricity and water, suspended gas overhead heat, wooden trusses, and 14' wall height;
- 2) Shop (50'x60' pole barn) in good condition with a concrete floor, steel engineered trusses, electricity, a motorized 14' high, 22' wide overhead door, four halide lamps, skirted on the interior perimeter with 8' particle-board, and 16' sidewalls.

*OUTBUILDINGS* - Other, Average-Fair Condition:

- 1) Livestock shed (18'x60') open-faced in corrals;
- 2) Garage/Tack Room (14'x20') with concrete floors and electricity, uninsulated;
- 3) Sheep crib (8'x16') on skids;
- 4) Pig crib (14'x32') on foundation;
- 5) Show barn (26'x40') with 6.5' sidewalls, concrete floor, electricity, water and windows;
- 6) Sheep jugs (20'x38') attached to show barn, with 6' sidewalls and a slider door;
- 7) Hen house (14'x14') attached to sheep jugs, dated;
- 8) Butler® metal grain bin, capacity reportedly 800 bushels;
- 9) Older detached 24' x 16' garage/storage with concrete floor and electricity; poor condition.

*OTHER* – Average to Above-Avg. Condition:

- 1) Quality built metal corrals and gates connect the livestock outbuildings. The pens and corrals total approximately 3.0 acres with 30 gates that range from 12' to 16' in width; yard lights and electricity.
- 2) Corrals on southwest side feature 114' feet of concrete feed bunk, with an 8' concrete apron, a 6" pipe top rail, and 8" pipe posts.
- 3) Five above-ground fuel tanks, three owned propane gas tanks.
- 4) Four Ritchie® Model 300 auto waterers on concrete pads.

### **Highest and Best Use**

The highest and best use analysis is a progressive process whereby the determined highest and best use is found to meet each of the following four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Based on a review of neighborhood development and market demand, the use of the subject as of the date of value is as a single-family residence with ancillary buildings to enhance a hobby-farm/ranch use.

### **Three Approaches to Value**

There are three generally recognized approaches to estimating the value of real estate - the Cost Approach, the Sales Comparison Approach, and the Income Approach. This analysis utilizes the Sales Comparison Approach only. The Cost Approach is not employed since land sales in this area are few and

depreciation is hard to quantify on older homes and outbuildings. The Income Approach is not utilized because, typically, smaller rural properties are not sold on the basis of their rental earnings potential. The omission of the Cost and Income Approaches does not diminish the credibility of this report.

**Determination of Raw Land Value**

Only one sale of a “stand-alone” tract that may have been surveyed off at some point was noted in the general marketplace in the subject’s size range – that was east of Edgar in Carbon County and it was adjacent the Crow Indian Reservation. As previously alluded to, demand fuels subdivision activity, and small land tracts situated in out-of-the-way locations with heavily-weighted agricultural economy-drivers are almost non-existent. The following land tract sales are considered the most meaningful for this analysis and report:

<i>Land Tract Sales</i>				<i>Relation to Subject Land Tract</i>		
Address / ID	Size (ac.)	Sq.Ft.	TA/\$Acre	Superior	Equal	Inferior
Highway 87, Roundup	10.450	455,202	726			xxxxx
Divide Road, Columbus	10.800	470,448	1,522		xxxxx	
Lot 22, Two Paw, Columbus	10.000	435,600	1,800		xxxxx	xxxxx
Divide Road, Columbus	11.680	508,781	1,741		xxxxx	
25 Countryman Drive, Columbus	10.000	435,600	2,350	xxxxx		
Sheller Road, Edgar	13.040	568,022	2,192	xxxxx		

The three land tract sales near Columbus were situated in platted subdivisions only a few miles from the town of Columbus (Divide Road and Two Paw Road are situated in Columbus Heights Tracts a rural subdivision situated three miles NW of Columbus and just north of the I-90 interstate highway. The Countryman Drive land tract is situated west of the Yellowstone River in the Countryman Creek Ranch subdivision approximately 5.25 miles west of Columbus). These tracts are all considered to be “equal” to the subject to some degree – even though their proximity to Columbus (employment center, shopping, connectivity, etc.), is closer. The access to these tracts north of the interstate is circuitous and the topography of the tracts can be variable. Due to the remote access for the Two Paw tract, this sale was considered at best “equal” to the subject land tract. The tract along Highway 87 to Roundup was a burned acreage, required an easement through another tract adjacent to the north for access, has a long and narrow configuration, and lacked power or water. This sale was considered “inferior” to the subject tract. Lastly, the sale on Sheller Road east of Edgar has some recreational overtones because of its rather scenic location in the foothills just north of the West Pryor Mountain range.

All told, large ag tracts in the subject neighborhood sell for an average of \$600 - \$700 per acre for dry crop land – the most productive of the land classes. The subject land tract should sell for more than this, because it is smaller in size. The other “inferior-rated” sale is the Highway 87 tract. The subject tract range should therefore be between \$726 and \$2,350 per acre. After consideration for all factors, it is concluded that the subject tract should be valued at \$2,100/acre, or **\$21,600** (rounded – 10.3 acres x \$2,100/acre = \$21,630).

**SALES COMPARISON APPROACH**

**Adjustment Process - Sales Comparison Approach**

To the greatest extent possible, all adjustments are made to reflect market-recognized differences. A convenient and commonly-used method to organize data is by arranging the data on a market data grid. Each important difference between the comparable properties and the subject property that could affect property value is considered an element of comparison. Each element is assigned a row on the grid, and total property prices or unit prices of the comparables are adjusted to reflect the value of these differences. The process is a way for appraisers to model typical buyer actions and to analyze sales data to quantify the impact of certain characteristics on value.

**Determination of Location Discount for Comparable Sales**

After a diligent search, it was determined that comparably improved sales were not available for this analysis within the immediate neighborhood of the subject property. The appraisers had to instead rely on sales in “superior” locations to apply the Sales Comparison Approach for overall value (including improvements). A ratio of land sales prices (in the area of the comparable sales) to the subject land value concluded in this report demonstrates a clear disparity: predominant 10-acre land sales in the

Shepherd/Worden area sell for \$30K-\$60K, or \$45K on average per tract. In contrast, the subject’s land value was concluded to be \$21,600. This represents a price diminution of 28% to 64%; or an average of a 46% diminution in value due to the effects of external (locational) obsolescence due to economic factors. It is reasonable then, to assume that the improvements on properties in the subject’s immediate neighborhood also share in this price diminution. Even though the subject’s immediate area is classified as an agricultural district – a 10.3 acre tract simply doesn’t allow for a larger agricultural operation (e.g., custom feeding) and it is far enough from population centers that it wouldn’t necessarily “fit” with an equine operation. However, rural properties commonly contain outbuildings for the purpose of animal husbandry – and it would not be prudent to assume that they depreciate exactly like the differences in land values. Accordingly, this report will assume that some external obsolescence also results in a loss of the value contribution of the improvements, but each sale was analyzed to determine the correct proportion of external obsolescence attributable to the improvements; after study I conclude that a range from 25% – 35% should represent the amount of diminution attributable to each sale – depending on overall percentage of improvement value as a proportion of each sales’ total value. In the end I gave a greater diminution in value to those sales that contained a greater proportion of value to their improvements.

The mechanics of each sales’ adjustment is illustrated below: The colored fields indicate the diminution percentage in the contributory value of the improvements.

	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price	142,000	270,000	300,000	316,000
Land Value	30,000	33,500	75,000	55,000
% Land Value	21.1%	12.4%	25.0%	17.4%
Bldg. Value	78.9%	87.6%	75.0%	82.6%
% Bldg. Value	112,000	236,500	225,000	261,000
Improvement				
Depreciation @				
25%	28,000	59,125	56,250	65,250
30%	33,600	70,950	67,500	78,300

**Sale No. 1 – 3652 Justice Trail, Huntley, MT**

This sale is located approximately 1.75 miles south of the Pryor Creek I-94 interchange and situated roughly a mile west of Pryor Creek on a private subdivision road. The home is located on an irregularly shaped tract of land composed of 7.98 acres. The value of this land tract was determined to be approximately \$30,000, or \$3,759/acre. The sale occurred on 28 Feb 17; no market time adjustment was considered necessary. Upward adjustments were taken for inferior quality of construction, effective age, condition, bedroom/bath count, size above grade, and porch/patio, barn/outbuilding and landscaping value. A significant downward adjustment was taken for superior location and building external obsolescence (@ 25%); other downward adjustments were taken for superior land value, a foundation, and no septic (curable functional obsolescence). The adjusted indication of value is \$157,150.

**Sale No. 2 – 3104 White Buffalo Road, Huntley, MT**

This sale is located approximately 2.00 miles south of the Pryor Creek I-94 interchange and situated roughly a mile west of Pryor Creek on a private subdivision road. The home is located on an irregularly shaped tract of land composed of 10.44 acres. The value of this land tract was determined to be approximately \$33,500, or \$3,209/acre. The sale occurred on 05 May 17; no market time adjustment was considered necessary. Upward adjustments were taken for inferior bedroom count, and porch/patio, barn/outbuilding and landscaping value. Significant downward adjustments were taken for superior location and building external obsolescence (@ 30%); other downward adjustments were taken for superior land value, quality of construction, effective age, condition, a foundation, no septic (curable functional obsolescence), garage facilities, and larger deck. The adjusted indication of value is \$200,650.

**Sale No. 3 – 36 Buckboard Road, Park City, MT**

This sale is located approximately 2.75 miles southeast of the community of Park City, and just north of the Yellowstone River along a private recreational subdivision road. The property is a somewhat irregularly shaped tract of land composed of 9.842 acres. The value of this land tract was determined to be approximately \$75,000, or \$7,620/acre. The sale occurred on 12 Jun 17; no market time adjustment was considered necessary. The only upward adjustments were for inferior bedroom count, and

ADDENDUM: ADJUSTMENTS			DNRC SALE 887				100 CASH ROAD, MOLT 59057			
		Notes	Comp Sale 1	Notes	Comp Sale 2	Notes	Comp Sale 3	Notes	Comp Sale 4	Notes
SHOP - Pole Barn(1)	22000	50'x60' +	14000	4-sd 30'x40' elec. open.	7000	3-sd pole bn 40x60' elec	10000	4-sided 40'x48'	9000	6-car Gar Conc, Unf.,Htd,36x60'
BARN - Pole Barn(2)	17000	40'x80' +	0	None	2000	2 horse shltr 12x26' elec	0	None	2000	3 sided pole bn, 19x40'
Show Barn(3)	5000	26'x40' +	0	None	0	None	0	None	2500	Cov. Hay Stor, 0 walls, 24x41'
Sheep Jugs	1000	20'x38'	0	None	0	None	0	None	3000	Pole Bn encl., conc. 19x20'
Garage(4)	750	16'x24' +	0	None	0	Gar/Shed, wd flr, 16x24'	0	None	1500	1, 3-sided loaf shed, 12x24'
Garage/Tack Room	500	14'x20'	0	None	500	2 smaller sheds	1000	Loafing Shed		
Irrigation Water	0	No	0	No	0	No	0	YES	0	Yes
Well	5000	Yes	1000	Cistern	1000	Cistern	5000	Yes	1000	Cistern
Grain Bin	400	Appx. 800 bshl Butler	0	None	0	None	0	None	0	None
Metal Pipe Corrals	8000	Metal Pipe	2000	Part. Fence	4000	Riding Arena - Metal Pipe	4000	Riding Arena - Metal Pipe	4000	Wood Fence for Horses
Auto-Waterers	1600	4,\$400 ea, conc pad	0	None	0	None	0	None	0	None
Landscaping	1500	Mature Trees+Yard	1500	Mature Trees+Yard	1500	Mature Trees +Yard	1500	Mature Trees +Yard	1000	Mature Trees + Yard
Fenced Yard	0	None	0	None	0	None	1000	Yes	0	None
<b>Total Exterior Feature Value:</b>	<b>62750</b>		<b>18500</b>		<b>16000</b>		<b>22500</b>		<b>24000</b>	
<b>#DIFFERENCE REQUIRING ADJUSTMENT:</b>			<b>44250</b>	<b>+</b>	<b>46750</b>	<b>+</b>	<b>40250</b>	<b>+</b>	<b>38750</b>	<b>+</b>
( #Exterior Feature Value: Subject property vs. Comparable Sales)										

### **Reconciliation to Final Overall Property Value**

The range of value from the Sales Comparison Approach is from \$157,150 to \$218,100 – the mean is \$188,875 and the median is \$190,125. A further examination should aid in refining the value range; an analysis of value per square foot of improvements minus land value was considered helpful in selecting the final value:

Sale 1: \$81.16 per square foot of house area

Sale 2: \$145.63 per square foot of house area – *more representative of outbuilding quantity/quality*

Sale 3: \$139.41 per square foot of house area

Sale 4: \$181.25 per square foot of house area – *more representative of outbuilding quantity/quality*

Sales 2 and 4 were noted for being more representative of the subject's quantity and quality of outbuildings – although none had the utility of the subject in many respects. However, for a 10.3 acre tract of land, the subject's improvements should be represented as an average between these two indications of value, at say \$163.50 per sf of house area. Because the subject is located in an "inferior" area, these indicators must take a discount – as was taken before – between -25% to -30%. This results in a discounted range from \$114.45 to \$122.63 per sf of house area.

$\$114.45 \times 1,620 \text{ sf (subject house area)} = \$185,409$

$\$122.65 \times 1,620 \text{ sf (subject house area)} = \$198,661$

The range of value is further refined to \$185,409 to \$198,661 – which encompasses both the mean and median of the indicated range and further strengthens the argument that the final value should lie in this range. After consideration of the subject's broader array of outbuildings, the final value is thought to be on the higher end at \$195,000, and just above the median of the indicated range.

**The Final Value Conclusion was determined to be \$195,000.**



**CERTIFICATION**

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- 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 (3) year period immediately preceding acceptance of this assignment.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made an internal and external inspection of the properties that are the subject of this report.
- Becky Ketterling, MT Appraisal Trainee REA-RET-LIC-9169, provided significant real property appraisal assistance to the person signing this certification. Significant appraisal assistance includes site, building and neighborhood inspections and descriptions, research of comparable sales and market analysis, final reconciliation and report writing.

Respectfully submitted,



Date: 14 Aug 17

Steven M. Repac  
Certified General Appraiser  
MT REA-RAG-LIC-58



# **Scope of Work for Appraisal of Potential Property Sale through the Cabin & Home Site Sale Program**

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

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

## **DEFINITIONS:**

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

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

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

## **PROPERTY RIGHTS APPRAISED:**

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

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

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

## **SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

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

## **ASSIGNMENT CONDITIONS:**

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

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

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

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

Be valued with the actual or hypothetical condition that the cabin site or home site has legal access.

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

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

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

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

## **Appraised Values Required:**

The appraisal for each cabin and home site must:

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

## MONTANA DNRC TRUST LAND MANAGEMENT DIVISION

### Supplemental Appraisal Instructions

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

**Subject Property (Located in Stillwater County):**

Sale #	Acres	Legal Description
887	10.3 ±	Lot in S½SW¼SW¼, T2N-R22E, Sec. 4

**DNRC Contact Information:**

Emily Cooper, Lands Section Supervisor  
P.O. Box 201601  
Helena, MT 59620-1601  
Phone: (406) 444-4165  
[ecooper@mt.gov](mailto:ecooper@mt.gov)

**Lessees:**

<b>Sale 887</b> Terry Pierce 100 Cash Road Molt, MT 59057 (406) 669-3104
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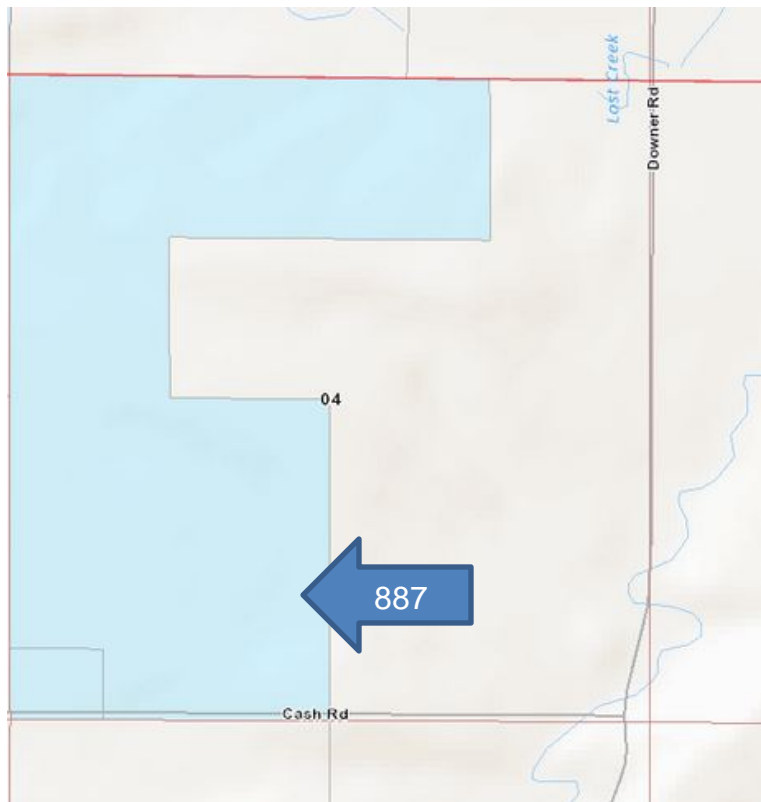
***The following will be located in the body of the contract:***

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

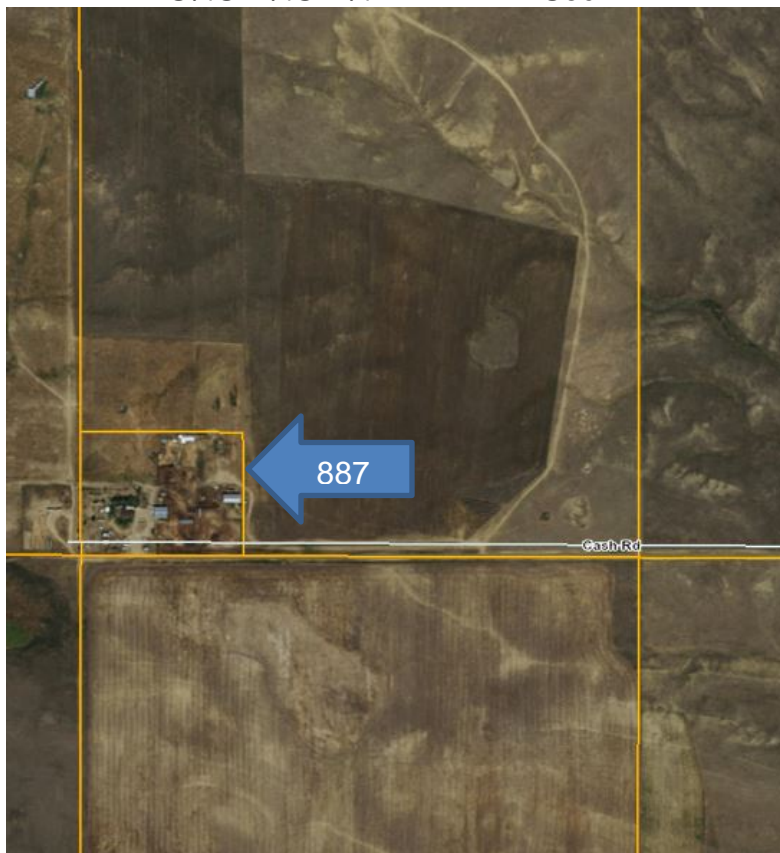
The definition of market value is that as defined in 70-30-313 M.C.A.

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

## STILLWATER COUNTY SALE LOCATION MAP



**Sale No. 887**  
S¼SW¼SW¼ T2N-R22E Sec. 4



\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: 100 Cash Rd\_Molt

DNRC Cabin Site Sales Program

Steven M. Repac  
The Appraisal Group, Ltd.  
1533 Clark Avenue  
Billings, MT 59102

Borrower : N/A  
  
Invoice # : DNRC2  
Order Date : 15 JUN 2017  
Reference/Case # : DNRC\_Jun-Jul\_2017  
PO Number :

SALE: 887 & 888

100 Cash Road  
Molt, MT 59057

Sale 887	\$	1,750.00
Sale 888	\$	2,000.00
		-----
Invoice Total	\$	3,750.00
State Sales Tax @	\$	0.00
Deposit	(\$	)
Deposit	(\$	)
		-----
Amount Due	\$	3,750.00

Terms: 30 days same as cash; after 30 days interest charged @ 18.5%/annum

Please Make Check Payable To:

The Appraisal Group, Ltd.

Fed. I.D. #: 20-2004445

Thanks for your trust with this assignment.