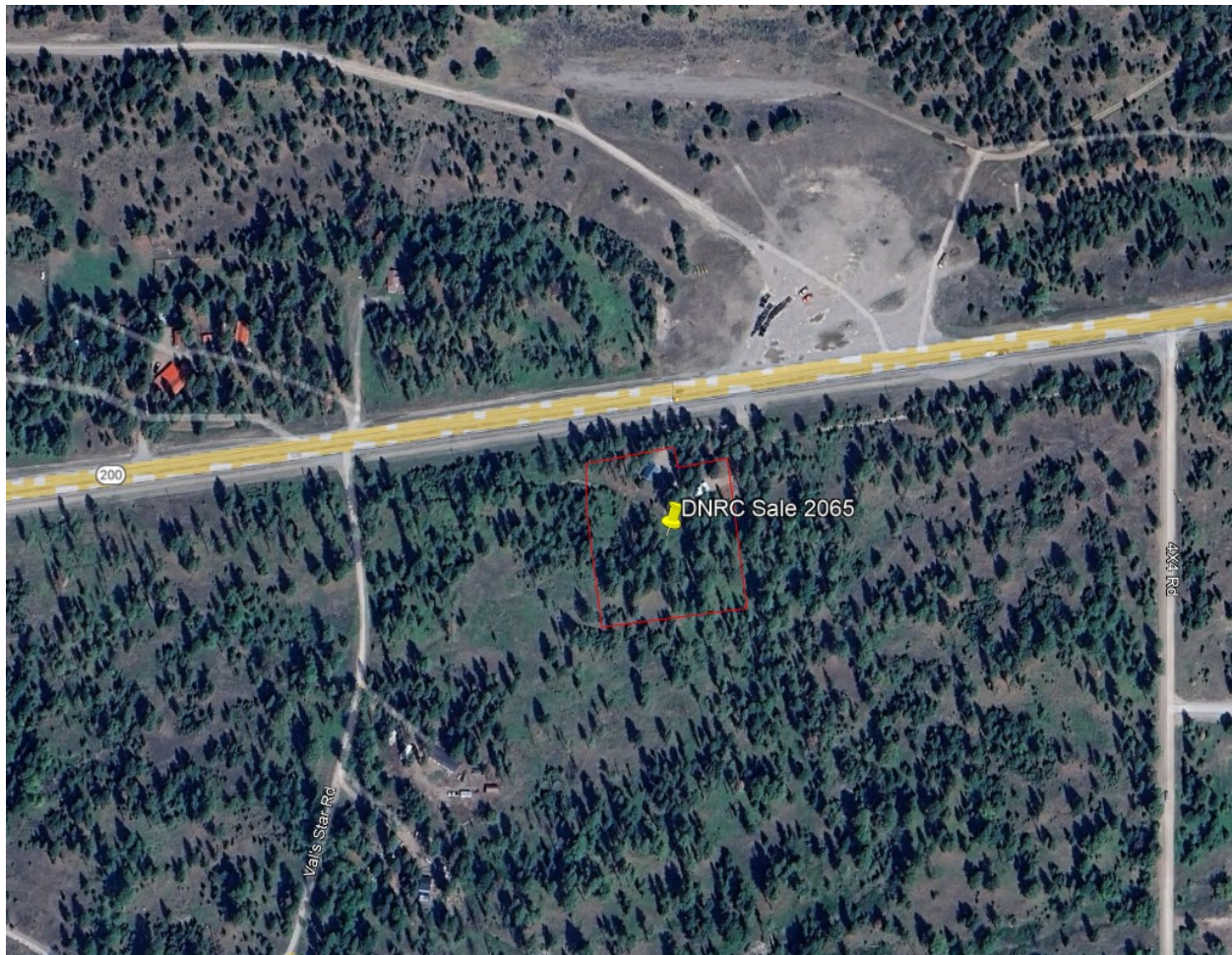


**APPRAISAL REPORT  
SALE 2065: LOT 30 LINCOLN FLATS  
LINCOLN, LEWIS AND CLARK COUNTY, MT  
FOR  
THE STATE OF MONTANA,  
THE MONTANA BOARD OF LAND COMMISSIONERS (LAND BOARD),  
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
(DNRC)**



**PREPARED BY:  
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**ADDENDA:**

- Assumptions and Limiting Conditions
- Contract
- Qualifications
- License



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**Nicholas J Hogan, MAI**  
MT, ID & WY General Certified

October 24, 2024

Deidra Kloberdanz, Bureau Chief  
PO Box 201601  
Helena, Montana 59620-1601

RE: Summary appraisal report, Sale 2065; Lot 30, Lincoln Flats, located at 3815 E MT Highway 200, Lincoln, Montana.

Dear Ms. Kloberdanz:

This letter of transmittal is an introduction to the report that follows, which includes the market information as well as the individual valuations of the subject property. The following report, defined by the scope of work, is hereby presented in the requested narrative report format containing 67 pages plus addenda. Under general requirements, the appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. This is a revised version of the report previously submitted on September 30 to correct a minor typographical error that did not affect the report or the final conclusion of value.

In addition, this report is intended to be in full compliance with all applicable laws and regulations affecting this service and report in which jurisdiction the subject property is located. The report also complies with Scope of Work for Appraisals of Potential Property Sales through the Cabin/Homesite Sale Program. The scope of work is key to understanding this appraisal service and the report option requested. Please read that section carefully as it most clearly defines the service rendered.

Specific reference to the issue of competency is required. I have adequate current, practical experience in the appraisal of single-family residential/recreational property. I was involved with two separate appraisals of in excess of 300 properties on Priest Lake for Idaho Department of lands in 2013. I also have been involved in appraisals of properties on Flathead Lake, the Seeley Chain of Lakes, as well as residential/recreational and commercial properties in Lincoln, MT. I also completed the appraisals for the Lincoln Airport expansion. As such, it is my opinion I have both technical as well as geographic competence to provide this sales catalog and the subsequent individual site appraisals.

The subject property is a Lincoln Flats lot, improved with a single-family residence. The appraisal for the improved home site will include a total market value of the property, with the hypothetical condition that land and improvements are fee simple ownership, with one owner and that a lease does not exist. It will also include a separate market value for the state-owned cabin site (land), under the hypothetical condition of it being vacant raw land exclusive of site improvements, utilities, or buildings. The third value will be an allocated or separate market value of the non-state-owned improvements, derived from the total market value determined.

Based upon my investigations, studies and analyses, my opinion of the as is fee simple market values of the subject property, considering the specific hypothetical conditions, assumptions and limiting conditions as of August 26, 2024, is listed below.

Sale No.	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2065	2.00	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 30, ACRES 2, COS #3242262 (LEASE #3062383) Crystal Hout	3815 E MT Highway 200	\$410,000	\$155,000	\$255,000

Pursuant to USPAP, it is necessary for this appraisal to consider and analyze exposure time when developing an opinion of market value. Please refer to the Reasonable Exposure and Marketing Time section of this report for discussion of both exposure time and marketing time.

If there is anything further, please don't hesitate to contact me.

Professionally yours,

HOGAN REAL ESTATE APPRAISAL GROUP, LLC



NICHOLAS J. HOGAN, MAI  
MT General Certificate No. RET-RAG-LIC-370  
Expires: 3/31/25

## SCOPE OF WORK

The *Scope of Work* was previously defined as the *Scope of the Appraisal*. Based on requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation and the guide notes to the Standards of Professional Appraisal Practice adopted by the Appraisal Institute, this has become the primary element defining the appraisal conducted here.

USPAP involves binding requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, an analysis or opinion and with the reporting or communication of that appraisal opinion defined as *Standards 1 & 2*. The appraisal service and reporting option must follow the scope of work defining the appraisal service and how it is to be communicated. This appraisal has complied with the regulatory requirements of the State of Montana administered by the Montana Board of Appraisers based on compliance with *Standards* and *Ethics* defined within USPAP.

The *Scope of Work Rule* in USPAP states for each appraisal and appraisal review assignment, an appraiser must:

- 1.) *identify the problem,*
- 2.) *determine and perform the work necessary to develop credible assignment results and*
- 3.) *disclose the scope of work in the report.*

### **Identify the problem:**

There are six elements used to identify the problem to be solved in an appraisal assignment. Information about these elements is necessary to properly identify the problem to be solved and develop the appropriate scope of work to create credible assignment results.

- *Client and any other intended users*
- *Intended use of the appraiser's opinions and conclusions*
- *Type and definition of value*
- *Effective date of the appraiser's opinions and conclusions*
- *Subject of the assignment and its relevant characteristics*
- *Assignment conditions*

- ***Client and any other intended users:***

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board), and the Department of Natural Resources and Conservation (DNRC).

- ***Intended use of the appraiser's opinions and conclusions:***

The intended users include the clients as well as the Lessee Crystal Hout. 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.

- ***Type and definition of value:***

**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.

- ***Effective date of the appraiser's opinions and conclusions:***

The effective date of the appraiser's opinions and conclusions for the as is date of value, is the date of inspection, which was August 26, 2024. I met with a representative of the State of Montana as well as the Lessee.

- ***Subject of the assignment and its relevant characteristics:***

The subject property consists of an individual cabin site located roughly less than 3 miles east of Lincoln, Montana. The relevant characteristics deal with the extent of the subject property such as legal description, inspection, analysis of property rights appraised, etc. The extent of the property identification involves both physical characteristics of the property such as the physical land and structural/site improvements as well as legal characteristics such as the fee simple estate limited by easement, covenants, restrictions, and other encumbrances relevant to the valuation problem. The physical inspection of the property included a viewing of the property. Please refer to the relevant sections of the report for detailed description involving the subject's description and relevant characteristics.

- ***Assignment conditions:***

The following Assignment Conditions were provided by the client:

- The appraiser must be a Montana certified general appraiser and must 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 property at a level that will allow the appraiser to render a credible opinion of

value about the property. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable and must have at least viewed the comparables.

- The appraiser will consider the highest and best use of the subject property. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)
- Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.
- The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 1 (one) cabin site identified in the Supplemental Appraisal Instructions.
- The subject property must be valued with the actual or hypothetical condition that the site has legal access.
- All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparable sales used should be the most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably with 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 a fee simple ownership, with one owner.

- **Extraordinary Assumptions:**

- None.

- **Hypothetical Conditions**

- The cabin site (land) is valued under the hypothetical condition that it is vacant raw land, without any site improvements, utilities, or buildings. The subject property has non-state-owned structural and site improvements. Therefore, in that portion of the analysis I have used the hypothetical condition that the subject property is vacant raw land, without any site improvements, utilities, or buildings.
- Based on scope of work, for purposes of valuation and analysis I have assumed the subject property has physical and legal access.
- The land is currently state-owned, however; I used the hypothetical condition that the property rights are in private ownership and could be sold on the open market and appraised in Fee Simple Interest. For analysis purposes, properties that have leases or licenses are appraised with the hypothetical condition the leases/licenses do not exist.

- **Jurisdictional Exceptions:**

- None.

**The use of these assignment conditions, extraordinary assumptions and hypothetical conditions within the report should be viewed within the context that their use might affected the assignment results.**

For the reader's edification, I have incorporated definitions for *Extraordinary Assumptions* and *Hypothetical Conditions*. These definitions are taken from the latest edition of USPAP.

***EXTRAORDINARY ASSUMPTION:*** *an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*

*Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.*



***HYPOTHETICAL CONDITION:*** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

*Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.*

**Determine and perform the scope of work necessary to develop credible assignment results:**

The extent of the property identification involves both physical characteristics of the property land size, shape, access, frontage, special features, detrimental conditions, utilities, etc. There is also the need to fully identify legal characteristics such as the fee simple estate limited by easement, covenants, restrictions, and other encumbrances relevant to the valuation problem. For this appraisal, the extent of the subject inspection involved a complete viewing of the subject property. It is my opinion that I am qualified to provide this appraisal service.

Qualifications have been included within the addendum of the report and these identify or serve as evidence of the experience and expertise (competency) to provide this service. Specific to the property and location of the subject of this appraisal, it is recognized that I routinely provide appraisal services within this classification of real property and within this market area. As such, the conclusion is expressed that sufficient knowledge and experience combined with my professional qualifications are adequate to comply with competency requirements of USPAP.

As requested by the client, the problem to be solved is a traditional valuation assignment that requests an opinion of the market value of the real property interest identified. This specifies the condition of the property, unless otherwise very specifically stated, the appraisal is based on the “as is” condition of the subject property, as of the effective date of the appraisal.

In terms of the appraisal service requested, this is defined as a residential/recreational tract pursuant to the hypothetical conditions noted above reflecting vacant and unimproved land tracts as well as the total fee simple value and the value of the lessee owned improvements. The property type and the age/condition of the property suggest that not all three valuation methodologies are relevant, and peer review would only expect to see the sales approach. On occasion, there are seasonal leases with this type of property, but in general, income and expenses as well as capitalization rates are not common in this market, so the income approach was not used. The subject property has a single-family residence that was originally built in 2006 per county records, and the cost approach is not a reliable indication of value. Replacement cost new and depreciation estimates are difficult to analyze for older improvements. Therefore, the cost approach has not been included within this analysis.

Relevant to the preceding paragraph, factual market data gathered or researched for this appraisal will include sales of single-family residences as well as sales of vacant land. The primary market area and primary search area included sales within 5 miles of Lincoln, Montana. It is recognized that Montana is a non-disclosure State and verification of sales is commonly handled through real estate agent confirmation as well as buyer and/or seller verification. There are times when the confirming party does not wish to be identified or where the price is not to be divulged. All of these elements are considered appropriate and common under peer review. I have relied upon the Montana Regional (Missoula/Kalispell) MLS service to assist in the appraisal research for the Lincoln, Montana area. All of this research of data is utilized in arriving at the highest and best use for the subject and to estimate the market value of the property based on that conclusion of highest and best use.

It is acknowledged that I lack special expertise or knowledge regarding the detection and measurement of hazardous substances. I was not provided with a Phase I, or Phase II environmental audit completed relating to this topic. I have assumed there to be no environmental concerns relating to the subject property and this is a more typical assumption and limiting condition. There are no known cultural resource issues affecting the subject. For “popcorn” ceilings, it is assumed this is asbestos containing material. I have assumed there is a marginal health hazard when left “in-situ”, but removal can be an expensive process. This type of ceiling is viewed by the market as a negative feature and will be discussed and adjusted where appropriate.

The following identifies the individuals, companies and governmental agencies that have been contacted during this investigation. It should be noted that this is not considered to be an all-inclusive list although it does identify the primary contacts made.

Lewis and Clark County Appraiser/Assessor	Lewis and Clark County Planning
Lewis and Clark County Treasurer	Lewis and Clark County Sanitarian
Lewis and Clark County Clerk and Recorder	Brenda Stark
Montana Regional Realtors MLS	Joetta Snow
Jason Westmoreland	Rebecca Garland
Scott Joyner	Jennifer Swartz

**Disclose the scope of work in the report:**

The discussion above outlines the problem to be solved and the appropriate scope of work to solve that problem.

**Report Option - Standard Rule 2-2 -Content of a Real Property Appraisal Report:**

Each written real property appraisal report must be prepared under one of the following options and prominently states which option is used: Appraisal Report or as Restricted Appraisal Report.

An appraiser may use any other label in addition to, but not in place of, the labels for the type of report provided. The use of additional labels such as analysis, consultation, evaluation, study, or valuation does not exempt the appraiser from adherence to USPAP.

It is my opinion that this allows an appraiser to include the descriptive phrase of Summary Appraisal Report, Narrative Appraisal Report or Self-Contained Appraisal Report. These terms clearly form around the core description which is "Appraisal Report". For this appraisal, the reporting option is an Appraisal Report. The client made no specific request relative to the format. In this instance, the reporting option is simply defined as a Summary Appraisal Report Format.

**Record Owner:**

The property is found to be under the ownership of the State of Montana, DNRC School Trust Land. The site is currently leased. The Lessee is identified below:

Lessee:           Crystal Hout

**Sales History:**

The improvements were purchased by the Lessee on October 29, 2021, for \$175,000. The property (improvements) was listed on the local MLS and the sale went under contract in ten days and closed in fifty eight days for the full asking price. Since the purchase, the Lessee has fully remodeled the kitchen with all new appliances and cabinetry, installed new flooring, and added a covered RV carport with hookups and wood deck. Prior to the sale in 2021, the improvements were under the same ownership for longer than three years.

**Location of Property:**

The subject property is situated on the south side of Montana Highway 200, approximately 1.8 miles east of airport and within 3 miles of the town of Lincoln, Montana.

**Legal Description:**

The site is legally identified through client records as:

*Lot 30, Lincoln Flats, COS 3242262, Section 16, T14N-R8W*

**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 that the leases/licenses do not exist.

In terms of the appraisal service requested, the subject property to be appraised is defined as a single-family residential/recreational tract pursuant to the hypothetical condition noted above reflecting vacant and unimproved land tracts as well as the total fee simple value and the value of the lessee owned improvements. The property type suggests that only the sales comparison approach is relevant, and peer review would expect to see.

### **PURPOSE OF APPRAISAL**

The purpose of the appraisal is to provide the clients with a credible opinion of the fee simple ***Current Fair Market Value*** of the appraised subject property. The appraisal of the cabin and homesite 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 above in 1.
4. Valuation of the improvements must account for all forms of obsolescence.

The Appraisal Foundation requires an appraiser to conclude the value is “in terms of cash” or “of financing terms equivalent to cash”. I believe that is well beyond the public perception of the definition and what is a practical form of measurement. Some buyers have sufficient capital to pay cash. Other buyers choose to finance part or most of their purchase. Where financing terms did not specifically alter or impact price, I believe the requirement of identifying cash or equivalent is adequate. To clarify, it is my opinion the sales best relate to the term “or financing terms equivalent to cash”. I do not believe there is a market distinction between “in terms of cash or of financing terms equivalent to cash”.

### **DEFINITIONS**

There are a few specific definitions that are believed to be critical for proper understanding. As such, this report will provide the current USPAP definition for the terms used in this appraisal assignment and report.

**APPRAISAL:**

(noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

**Comment:** An appraisal is numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g. not more than, not less than) to a previous value opinion or numerical benchmark (e.g. assessed value, collateral value).

<b>ASSIGNMENT:</b>	a valuation service that is provided by an appraiser as a consequence of an agreement with a client.
<b>ASSIGNMENT CONDITIONS:</b>	Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work
<b>CLIENT:</b>	the party or parties (i.e., individual, group, or entity) who engage and appraiser by employment or contract in a specific assignment, whether directly or through an agent.
<b>CREDIBLE:</b>	worthy of belief.  <b><u>Comment:</u></b> Credible assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use.
<b>EXTRAORDINARY ASSUMPTION:</b>	See definition included under Scope of Work.
<b>HYPOTHETICAL CONDITION:</b>	See definition included under Scope of Work.
<b>INTENDED USE:</b>	the use(s) of an appraiser’s reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.
<b>INTENDED USER:</b>	the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.
<b>MARKET VALUE:</b>	a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.  <b><u>Comment:</u></b> Appraisers are cautioned to identify the exact definition of market value, and its authority, applicable in each appraisal completed for the purpose of market value.
<b>REAL ESTATE:</b>	an identified parcel or tract of land, including improvements, if any.
<b>REAL PROPERTY:</b>	the interests, benefits, and rights inherent in the ownership of real estate.
<b>SCOPE OF WORK:</b>	the type and extent of research and analyses in an appraisal or appraisal review assignment. (See Scope of Work section for details on <i>Scope of Work Rule</i> .)

**VALUE:** the monetary relationship between properties and those who buy, sell, or use those properties, expressed as an opinion of the worth of a property at a given time

**Comment:** In appraisal practice, value will always be qualified – for example, market value, liquidation value, or investment value.

Additional definitions taken from The Dictionary of Real Estate Appraisal, Seventh Edition, are presented below and which have critical relevance to the appraisal of real estate and real property:

**EASEMENT:** The right to use another’s land for a stated purpose. See also affirmative easement; conservation easement; easement appurtenant; easement by prescription; easement in gross; historic preservation easement; negative easement.

**EASEMENT APPURTENANT:** An easement that is attached to, benefits, and passes with the transfer of the dominant estate; runs with the land for the benefit of the dominant estate and continues to burden the servient estate, although such an estate may be transferred to new owners. See also easement in gross.

**ENCROACHMENT:**

1. Trespassing on the domain of another.
2. Partial or gradual displacement of an existing use by another use, e.g., locating commercial or industrial improvements in a residential district.

**ENCUMBRANCE:** Any claim or liability that affects or limits the title to property. An encumbrance can affect the title such as a mortgage or other lien, or it can affect the physical condition of the property such as an easement. An encumbrance cannot prevent the transfer of possession, but it does remain after the transfer.

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

**REASONABLE EXPOSURE AND MARKETING TIME**

It is a requirement of USPAP to incorporate discussion and analysis of *Exposure Time* within a market value analysis of the subject property. Exposure time has been defined within The Dictionary of Real Estate Appraisal, Seventh Edition, published by The Appraisal Institute as follows:

1. *The time a property remains on the market.*
2. *An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)*

It is often assumed that this is consistent with the concept of *Marketing Time*. This has been defined within The Dictionary of Real Estate Appraisal, Seventh Edition, as follows:

*An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)*

The simple issue between these two definitions is one of historical evidence. Exposure time is always presumed to precede the effective date of the appraisal, and prospective or future occurrence is marketing time. These may be the same in a stable market or opposite trends in a changing market. The situation could be a relatively weak or soft market noted by historical evidence yet current trends reflect a strong demand and investor expectations for continued strong demand. That could present opposite exposure time and marketing time discussions/conclusions.

Vacant Land Days on Market		SFR Days on Market	
Land Sale #1	22	Sale No. 1	62
Land Sale #2	116	Sale No. 2	59
Land Sale #3	28	Sale No. 3	116
Land Sale #4	30	Sale No. 4	42
Land Sale #5	105	Sale No. 5	42
		Sale No. 6	29
Minimum	22	Minimum	29
Maximum	116	Maximum	116

The number of days on the market for the vacant land sales analyzed ranged from 22 days to 116 days. The single-family residential sales analyzed ranged from 29 days up to 116 days. All of the improved properties, as well as vacant land properties sold in less than 6 months. In addition, sales extracted from the Montana Regional MLS showed that single-family residential sales in the 30 mile market area around Lincoln have averaged less than 150 days since 2021. Data showed the average number of days on market for vacant residential land extracted from the same market area has been under 180 days since 2022. In 2021, it was 192 days and so far in 2024 vacant land sales have an average of 48 days on market. Overall, there is a reasonable expectation that both vacant land and an improved single-family residential property would have an exposure time of 3 to 6 months in this market.

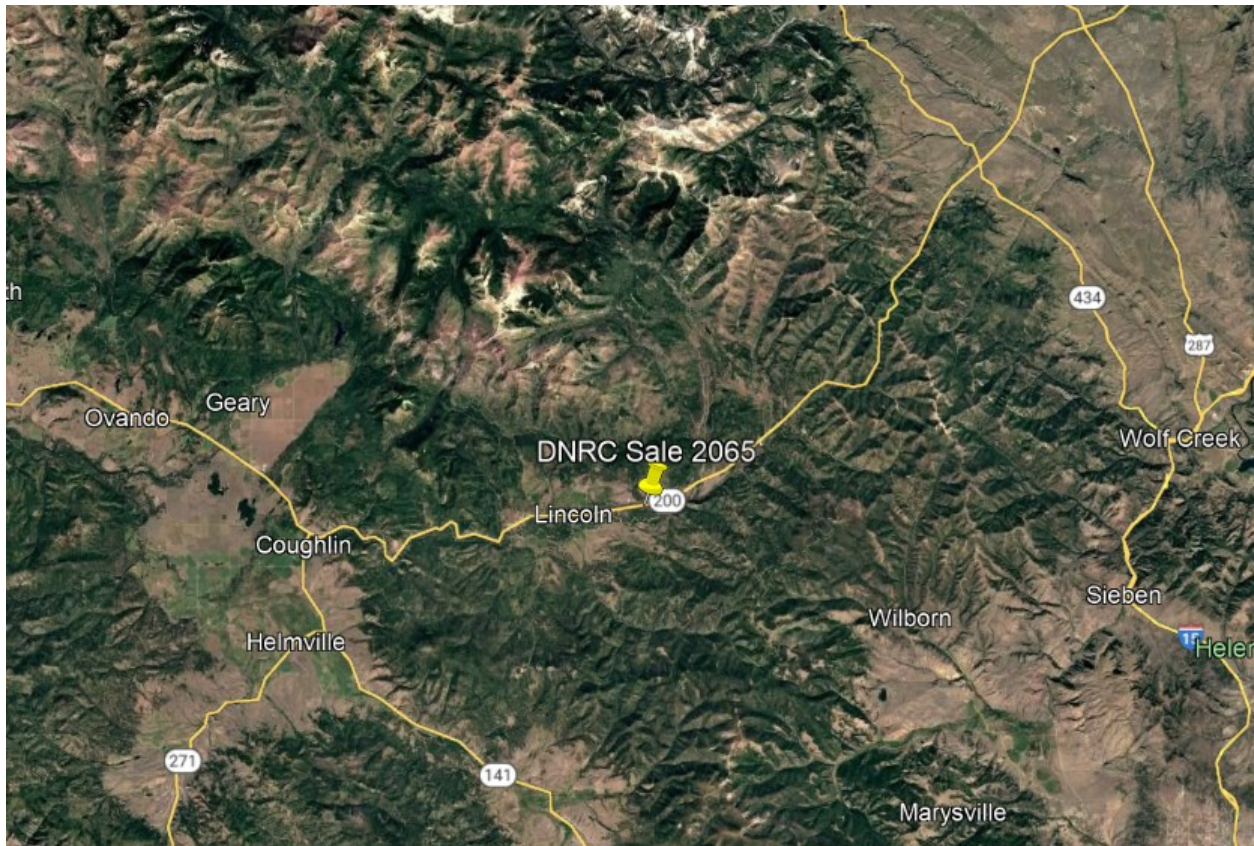
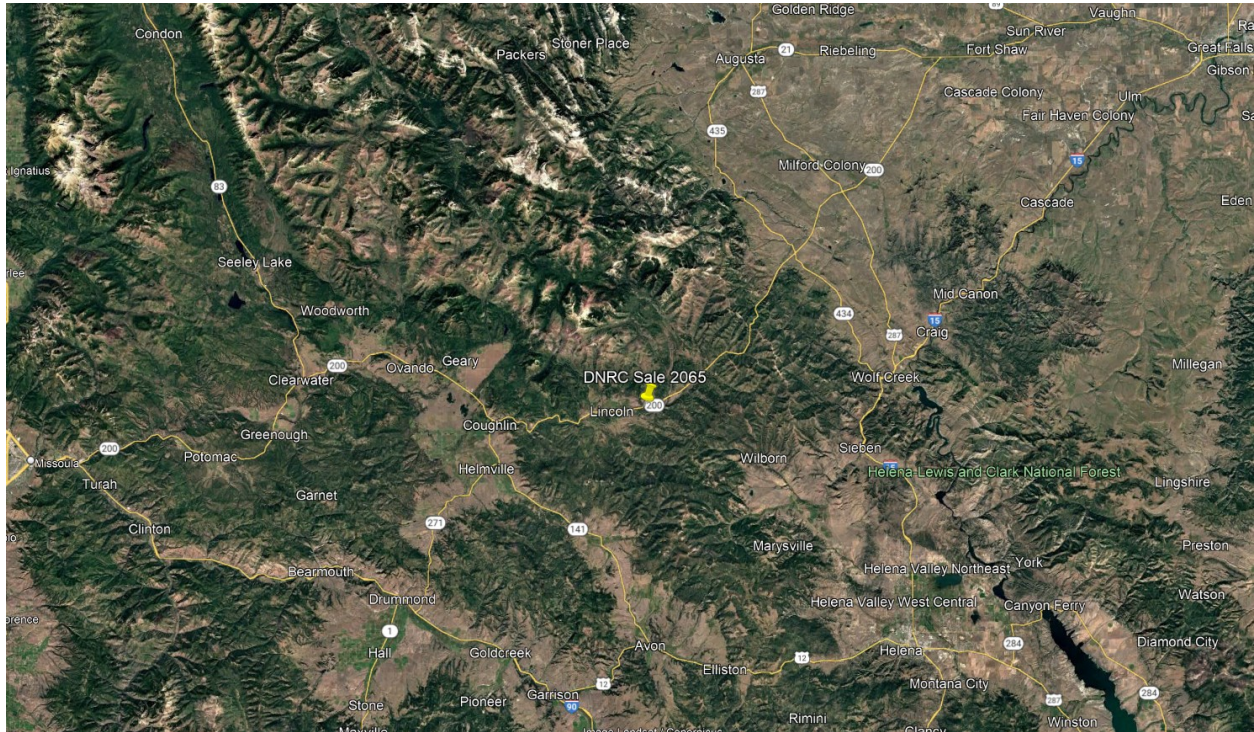
**REAL ESTATE TAXES**

Sale No.	Legal Description Lessee	Address	2023 Taxes	2023 Market Value (county)
2065	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 30, ACRES 2, COS #3242262 (LEASE #3062383)	3815 EMT Highway 200	\$1,017.21	\$138,590
	Crystal Hout			

There are no taxes due on the underlying land given the state ownership. Taxes for the improvements are noted in the tabulation above.



**GENERAL AREA MAP / NEIGHBORHOOD MAP**



## GENERAL AREA & NEIGHBORHOOD DATA & TRENDS

The subject property is located in the Lincoln area of Lewis & Clark County which is an unincorporated community with a census designated place that extends 6 miles east up the Blackfoot River valley and 3 miles west down the valley, for a total area of approximately 18 square miles. Lincoln is located approximately 77 miles east of Missoula, 87 miles southwest of Great Falls and 65 miles northwest of the county seat of Lewis & Clark County, which is Helena.

The Town of Lincoln provides basic services, including K–12 school administered by the Lincoln Public School District #38 as well as a public library which is a branch of the Lewis & Clark Library. There are also bank services, fuel and grocery sales, restaurants, bars, and lodging facilities in Lincoln as well as church services. All other social, shopping, and medical services are found in the three metropolitan areas identified in the general area. Lincoln has an airport which provides FBO services but no commercial air service.

Population statistics for Lincoln, Helena, Missoula, Great Falls as well as each respective county are shown below. This is the basic data necessary to understand the demographics of the area, but the Lincoln area is most noted for the direct proximity to the Bob Marshall Wilderness Area as well as all the other recreational aspects of this sub-market between these three metropolitan areas in Montana.

City/County	2010 Census	2020 Census
Lincoln	1,013	1,017
Helena	28,190	32,091
<b>Lewis &amp; Clark County</b>	<b>63,395</b>	<b>70,973</b>
Missoula	66,788	73,489
<b>Missoula County</b>	<b>109,299</b>	<b>117,922</b>
Great Falls	58,505	60,442
<b>Cascade County</b>	<b>81,327</b>	<b>84,414</b>

The subject neighborhood is identified as either a physically delineated area or one set aside by a grouping of complimentary land uses. In this situation, the neighborhood boundaries are the Town of Lincoln and all areas within 30 miles of this town. The Rogers Pass area helps to establish the northeastern boundary and Flesher Pass sets the southeastern boundary. The town of Ovando helps establish the western boundary and the Bob Marshall Wilderness Area establishes the northern boundary.

Land uses found within this area typically represent rural lands with a mix of agricultural, recreational, and residential uses. With the exception of the town of Lincoln where some basic commercial services exist, there are no commercial and industrial uses found in the

neighborhood. There is a post and pole facility on Montana Highway 200 between Lincoln and the subject but few other such uses.

Traffic connection is primarily Montana Highway 200 which connects Missoula to Great Falls and Montana Highway 279 which connects Helena to Montana Highway 200. These are paved roadways that are considered well maintained and serviced year-round.

Topography in this area varies tremendously and which is typical of this part of Montana with valley bottoms having river influence and steep, timbered mountainous terrain in most areas, within 50 miles of Lincoln. The Bob Marshall Wilderness Area is a key point to the recreational attraction of the area but the Blackfoot River and its notoriety surrounding the quality of the fishery is also a key attraction. Lincoln lies 4,536 feet above sea level and has a humid continental climate bordering on subarctic climate with the average high temperature in the winter months of 32.3 degrees Fahrenheit and the average high summer temperature of 75.9 degrees.

### **MARKET ANALYSIS**

The Appraisal of Real Estate, Fifteenth Edition, published by the Appraisal Institute includes a chapter dealing with market analysis. The definition of market analysis is *a study of the supply of and demand for a specific type of property in a specific market area.*

The label, “marketability analysis” has traditionally been used when the scope of the analysis extends beyond general market analysis to investigate how a specific property is expected to perform in its market. However, in strictest usage, marketability analysis most precisely describes the final step in the formal six-step process.

*Marketability analysis is an essential step in the process of developing an opinion of market value and should not be confused with the analysis of general demographic or economic information for an area. In an appraisal of a specific property, the main purpose of marketability analysis is to show how the interaction of supply and demand affects the property's future benefits to the owner in terms of the use of the property over time. To complete a marketability analysis (in the sixth step of the six-step process), an appraiser must first complete a market analysis (i.e., the preceding steps of the six-step process). For example, consider the appraisal of a neighborhood shopping center. A market analysis would measure the demand and competition for all neighborhood shopping centers in a specified market, which may cover a two-mile area. A marketability analysis would then compare how a particular property (e.g., the property being appraised) will perform in that market given the relevant demand and competition. The conclusions of the marketability analysis then become the basis for determining the value implications for the property.*

*Marketability analysis may perform several functions:*

- (1) to determine the market outlook and trends for marketing a property,*
- (2) to address the desired type, design, and locational characteristics of a development,*
- (3) to provide estimates of the share of the market that the property is likely to capture during its economic life and its probable absorption rate, or*
- (4) to suggest alternative uses in a market in which the existing use of a specific property is oversupplied or outdated.*

*Marketability analysis also provides a basis for determining the highest and best use of a specific property in a defined market. In short, the market determines the appropriate use, and the use drives the value. An existing or proposed use may be put to the test of maximum productivity in highest and best use analysis only after it has been demonstrated that an appropriate level of market support exists for that use. In-depth marketability analyses specify the character of that support. For example, if current market conditions do not indicate that adequate demand for a proposed development exists, marketability analysis may identify the point in time when there will be adequate demand for that land use. Thus, marketability analysis helps appraisers forecast the timing of a proposed improvement and the amount of demand anticipated in a particular period of time.*

The basics of marketability (measure of market support) tend to rely on an equilibrium between supply and demand; particularly as these terms apply to economic models. Therefore, if the subject is priced according to its location (land value) and physical attributes (improvements) where it will capture its share (fair share) of the market, there would be market support for the real estate. This is both a consideration of current and existing supply as well as the incorporation of future growth in competition (supply). The appraisal analysis identifies the subject property as to a particular real estate product (type) and the real estate market in which this property competes (location).

The manner in which subject demand is analyzed is the simplest way to characterize a market analysis assignment because estimates of demand are formulated differently depending on the level of analysis required by the appraisal problem. In some cases, demand may simply be inferred from published data and from current and historical market conditions. It is my opinion inferred market analysis is adequate to allow for a credible appraisal result.

### **Location/Product Analysis:**

The subject property consists of a cabin site situated roughly 3 miles east of Lincoln, Montana on the south of Montana Highway 200 in the Lincoln Flats Development. The subject location is a rural and residential/recreational location that represents a mix of seasonal and year-round residences.

## Demand/Supply Analysis:

### Single-Family Residential (20 acres or less)

Year	Total Sales	Average Sales Price	Median Sales Price	Average DOM
2024 to current	31	\$384,178	\$335,000	132
2023	44	\$409,051	\$357,500	66
2022	44	\$357,991	\$297,053	82
2021	73	\$330,540	\$285,000	118
2020	61	\$265,925	\$225,000	190

### Active/Under Contract Listings

Total Listings	Average List Price	Median List Price	Average DOM
26	\$494,308	\$449,000	133

### Vacant Residential Land (20 acres or less)

Year	Total Sales	Average Sales Price	Median Sales Price	Average DOM
2024 to current	9	\$161,544	\$175,000	48
2023	27	\$136,822	\$100,000	126
2022	41	\$127,273	\$110,000	87
2021	60	\$95,776	\$79,500	192
2020	54	\$60,057	\$57,035	223

### Active/Under Contract Listings

Total Listings	Average List Price	Median List Price	Average DOM
7	\$297,543	\$214,900	129

The tabulation above outlines single-family residential sales and vacant land sales in the 30 mile radius area around Lincoln over the past four years as well as sales in 2024 through early September. The last row for each category shows active listings for each.

In looking at the single-family residential sales, there has been an overall decline in total sales since 2021. However, the number of days on market has been staying below 150 days, in other words, less than five months. The average and median sales price has also been increasing overall, with a slight drop so far in 2024 as compared to 2023; however, the sales prices are higher in 2024 than they were in 2022. The median sales price has roughly been at or above \$300,000 since 2022. Currently there are 26 single-family residential properties listed on the MLS with a median listing price of \$449,000 and an average listing price of \$494,308. The current listings have an average of 133 days on market and four of the listings are currently under contract.

The vacant land sales (20 acres or less) show similar statistics. The total number of sales have been declining since 2021, while the average and median prices have been overall increasing. Average number of days on market have been at or below four months since 2022. There are currently seven vacant residential land properties listed with an average listing price of \$297,543 and a median listing price of \$214,900. The current listings have an average of 129 days on the market and two are under contract or pending closing.

The increase in sales price and decreasing number of sales, along with an exposure time roughly six months or less are reflective of an increasing market where the demand is higher than the supply.

**Subject Marketability:**

Overall, the marketability of the subject property would be considered good. There simply are very few listings of either vacant land or single-family residential properties in the Lincoln area and the market is showing a demand for these types of properties. The demand/supply analysis shows that more properties of this nature are selling than historically and they are staying on the market for less than six months in the most recent years. Buyers are still showing an interest in properties in western Montana of a residential/recreational nature.

**Demographics:**

**Population by Year**

Year	Population	Growth	Rate
2021	1,096	79	7.70%
2020	1,017	160	18.67%
2019	857	-	-

As noted above, the community of Lincoln is a very small area. The Census Bureau’s ACS 5-year estimate data is tabulated above showing a population increase in 2021 of 7.7% and 18.67% growth rate in 2020 persons.

**Households**

Household Type	Count	Average Size	Home Owner	Home Renter	Median Income
All	463	2.2	81.2	18.2	\$36,271
Married	250	3.07	92.4	7.6	\$47,679
Non Family	207	1.11	70	30	\$21,823
Other	6	3.17	0	100	-

As of 2021, there were 463 households in Lincoln with a median household income of \$36,271. Of those households, 250, which is more than half, are married families with an average household income of \$47,679. A large majority of households are owned with only 18.2% occupied by renters. The average size of households in the area is 2.2 persons.

### Employment

Category	# of Persons	% of Persons	Median Income
Food Prep & Service	89	18.40%	\$9,950
Building & Grounds Cleaning & Maintenance	72	14.90%	\$6,815
Office & Admin Support	62	12.80%	\$17,279
Construction/Extraction	47	9.71%	\$20,486
Management	46	9.50%	\$16,534
Sales	34	7.02%	\$20,556
Transportation	26	5.37%	\$46,923
Other	108	22.31%	-
<b>Total</b>	<b>484</b>		

In 2021 there were 484 people in the workforce living in Lincoln with the highest number of workers in the food and service industry, making up 18.4% of the workforce. This category has the second median income of \$9,950. Maintenance and office administration has the lowest median income of \$6,815 and 14.9% of the workforce is occupied in that field. Transportation jobs represent the highest paid category recorded in the statistics and account for 5.37% of the workforce. This information is based off the Census Bureau's ACS 5-year estimate data.

## PROPERTY DESCRIPTION

### Land Description

Land GEO Code	05-2337-16-4-04-01-0000
Improvement GEO Code	05-2337-16-4-04-01-4000
Physical Address	3815 E MT Highway 200
Utility	Good
Soil Conditions	Typical
Location	South side of MT Hwy 200, east of Lincoln, roughly 1.8 miles east of the airport.
Street Improvements	Asphalt improved state highway (MDOT maintained).
Size Acres	2.00
Size SF	87,120
Corner Lot	No
Common Areas	None
Irrigation	None
Vegetation/Tree Cover	Tract is a good mix of evergreens and natural grasses/shrubs.
Water Resource	None (Grosfield Ditch is a 3 mile ditch that bisects subject but no longer has waterflow). It is highly unlikely this ditch will ever be used again.
Overall Topography	Level to rolling
Access	Asphalt improved/MDOT maintained highway.
Road Frontage	MT Highway 200
Utilities	Elec., propane (leased), private well, private septic
Shape	Irregular



Zoning	None
Flood Hazard	Low risk
Visibility	Visible from the highway
Viewshed	Highway, trees, surrounding hills
Wetlands	None
Environmental Issues	None known
Easements/Encroachments	None noted
Offsite Improvements	Asphalt, MDOT maintained state highway
Onsite Improvements	Gravel drive, firepit, RV carport with deck/ramp, outhouse, pump house
Date of Value	8/26/24
Legal Description	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 30, ACRES 2, COS #3242262 (LEASE #3062383)
DNRC Sale Number	2065

### Improvement Description

Number of Units	1
Number Stories	1
Type	Detached
Quality	Average
Year Built	2006
Condition	Average
Design	Wood frame
Effective Age	15
Number of Bathrooms	1
Finished Area Above Grade SF	900

Basement SF	0
Basement Finish SF	0
Attic SF	0
Foundation	Concrete piers
Exterior Walls	Wood
Roofing	Metal
Specialty Siding Elements	No
Gutters and Downspout	No
Window Type	Vinyl sliding
Storm Sash	No
Number of Fireplaces	1
Number of Woodstoves	0
Refrigerator	Yes
Range/Oven	Yes
Microwave	Yes
Dishwasher	No
Disposal	No
Washer/Dryer	Yes
Room Count Total	5
Number of Above Grade Bedrooms	2
Number of Below Grade Bedrooms	0
Number of Above Grade Baths	1.0
Number of Below Grade Baths	0.0
Other Interior Living Area SF	0
Settlement	None noted
Sump Pump	No
Evidence of Infestation	None noted
Dampness	None noted

EBB	No
Electric Wall Heaters	Rinnai direct vent - propane
Forced Air Furnace	No
Cooling System	No
Window Units	No
Central AC	No
Floors	Carpet & vinyl plank
Walls	Mostly painted drywall, some tile
Trim/Finish	Wood
Ceiling Finish	Painted/textured drywall
Bath Floor	Vinyl plank
Bath Wainscot	Fiberglass, with tile above
Decks, Porches and Patios SF	443
Garage SF	600
Other External Living Area SF	0
Outbuildings SF	344

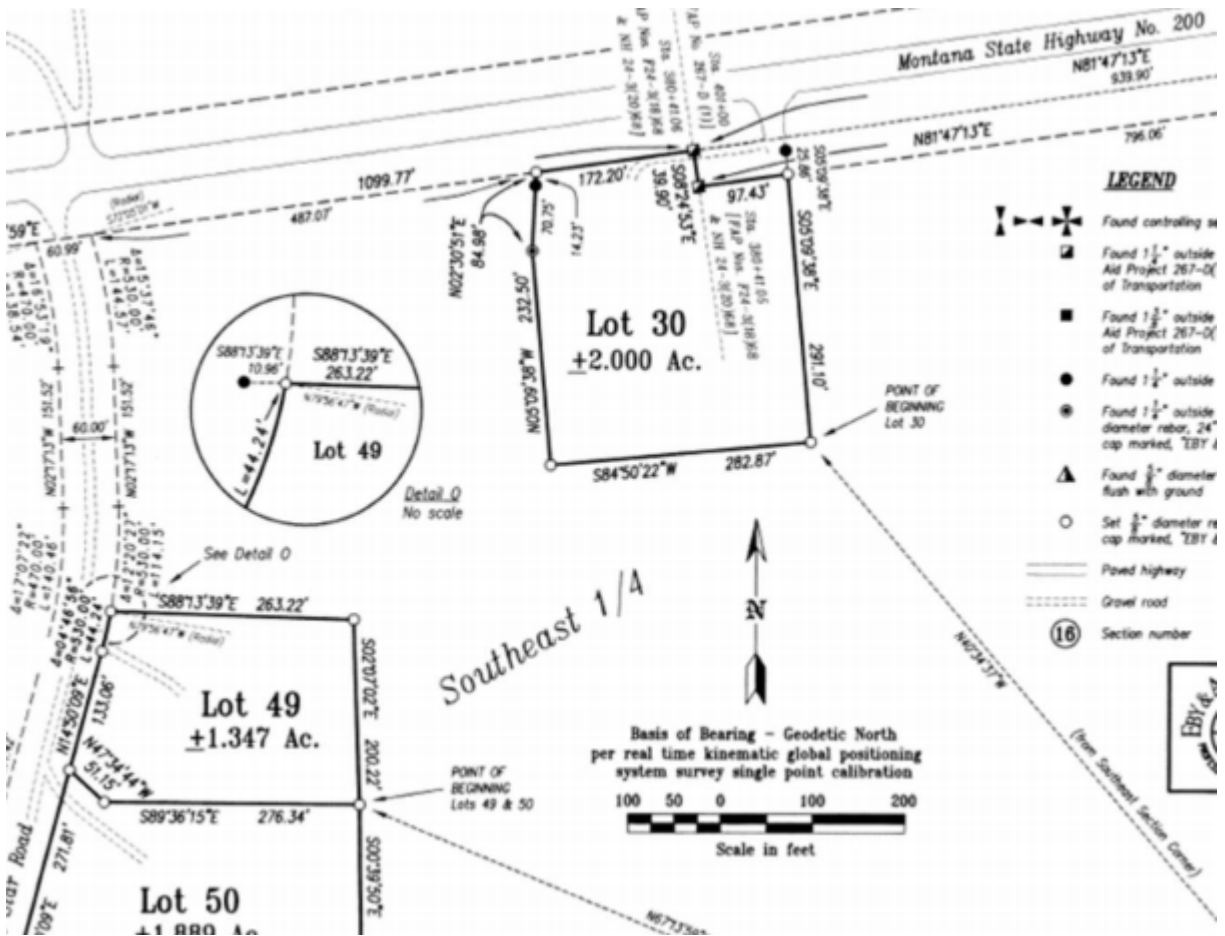
Comments

Ranch style cabin built in 2006 on concrete piers set on original foundation of previous A-frame structure. Wood siding, metal roof on cabin with a covered entry way and front deck. The back entrance on the south side of the cabin has an enclosed porch. The 2-car garage has metal siding/roof, a gravel floor, electric overhead door, and unfinished interior.

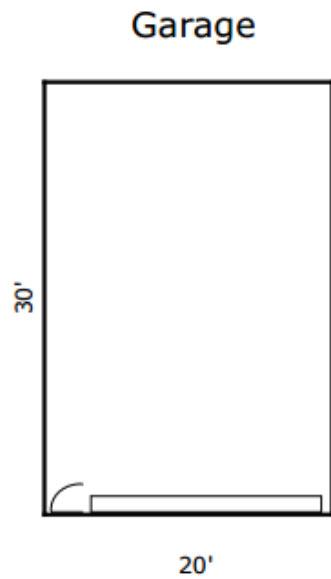
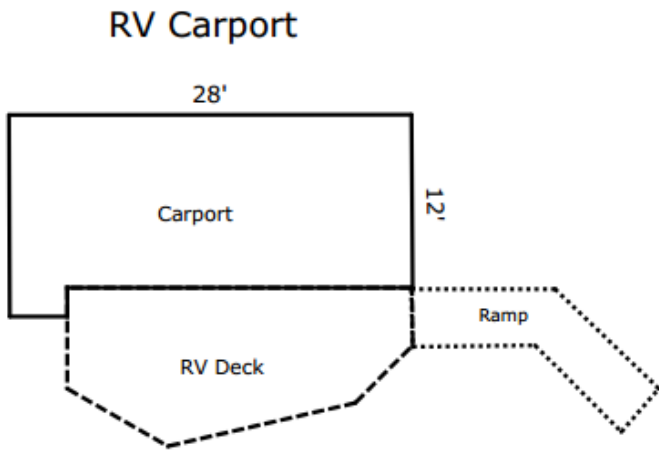
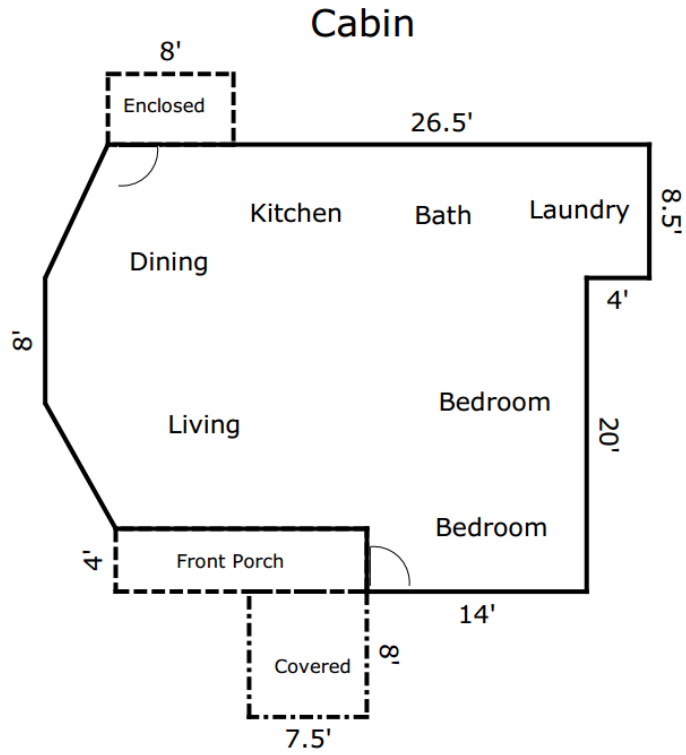
The cabin has LVP flooring throughout, except for the bedrooms. Owner stated in process of putting same flooring in both bedrooms next month (materials were present) Living area has half painted drywall/half tile walls and a pellet burning fireplace. Kitchen has stainless steel refrigerator, range/oven and hood/microwave combo unit with a tile backsplash and butcher block countertops. Bathroom has a fiberglass insert walk-in shower with tile above the insert and a single sink vanity. Laundry has a stacked washer/dryer unit. There is a gas (propane) hot water tank off the laundry and a propane Rinnai heating unit in the dining area.

There is an RV carport on the southeast side of the cabin with a wheel-chair ramp leading up to a deck that is connected to the RV carport. The carport is skirted around the existing RV and includes hookups to a well line and septic, as well as propane and electricity. There is a firepit area off the northside of the RV carport/deck.

Plat Map:



**Building Sketches:**



**Subject Photographs:**



Exterior view of the subject showing the main entrance.

Looking in a westerly direction along Montana Highway 200 near the northeasterly boundary.



View from near the northwesterly corner of the subject looking in an easterly direction.

View from near the center of the southerly boundary looking in a northerly direction.



View from near the southeasterly corner looking in a westerly direction.

View from the south side of the SFR, of Grosfield Ditch, which is no longer used.



Northwesterly elevation of the SFR.



View of the covered RV carport and deck.



View of pumphouse behind the house.



Interior of the garage.



View of living room.



View of kitchen.



View of bathroom.



Hot water heater and washer and dryer.



Gas fireplace in living room.



Larger bedroom (non-conforming)



Smaller bedroom (non-conforming)



Area used as office outside of the bedrooms.



## HIGHEST AND BEST USE

The following definition of *Highest and Best Use* is taken from The Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition.

1. *The reasonably probable use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*
2. *The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)*
3. *[The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)*

The Appraisal of Real Estate, Fifteenth Edition, published by The Appraisal Institute simply defines highest and best use as:

*The reasonably probable use of property that results in the highest value.*

The Fifteenth Edition further states:

*To be reasonably probable, traditionally a use must meet certain conditions:*

- *The use must be physically possible (or it is reasonably probable to render it so).*
- *The use must be legally permissible (or it is reasonably probable to render it so).*
- *The use must be financially feasible.*

*Uses that meet the three criteria of reasonably probable uses are tested for economic productivity, and the reasonably probable use with the highest value is the highest and best use.*

In appraisal practice, the concept of highest and best use requires the appraiser to consider any and all uses to which the property was capable of being adapted. For the analysis, the appraiser must first analyze physically possible and legally permissible criteria. Consideration must be given to these uses, recognizing the limitations imposed by physical limitations of the land including size, shape, and topography, as well as governmental regulations such as zoning ordinances, building codes and health standards. These can be approached in either order but must be considered first to filter out any uses that would not be possible either physically or legally.

Next the appraiser determines whether each of the possible uses are financially feasible, by looking at the attitudes of the typical investors in real property of this type in the area encompassing the subject property and determining whether that use is worth at least as much as it would cost to produce. Uses that do not pass the financially feasible test are eliminated as highest and best use.

Once the uses are filtered down to be financially feasible, the final test of maximum productivity is applied. This is the last test to determine the highest and best use of the land as though vacant and the property as improved (if it is improved) and make a final conclusion of the use that would yield the highest value, which is the highest and best use of the property.

The Appraisal of Real Estate, Fifteenth Edition, explains the concept of how to analyze the *highest and best use of land as though vacant* and *highest and best use of the real estate as improved* as follows:

*The analysis of land as though vacant focuses on alternative uses of the land, with appraisers analyzing each reasonably probable use. In the analysis of highest and best use of land as though vacant, appraisers seek the answers to several questions:*

- *Should the land be developed or left vacant?*
- *If left vacant, when would future development be financially feasible?*
- *If developed, what kind of improvements should be built?*

*In contrast, when appraisers analyze the highest and best use of the real estate as improved, the focus on alternative uses considers three possible actions related to the current improvements:*

1. *Retain the improvements.*
2. *Modify the improvements in some way, such as conversion, renovation, or alteration.*
3. *Demolish the improvements and redevelop the land.*

*The analysis of the highest and best use of the real estate as improved answers a different question than the analysis of the land as though vacant:*

- *Should the existing improvements on the property be maintained in their current state, should they be altered in some manner to make them more functionally efficient, or should they be demolished to create a vacant site for a different use?*
- *If renovation or redevelopment is warranted, when should the renovations or redevelopment occur?*

Implied within this determination of highest and best use is that the result is formed by the appraiser's interpretation of market evidence, e.g., that the use determined from analysis represents an interpretative opinion and not a fact to be found.

There are five general uses which are considered. These include residential, commercial, industrial, agricultural, and recreational. Within the Montana marketplace I have found it more prudent to begin the analysis with legally permissible since this helps refine the analysis quickly and to the point. The following presents the highest and best use analysis for the subject property.

### **Legally Permissible:**

The subject property is located within Lewis and Clark County. There is no zoning on the subject property.

### **Physically Possible:**

The subject property has physical and legal access from Montana Highway 200. The subject property has utilities consisting of electrical power, telephone service, and propane service (leased tank). There is no natural gas service in the immediate area. The subject property has a private well and septic system installed and connected to the improvement, as well as additional hook-ups to an RV site. Lewis & Clark County Sanitation Department confirmed they do have a septic permit on record, dated June 24, 1996.

### **Financial Feasibility:**

The subject has a single-family residential historical use and single-family residential highest and best use. It could be a part-time or recreational user, but the highest and best use is single-family residential. Recreational more implies some level of recreation this is a residential use.

### **Maximum Productivity:**

The maximum productivity of the subject is the ability to incorporate both residential and recreational (to a lesser extent) aspects of land use. The site supports a single dwelling unit in a rural location. There are a variety of year-round residences as well as recreational, seasonal cabin sites in the subject's immediate neighborhood. The subject site has electricity and telephone to the lot line, without consideration of how those utilities were brought to the lot line. Generally, this is a single-family residential site with some recreational overtones which is more of an impact of the location.

### **Most Likely Buyer:**

The most likely buyer would be a full-time or possibly recreational user of the property. The subject property is in close proximity to Lincoln which is a smaller community. For purposes of highest and best use the primary expectation is for an integrated highest and best use between residential (primary) and recreational.

**Timing of Use:**

The timing of use is generally immediate. The sales were all residential highest and best users. The sales all sold and closed in under six months. Overall, based on the sales information, it is reasonable to believe that the subject, if priced correctly, could be sold in a similar amount of time. The market information uncovered supports an immediate demand for the subject.

**Highest and Best Use of Land Only:**

The subject property has a mainly residential highest and best use given the overall site size and location.

**Highest and Best Use As Improved:**

The structural improvements continue to add value to the underlying land and the subject has a mainly residential highest and best use.

## **THE APPRAISAL PROCESS**

The appraisal process is an orderly procedure wherein the problem is defined, the work necessary to solve the problem is planned, and the data involved is acquired, classified, analyzed, and interpreted into an estimate of value requested.

There are three traditional approaches utilized by the appraisal professional which render a preliminary indication of value. They are generally referred to as the *Cost Approach*, the *Income Approach*, and the *Sales Comparison Approach*.

The Cost Approach is an estimation of the value of the land, as if vacant, by market comparisons, and then the depreciated or contributory value of the improvements is added. The Income Approach produces a value indication by capitalizing the net income or earnings power of the property by a rate reflected by market transactions or behaviors. The Sales Comparison Approach is a technique that produces an indication of value by a direct comparison of similar property types that have recently sold in the market to the subject property; appropriate adjustments made when and where necessary.

The three approaches to value do not necessarily apply to all types of property as the appraiser must decide whether a particular approach is applicable in each instance. The key to this decision is whether or not the approach is practical as a yardstick of market performance or merely a theoretical application. These observations are particularly pertinent in the appraisal of properties in transition to a higher and better use as well as special use properties where value-in-use is more applicable than market value.

The appraisal of the site is based on the overall value of the property as well as segregated values for the underlying land and non-state-owned structural and site improvements. In this instance the income approach would not allow for a reliable and credible opinion of current market value. In addition, the overall age of the structural improvements as well as the value of the underlying land makes the cost approach unreliable and non-credible. The most suitable approach for the appraisals of the sites is the sales comparison approach.

## **SALES COMPARISON APPROACH**

The following definition of this approach is taken from the Dictionary of Real Estate Appraisal, Seventh Edition, published by The Appraisal Institute:

### ***Sales Comparison Approach***

*The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.*

Applying the standard application of this approach, generally the comparable sales are reviewed in terms of physical similarities or dissimilarities, market condition differences, terms of sale, motivation factors involved, etc. When there are very few comparable sales with only a relative degree of similarity, the approach is considered to be less applicable and therefore less reliable as an indication of value for the subject property. When sufficient data is available, the approach takes on added dimension or credence.

Under the sales comparison approach methodology, there are several techniques that can be employed. I generally have found there to be more emphasis given to a price paid per acre. That is consistent with the market behaviors in this western Montana area. However, in some markets there is more emphasis on an overall lot price. This is sometimes seen in smaller residential lots and some waterfront properties. The analysis will include consideration of both and determine which technique best reflects the market behaviors.

As noted in *The Appraisal of Real Estate, Fifteenth Edition*, published by The Appraisal Institute, the following is the identified systematic procedure employed within this technique:

1. *Research the competitive market for information on properties that are similar to the property being appraised and that have been sold recently, or were listed for sale, or are under contract. Information on agreements of sale, options, listings, and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.*
2. *Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the properties such as buyer and seller motivations, economic characteristics (if the property is income-producing), value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible.*
3. *Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit, price per lot or proposed lot, price per room) and develop a comparative analysis for each unit. The goal is to define and identify a unit of comparison that explains or mirrors market behavior.*
4. *Look for differences between the comparables being considered and the subject property using all appropriate elements of comparison. Then adjust the price of each comparable, reflecting how it differs to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, an appraiser should be*

*concerned about comparability and the wisdom of relying on that comparable as a basis for comparison.*

5. *Reconcile the various value indicators produced from the analysis of comparables into a value indication from the sales comparison approach. A value can be expressed as a single point estimate, as a range of values, or in terms of a relationship (e.g., more or less than a given amount).*

In terms of direct comparison, there are ten basic elements that should be factored into the technique. These consist of:

1. *Real property rights conveyed (e.g., fee simple estate, leased fee, leasehold)*
2. *Financing terms (e.g., all cash, market financing, seller financing, special or atypical terms)*
3. *Conditions of sale (e.g., short sale, bank-owned real estate [REO], private estate, relocation, 1031 tax-free exchange, or other atypical motivations)*
4. *Expenditures made immediately after purchase (e.g., new roof, renovation costs)*
5. *Market conditions (e.g., changes in supply and demand or other causes of price changes)*
6. *Location (e.g., neighborhood, interior lot, waterfront, arterial street)*
7. *Physical characteristics (e.g., size, shape, soils, access, construction quality, condition)*
8. *Economic characteristics (e.g., expense ratios, lease provisions, management, tenant mix)*
9. *Legal characteristics (e.g., zoning/use requirements, environmental regulations, building codes, flood zones, differences in highest and best use)*
10. *Non-realty components of value (e.g., personal property, furniture, trade fixtures, and equipment [FF&E], franchises, trademarks)*

The sales comparison approach is reflective of the basic principles of *Anticipation, Balance, Change, Competition, Contribution, Externalities, Opportunity Costs, Substitution, and Supply/Demand*. The essence of comparison is direct similarity and that focuses on similarity of highest and best use and then physical characteristics.

**SALES COMPARISON APPROACH – LAND VALUE**



Land Sale No. 1  
3880 4x4 Road



Land Sale No. 2  
4173 Abe Lincoln Road



Land Sale No. 3  
427 Rundell Lane



Land Sale No. 4  
Tract 1 COS 605479 MT Highway 200 W



Land Sale No. 5  
4051 Dutchman Lane



Categories	Land Sale #1	Land Sale #2	Land Sale #3	Land Sale #4	Land Sale #5
Address/Sale Price	3880 4x4 Road	4173 Abe Lincoln Road	427 Rundell Lane	Tract 1 COS 605479 Highway 200	4051 Dutchman Lane
Sale Price	\$189,000	\$130,000	\$265,000	\$160,000	\$90,000
Price Acre	\$91,304	\$62,802	\$123,832	\$105,263	\$39,823
Per SF	\$2.10	\$1.44	\$2.84	\$2.42	\$0.91
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Cash	Cash	Cash	Cash	Cash
Conditions of Sale	Market	Market	Market	Market	Market
Expenditures Made Immediate to Sale	None	None	None	None	None
Improvement Value					
Days on Market	22	116	28	30	105
Sale Date/Market Conditions	8/15/2023	3/3/2023	7/19/2022	8/31/2023	10/28/2022
Time Lapse	12	18	25	12	22
Location	East of Lincoln, south of MT Hwy 200	East of Lincoln, south of MT Hwy 200	Just north of the center of Lincoln on Spring Creek	W of Lincoln	W of Lincoln
Size (SF)	90,169	90,169	93,218	66,211	98,446
Size (Ac)	2.07	2.07	2.14	1.52	2.26
Access	County/gravel	Private/gravel	County/gravel	Approach is needed from asphalt improved/MDOT maintained highway	Private/gravel
Topography	Level to rolling	Mostly level	Level to rolling	Level to rolling	Level to rolling
Utilities	Telephone, electricity, well	Elec., telephone	Community sewer, well, elec. Avail.	Telephone, electricity	Elec. Avail.
Zoning/Land Use	Mountain View Estates covenants	Mountain View Estates covenants	None	None	Stonewall covenants
Vegetation/Tree Cover	Good cover, with some open areas	Good cover, parked out	Good mix	Heavy tree cover and overgrowth	Mostly open
Water Resource	None	None	Spring Creek	None	None
Improvements	Well, electricity connected, approved septic site	None	RV site with electricity, well with spigot, and sewer connection to community sewer.	None	None

**Property Rights Conveyed:**

The sales represent a fee simple conveyance where the transactions do not reflect unusual limitations to the private property rights associated with real estate ownership. The sales typically include utility easements where the easement is along a boundary line. There are no sales where an adjustment for property rights conveyed is necessary.

**Financing Terms:**

The definition of market value requires the conclusion to represent a cash sale price or its' equivalent. There are many interpretations of what constitutes a cash sale, but emphasis should be on cash equivalency. In simple terms, consideration must be given to determine if the financing conditions affected the price paid. If the terms did not influence price, then the sale is regarded as cash equivalent. There are times a seller does not, nor would they accept a full cash sale due to tax consequences. As such, the fact the property sold on contract is not a significant element to the price paid as long as the terms of the contract sale did not influence the price paid. In full review of the sales, I have found no transaction to require a cash equivalent adjustment. Where terms are questionable, I will discuss the possible effect within that particular analysis.

**Conditions of Sale:**

This relates to the motivational influences of each sale. Specific to discussion are sales that had been influenced by an atypical condition reflected by either the seller or the buyer. Such examples are classified as either a distressed sale where the seller was required to sell because of unusual circumstances.

Most of these examples are lender sales shown as a "short sale" or an "REO" (Real Estate Owned) which is most often where a bank received the property back from the borrower under a deed-in-lieu-of-foreclosure. The bank then puts the property on the market as an REO. There are motivational issues typically influencing the listing price and that results in a lower-than-market sale price. There are no sales included within the analysis that have an impact from conditions of sale.

**Market Conditions (Time of Sale):**

This measurement reflects the change in price levels over time. A sale/resale of this type of property is the best determination of a time of sale adjustment. This is because there are quality and location issues that cannot be quantified when looking at paired sales. Interviews with brokers, agents, and other market participants have brought forth a consensus there has been some market conditions adjustment in this market over the past several years. Most local real estate agents and brokers I interviewed indicated the market is steady to slightly improving.

These sales are indications of a rise in general market conditions and not a result of remodels or

improvements, as the pairing used were examined and eliminated if significant changes were made to the properties.

Sale	Date New Price	Sale	Date Old Price	Months	Monthly Compound
499 3rd Street Marysville	01/14/22 \$165,000	499 3rd Street Marysville	08/28/20 \$125,000	17	1.69%
3574 E Montana Road, Hwy Lincoln	01/17/24 \$300,000	3574 E Montana Road, Lincoln	08/09/21 \$205,000	29	1.31%
Sale No. 2 Lincoln	04/05/22 \$135,000	4342 Snow Fleury Lane Lincoln	07/22/21 \$125,000	8	0.92%
15284 Falls Creek Road Augusta	07/17/24 \$241,500	15284 Falls Creek Road Augusta	11/06/23 \$230,000	8	0.59%
161 Powder Horn Road Helmville	05/01/23 \$229,900	161 Powder Horn Road Helmville	10/21/20 \$139,900	30	1.65%
13621 Hoover Creek Road Helmville	04/05/22 \$345,000	13621 Hoover Creek Road Helmville	12/21/20 \$290,000	15	1.13%
44 Talon Road Helmville	06/12/24 \$170,000	44 Talon Road Helmville	08/18/22 \$119,000	22	1.65%
4859 Chimney Lakes Road Helmville	08/30/24 \$164,900	4859 Chimney Lakes Road Helmville	10/11/21 \$105,000	35	1.31%
675 Dry Gulch Road Ovando	10/20/23 \$1,800,000	675 Dry Gulch Road Ovando	11/01/21 \$1,650,000	24	0.37%
				Minimum	0.37%
				Maximum	1.69%
				Median	1.31%
				Average	1.18%

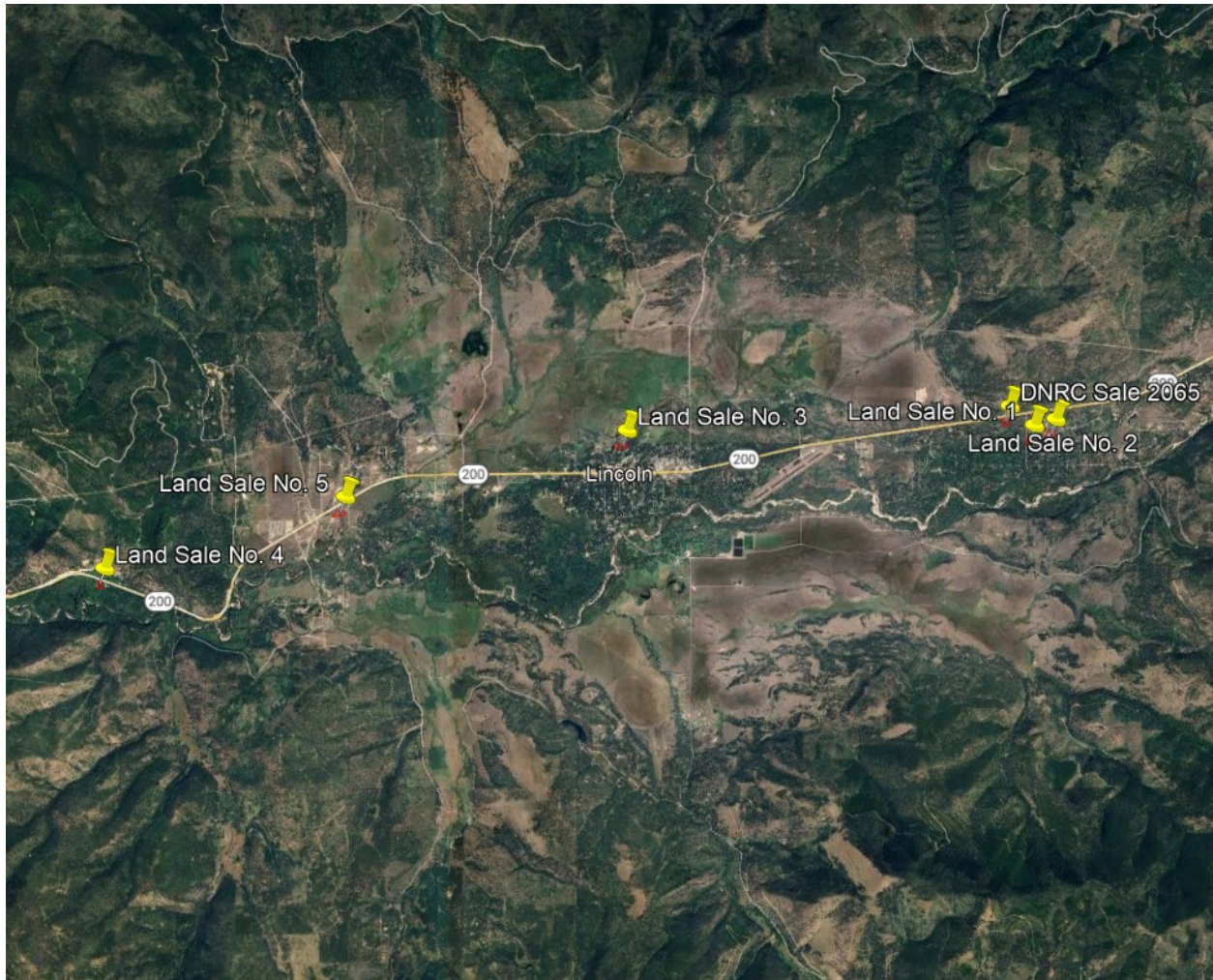
There were only two sale/resale of a single-family residential property in the immediate Lincoln area, so I expanded my search to a 30-mile radius of Lincoln to include other rural communities similar to Lincoln in terms of population, proximity to services and recreational opportunities. The tabulation above includes the two sale/resales in Lincoln, as well as seven other sale/resales in the search area. The data set provides a good range of original sale dates in 2020, 2021, 2022, and 2023, with the resale dates occurring in 2022, 2023, and 2024. The range shows a monthly compound adjustment rate of 0.37% up to 1.69%. One of the two sales in Lincoln is primary Sale No. 2 used in the sales comparison approach for improved sales. Sale No. 2 is located on Snow Fleury Lane and originally sold for \$125,000 in July 2021. It then resold in April 2022 for \$135,000. This indicates a monthly compound adjustment of 0.92%. The second sale located in Lincoln originally sold in August 2021 and resold in January 2024 with an indicated monthly compound adjustment of 1.31%. The average indication from all the pairings in the 30-mile radius is 1.18% and the median indication is 1.31%.

Sale	Date New Price	Sale	Date Old Price	Months	Monthly Compound
Nhn Bear Gulch Lincoln	06/23/22 \$55,000	Nhn Bear Gulch Lincoln	04/25/22 \$52,500	2	2.43%
3119 Allen Gulch Road Wolf Creek	08/13/21 \$170,000	3119 Allen Gulch Road Wolf Creek	06/09/20 \$79,000	14	5.57%
3 & 7 Little Wolf Creek Road Wolf Creek	11/10/22 \$100,000	3 & 7 Little Wolf Creek Wolf Creek	02/05/21 \$77,500	21	1.21%
Tbd Bear Track Road Wolf Creek	02/18/22 \$140,000	Tbd Bear Track Road Wolf Creek	09/11/20 \$99,775	17	1.98%
4535 Little Wolf Creek Road Wolf Creek	12/23/21 \$105,000	4535 Little Wolf Creek Wolf Creek	03/17/21 \$98,000	9	0.75%
Tbd Little Wolf Creek Road Wolf Creek	06/10/22 \$230,000	Tbd Little Wolf Creek Road Wolf Creek	07/02/21 \$200,000	11	1.25%
Nhn Woods Creek Road Wolf Creek	02/25/22 \$36,000	Nhn Woods Creek Road Wolf Creek	10/21/20 \$18,000	16	4.38%
NHN Muskrat Road, Lot 41 Helmville	08/23/24 \$52,000	NHN Muskrat Road, Lot 41 Helmville	08/25/20 \$25,000	48	1.54%
Lot 57 Bison Hollow Road Helmville	03/25/23 \$73,000	Lot 57 Bison Hollow Road Helmville	11/24/20 \$43,500	28	1.87%
Lot 123 Hidden Canyon Road Helmville	07/09/24 \$125,000	Lot 123 Hidden Canyon Helmville	09/01/22 \$115,000	22	0.38%
Nhn Barn Swallow Road, Lot 107 Helmville	01/12/23 \$75,000	Nhn Barn Swallow Road, Helmville	02/04/21 \$49,000	23	1.85%
Lot 56 Beaverslide Road Helmville	11/17/22 \$70,000	Lot 56 Beaverslide Road Helmville	02/04/21 \$49,000	21	1.68%
				Minimum	0.38%
				Maximum	5.57%
				Median	1.76%
				Average	2.07%

I also analyzed sale/resale data for vacant land in the area. The tabulation above outlines one pairing of a vacant land tract in Lincoln, as well as eleven others from the same areas used previously for the single-family residential pairings. This data also includes original sales from 2020, 2021 and 2022 and resale dates from 2021, 2022, 2023, and 2024. The monthly compound adjustment for the vacant land ranges from a rate of 0.38% to 5.57%, which is higher than the adjustment indications given for the improved residential properties. The average indication of the monthly compound adjustment rate of all twelve pairings is 2.07% and the median rate is 1.76%.

My final conclusion is a rounded figure of 1.00% monthly compound adjustment. The amount will be applied to both the improved single-family residential sales as well as the vacant land sales.

**Location:**



Land Sale No. 1 and Land Sale No. 2 are located in the immediate neighborhood of the subject property. Land Sale No. 3 is located just north of the center of Lincoln and Land Sale No. 4 and Land Sale No. 5 are located east of the subject property on the southerly side of Montana Highway 200 and in reasonable proximity to the community of Lincoln. The subject and all the sales are roughly within five miles of the center of Lincoln. Overall, there is no significant difference in location between the subject property and the five land sales.

**Size Adjustment:**

The next issue of significance relates to a size adjustment. Theory holds that a smaller parcel should sell for a higher unit price and conversely a larger tract should sell for a lower unit price. It is somewhat difficult to extract an adjustment for size given the limited amount of primary sales data. In speaking with some of the local realtors in Lincoln, the consensus supports the contention that larger parcels are typically priced at a lesser unit price.

Land Sale No. 5 is the largest parcel at 2.26 acres and sold for the lowest price of \$39,823 per acre in October 2022. Land Sale No. 3 is the second largest parcel at 2.14 acres and sold for the highest price of \$123,832 per acre in July 2022. Other physical characteristics likely influenced the higher price for Land Sale No. 3, mainly that it includes a creek, which the subject and other land sales do not include. A further discussion of water resource and the influence on price is discussed a few paragraphs down.

Sale No. 4 is the smallest parcel at 1.52 acres, and other than Sale No. 3, it sold for the highest price of \$105,263 per acre in August 2023. Sale No. 1 is 2.07 acres, and it sold in August 2023 for \$91,304 per acre. Sale No. 2 is also 2.07 acres, and it sold for \$62,802 per acre earlier in the same year (March 2023). Sale No. 1 also had some other physical characteristics such as installed utilities which likely had an influence on the price paid per acre.

The subject is approximately 2 acres and the land sales range in size from 1.52 acres to 2.14 acres and bracket the size of the subject well. The overall market adjusted sales price ranges from \$111,982 to the upper end of \$340,800 and the market adjusted price per acre ranges from \$55,991 to \$170,400. This is a wide range of indications, and the price differences are likely due to other physical characteristics and not just size. The analysis will be completed on both an overall lot price as well as a price per acre. Emphasis is to the sales most similar in size to the subject property so there is less of a necessity to prove a size adjustment based on price per acre.

#### **Road Access:**

The subject has access from the asphalt improved highway maintained by Montana Department of Transportation (MDOT). All of the sales have access from gravel improved roadways except Sale No. 4. Sale No. 4 has access directly from Montana Highway 200, which is more similar to the subject. An approach would need to be developed with the Montana Highway Department for Sale No. 4 and the expense of the approach would fall to the property owner. I was not able to develop a quantitative adjustment from the market, but a qualitative adjustment was made for Sale No. 4 in terms of access. The rest of the primary sales have access that is considered at least offsetting to the subject property.

#### **Topography:**

Topography is observed to determine the site's usability. The term involves much more than the lot being suitable for a single dwelling unit given slope characteristics that affect cost of developing a site for roads (driveway), excavation and foundation work as well as wetland issues, bedrock issues, heavy tree cover, etc. That is all part of the discussion of topography. All of the sales are reasonably similar to the subject property in terms of topography and no adjustments is required.

### **Utilities / Improvements:**

The utilities adjustment is based on the cost to extend utilities or a matched pairs analysis showing a similar site with utilities versus a site without those utility services. For the most part, the individual sales have similar utilities or availability of utilities. The land valuation is based upon the subject property only having telephone and electricity to the lot line. Land Sale No. 1 included an installed well and a septic permit. Land Sale No. 3 included an RV site with electricity, a well with spigot, and a sewer connection to the community sewer system. No monetary adjustments were made but a qualitative adjustment was made for both of these sales in terms of utilities.

### **Zoning/Land Use:**

Zoning and land use is based on restrictions the owner may have on developing the land. There is no county or city zoning on any of the sales or subject property. It should be noted that Land Sale No. 1, Land Sale No. 2, and Land Sale No. 5 are in subdivisions with some covenants and also include some HOA fees for road maintenance; however, these sales are still at least reasonably comparable to the subject property in terms of zoning and land use. Consideration was given to the covenants and HOA fees during the analysis, but a monetary adjustment has not been applied.

### **Water Resource:**

Per conversations with realtors in the Lincoln market, water resources are one of the top features requested of buyers looking for property in the area. Properties that include frontage on lakes and rivers are highly sought after, but streams and creeks are also desired. The subject property is bisected by Grosfield Ditch, but it is no longer used, and water no longer flows through it. This ditch has been abandoned and it's highly unlikely it will ever be used again. Sale No. 3 includes Spring Creek, which is a spring fed creek that runs year round and doesn't freeze. Spring Creek is the likely reason for this property selling for a higher per acre price than other properties of comparable size without a water feature. I was not able to derive an exact adjustment from the market, so a qualitative adjustment was made for Sale No. 3. Emphasis is to the other sales without a water resource.

No other adjustments have been factored into the grid analysis that will be used for comparative analysis reflecting the sales of vacant land to the individual subject property. The reader should be aware there is seldom a direct uniformity of opinion expressed by sellers, buyers, brokers, and appraisers with regard to how each of these factors is or has been incorporated into the price that was paid. Simply, there is no absolute measurement that is accurate 100% of the time. Personal preferences and perceptions are often greatly affected by the choices (number of properties available for sale, at the time the buyer wants to buy). As such, the variability in market price can be measured reasonably but never to an absolute degree or dollar amount.

## Land Valuation:

Categories	Subject Property	Land Sale #1	Adjustments	Land Sale #2	Adjustments
<b>Address/Sale Price</b>	<b>3815 EMT Highway 200</b>	<b>3880 4x4 Road</b>	<b>\$189,000</b>	<b>4173 Abe Lincoln Road</b>	<b>\$130,000</b>
Price Acre		\$91,304		\$62,802	
Per SF		\$2.10		\$1.44	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$0	None	
Improvement Value					
Days on Market	N/A	22		116	
Sale Date/Market Conditions	8/26/2024	8/15/2023	\$24,808	3/3/2023	\$25,220
Time Lapse		12		18	
Adjusted Sale Price	N/A		\$213,808		\$155,220
Adjusted Price (\$/Ac)	N/A		\$103,289		\$74,985
<b>Adjustments:</b>					
Location	South side of MT Hwy 200, east of Lincoln, roughly 1.8 miles east of the airport.	East of Lincoln, south of MT Hwy 200		East of Lincoln, south of MT Hwy 200	
Size (SF)	87,120	90,169		90,169	
Size (Ac)	2.00	2.07		2.07	
Access	Asphalt improved/MDOT maintained highway.	Private/gravel		Private/gravel	
Topography	Level to rolling	Level to rolling		Mostly level	
Utilities	Elec., propane (leased), private well, private septic	Elec., telephone, well		Elec., telephone	
Zoning/Land Use	None	Mountain View Estates covenants		Mountain View Estates covenants	
Vegetation/Tree Cover	Tract is a good mix of evergreens and natural grasses/shrubs.	Good cover, with some open areas		Good cover, parked out	
Water Resource	None (Gros field Ditch is a 3 mile ditch that bisects subject but no longer has waterflow). It is highly unlikely this ditch will ever be used again.	None		None	
Improvements	None	Well, electricity connected, approved septic site	Superior	None	
<b>Net Adjustments</b>			\$0		\$0
<b>Indicated Value</b>			\$213,808		\$155,220
<b>Implied Subject Per Acre</b>			\$106,904		\$77,610



Categories	Subject Property	Land Sale #3	Adjustments	Land Sale #4	Adjustments
<b>Address/Sale Price</b>	<b>3815 EMT Highway 200</b>	<b>427 Rundell Lane</b>	<b>\$265,000</b>	<b>Tract 1 COS 605479 Highway 200</b>	<b>\$160,000</b>
Price Acre		\$123,832		\$105,263	
Per SF		\$2.84		\$2.42	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$0	None	
Improvement Value					
Days on Market	N/A	28		30	
Sale Date/Market Conditions	8/26/2024	7/19/2022	\$75,800	8/31/2023	\$20,056
Time Lapse		25		12	
Adjusted Sale Price	N/A		\$340,800		\$180,056
Adjusted Price (\$/Ac)	N/A		\$159,252		\$118,458
<b>Adjustments:</b>					
Location	South side of MT Hwy 200, east of Lincoln, roughly 1.8 miles east of the airport.	Just north of the center of Lincoln on Spring Creek		W of Lincoln	
Size (SF)	87,120	93,218		66,211	
Size (Ac)	2.00	2.14		1.52	Superior
Access	Asphalt improved/MDOT maintained highway.	County/gravel		Approach is needed from asphalt improved/MDOT maintained highway	Inferior
Topography	Level to rolling	Level to rolling		Level to rolling	
Utilities	Elec., propane (leased), private well, private septic	Community sewer, well, elec. Avail.		Elec., telephone	
Zoning/Land Use	None	None		None	
Vegetation/Tree Cover	Tract is a good mix of evergreens and natural grasses/shrubs.	Good mix		Heavy tree cover and overgrowth	Inferior
Water Resource	None (Grosfield Ditch is a 3 mile ditch that bisects subject but no longer has waterflow). It is highly unlikely this ditch will ever be used again.	Spring Creek	Superior	None	
Improvements	None	RV site with electricity, well with spigot, and sewer connection to community sewer.	Superior	None	
<b>Net Adjustments</b>			\$0		\$0
<b>Indicated Value</b>			\$340,800		\$180,056
<b>Implied Subject Per Acre</b>			\$170,400		\$90,028

Categories	Subject Property	Land Sale #5	Adjustments
<b>Address/Sale Price</b>	<b>3815 E MT Highway 200</b>	<b>4051 Dutchman Lane</b>	<b>\$90,000</b>
Price Acre		\$39,823	
Per SF		\$0.91	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0
Financing Terms	Cash Equivalent	Cash	\$0
Conditions of Sale	Market	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$0
Improvement Value			
Days on Market	N/A	105	
Sale Date/Market Conditions	8/26/2024	10/28/2022	\$21,982
Time Lapse		22	
Adjusted Sale Price	N/A		\$111,982
Adjusted Price (\$/Ac)	N/A		\$49,549
<b>Adjustments:</b>			
Location	South side of MT Hwy 200, east of Lincoln, roughly 1.8 miles east of the airport.	W of Lincoln	
Size (SF)	87,120	98,446	
Size (Ac)	2.00	2.26	
Access	Asphalt improved/MDOT maintained highway.	Private/gravel	
Topography	Level to rolling	Level to rolling	
Utilities	Elec., propane (leased), private well, private septic	Elec. avail.	
Zoning/Land Use	None	Stonewall covenants	
Vegetation/Tree Cover	Tract is a good mix of evergreens and natural grasses/shrubs.	Mostly open	Inferior
Water Resource	None (Grosfield Ditch is a 3 mile ditch that bisects subject but no longer has waterflow). It is highly unlikely this ditch will ever be used again.	None	
Improvements	None	Approved septic.	
<b>Net Adjustments</b>			\$0
<b>Indicated Value</b>			\$111,982
<b>Implied Subject Per Acre</b>			\$55,991

**Reconciliation:**

	<b>Value Indication</b>	<b>Dollar Per Acre</b>
Mean (Average)	\$200,373	\$100,187
Median	\$180,056	\$90,028
Minimum	\$111,982	\$55,991
Maximum	\$340,800	\$170,400

As discussed, Land Sale No. 1 and Land Sale No. 2 are located in the subject immediate neighborhood roughly 3 miles east of Lincoln, Land Sale No. 3 is located on the north edge of Lincoln, and Land Sale No. 4 and Land Sale No. 5 are located within 5 miles west of Lincoln on the south side of Montana Highway 200. Each has a reasonable proximity to the community of Lincoln and all the sales are roughly within 8 air miles of the subject property.

The subject property is 2 acres and Land Sale No. 1, and Land Sale No. 2 are most similar in size at 2.07 acres each. Land Sale No. 1 sold in August 2023 and Land Sale No. 2 sold in March 2023. Since the sale, the buyer of Land Sale No. 2 has completed construction of a two-story residence on the property, as observed during the site inspection. Both of these sales are in the same subdivision with covenants and annual HOA fees that are less typical for this area. Land Sale No. 2 did not include any installed utilities and Land Sale No. 1 included an installed well and an approved septic permit, as well as an installed electrical pedestal at the building site. The current HOA fee is \$200 annually to cover road maintenance and the covenants include restrictions that allow for one single-family residence that is no less than 1,000 square feet in size. Manufactured homes are not allowed. The market conditions adjusted indication for these two sales is \$213,800 for Land Sale No. 1 and \$155,220 for Land Sale No. 2. The indicated price per acre from these two sales is \$106,904 per acre (Land Sale No. 1) and \$77,610 (Land Sale No. 2).

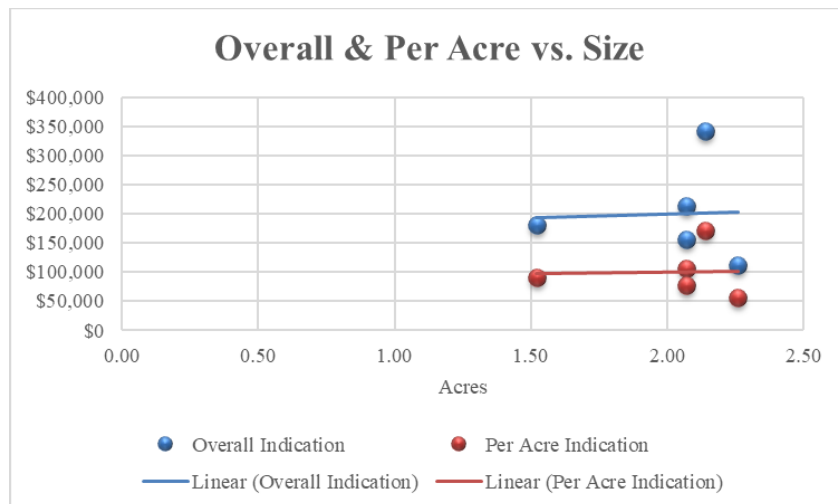
Land Sale No. 3 is 2.14 acres and is located a few blocks north of Montana Highway 200, near the center of Lincoln. Although it is within walking distance of town, it is adjacent to a larger ranch on the northerly side and feels rural and private. This property also includes Spring Creek, which is a year-round, spring fed creek. Properties with water resources such as Spring Creek are highly sought after in this market, which makes this sale superior overall to the subject property. This sale helps set the upper end of the indications at \$170,400 per acre and an overall indication of \$340,800.

Land Sale No. 5 is located roughly 5.8 miles west of the subject property in a subdivision just south of Montana Highway 200. The subdivision includes covenants restricting use to one single-family residential structure and related outbuildings per tract. The building size restriction for the residence is a minimum of 800 square feet and single-wide mobile homes are not permitted. The listing agent was not aware of any HOA fees, and I was not able to find record of

any such fees. This property is 2.26 acres and sold in October 2022. The tract is more open with little to no trees and the view in all directions is other single-family residential properties and the highway. This is in comparison to the subject property which has good tree cover and has limited views of neighboring properties. Although the subject is located adjacent to Montana Highway 200, it is reasonable to conclude that overall, the subject tract provides a more private setting due to the good tree cover that this sale lacks. This sale brackets the low end of the indications at \$111,982 overall or \$55,991 per acre.

Land Sale No. 4 is located roughly 8 air miles west of the subject and is smaller at 1.52 acres. Similar to the subject, this tract is located adjacent to the south side of Montana Highway 200 but does not have a developed approach from the highway. Montana Department of Transportation (MDOT) confirmed they are required to grant access to property owners as long as the approach is safe. MDOT will not provide an assessment of an approach without a full permit application submitted by the property owner, but it is reasonable to assume an approach would be granted from the highway. Land Sale No. 4 also has heavy overgrowth which would require clearing in order to develop for a residential use, although it does provide good privacy, especially from the northerly side along the highway, which would be desirable for buyers in the market. Like the subject, this property has no zoning and no covenants restricting land use. This sale provides an overall indication of \$180,056 and a per acre indication of \$90,028.

Sale No.	Size (Acres)	Overall Indication	Per Acre Indication
Land Sale #1	2.07	\$213,808	\$106,904
Land Sale #2	2.07	\$155,220	\$77,610
Land Sale #3	2.14	\$340,800	\$170,400
Land Sale #4	1.52	\$180,056	\$90,028
Land Sale #5	2.26	\$111,982	\$55,991



The five sales have an adjusted overall value indication range of \$111,982 to an upper end of \$340,800. The per unit indication of the primary sales ranges from \$55,991 to \$170,400 per acre. Emphasis is toward Land Sale No. 2 and Land Sale No. 1. These two sales are located in the immediate neighborhood of the subject and are closest in overall size as the subject. Land Sale No. 1 does not include any utility improvements which is most similar to the subject property. Emphasis is to the range of \$77,610 per acre to the upper end of \$106,904 per acre and an overall range of \$155,220 to \$213,808, with a conclusion of \$78,000 per acre.

Gross Site Area (Acres)	2.00
Gross Site Area (SF)	87,120
Per Acre	\$78,000
Indicated Value	\$156,000
Rounded to	\$155,000

## SALES COMPARISON APPROACH – IMPROVED PROPERTY

Below are details for each sale used in the sales comparison approach as well as exterior photos from my inspection. MLS data has provided interior and some exterior photographs of the sales which is invaluable in gaining a proper understanding of both quality features as well as support of the broker confirmations regarding condition of the property.



SFR Sale No. 1

4029 Snow Fleury Lane



SFR Sale No. 2

4342 Snow Fleury Lane



SFR Sale No. 3  
4172 Snow Fleury Lane



SFR Sale No. 4  
3574 E Montana Highway 200

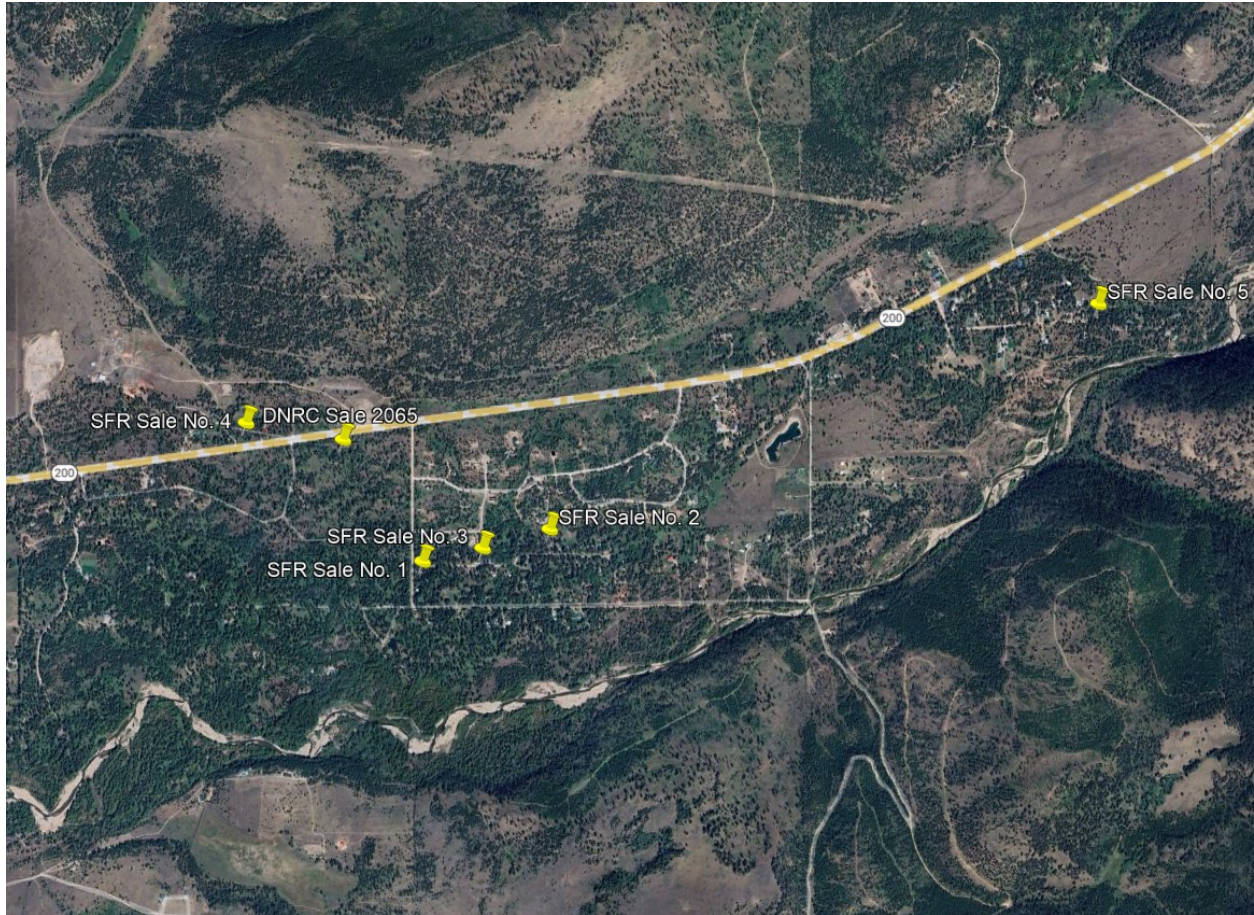


SFR Sale No. 5  
5690 7up Lane

Sale #	SFR Sale No. 1	SFR Sale No. 2	SFR Sale No. 3	SFR Sale No. 4	SFR Sale No. 5
Address/Location	4029 Snow Fleury Lane	4342 Snow Fleury Lane	4172 Snow Fleury Lane	3574 E Montana Highway 200	5690 7up Lane
Sale/List Price	\$375,000	\$210,000	\$335,000	\$300,000	\$250,000
Overall \$/SF	\$240.38	\$530.30	\$287.55	\$259.97	\$244.62
Improvement Only \$/SF	\$163.46	\$239.90	\$188.84	\$138.65	\$136.99
Original List Price	\$375,000	\$225,000	\$349,000	\$300,000	\$250,000
DOM	62	59	40	0	42
Date of Sale	4/10/2023	9/26/2022	5/7/2024	1/17/2024	2/16/2023
Concessions	None	None	Allowance for flooring	None	None
Site Size (Acres)	1.11	0.91	0.97	1.72	0.72
Site Value	\$120,000	\$115,000	\$115,000	\$140,000	\$110,000
Quality	Average	Average	Average	Average	Average
Design	Wood frame	Log	Wood frame	Wood frame	Wood frame
Year Built	1939	1925	1966	1963	2004
Effective Age	20	30	30	40	15
Bathrooms	1.0	0.5	1.5	1.5	1.0
Above Grade SF	1,560	396	1,165	1,154	1,022
Below Grade SF	0	0	0	0	0
Below Grade Finish	0	0	0	0	0
Fireplaces	1.0	1.0	0.5	1.5	2.0
Deck/Porch/Patio(s)	360	472	0	111	102
Garage (SF)	576	1,300	784	288	200
Other Living Area	0	0	0	0	0
Outbuildings	976	80	200	180	272
Site Utilities	Elec., phone, septic, well, propane (leased)	Elec., phone, septic, well	Elec., phone, septic, well, propane (owned)	Elec., phone, septic, well, propane (leased)	Elec., phone, septic, well, propane (leased)
Onsite Improvements	Perimeter fencing, ramp entry, gravel drive, outhouse, shed	RV hookups, gravel drive	Poured concrete parking area, firepit, partial fencing, landscaping.	Outhouse, gravel drive, gated entrance, perimeter fencing, firepit, gravel driveway	Outhouse, gravel drive, fenced yard, swing
Offsite Improvements	Private gravel road	Gravel county road	Gravel county road	Asphalt, maintained state highway	Gravel private road



## Location Map:



The sales data was gleaned from MLS in the Lincoln area and there was not a need to search outside the primary market. Overall, there is a reasonable comparability in the location of the sales and the subject property.

## Site Value:

The tabulation below outlines a number of residential land sales located within ten miles of Lincoln that sold in 2023 and 2024. The sales range in size from 0.82 acres to 40 acres. There were seven sales that were less than 3 acres in size. The range in overall sales price for those seven sales is \$115,000 to \$260,000.

ML #	Lot Acres	Close Date	Close Price	Per Acre	Address	City	Days On Market
22214261	0.82	1/9/2023	\$115,000	\$140,244	Lot 18b Sleepy Hollow Lane	Lincoln	102
22214257	1.02	1/3/2023	\$115,000	\$112,745	Lot 18c Sleepy Hollow Lane	Lincoln	96
30020779	1.2	3/29/2024	\$220,000	\$183,333	615 Main Street	Lincoln	2
30011412	1.52	8/31/2023	\$160,000	\$105,263	Land Sale No. 4	Lincoln	30
22215886	2.07	3/3/2023	\$130,000	\$62,802	Land Sale No. 2	Lincoln	116
30011066	2.07	8/15/2023	\$189,000	\$91,304	Land Sale No. 1	Lincoln	22
30014543	2.97	6/6/2024	\$260,000	\$87,542	5176 E Mt Highway 200	Lincoln	210
30013400	12.97	12/18/2023	\$207,000	\$15,960	8451 Thunder Road	Lincoln	68
22215981	39	1/19/2023	\$325,000	\$8,333	3595 Bear Gulch Road	Lincoln	70
22214887	40	7/19/2023	\$320,000	\$8,000	Tbd Patterson Prairie Road	Lincoln	28

The land sales are located in an area considered consistent with the primary sales, as well as the subject. The primary sales range in site size from 0.72 acres to 1.72 acres. I used the tabulation above from the seven smallest sales to estimate the site value for the primary sales. SFR Sale No. 4 is closest in lot size (1.72 acres) to the subject property (2 acres). Sale No. 1 is 1.11 acres, Sale No. 2 is 0.91 acres, Sale No. 3 is 0.97 acres, and Sale No. 5 is 0.72 acres.

In the tabulation of land sales above, the 1.2 acre tract on Main Street sold for \$220,000 but the sale also included a building kit for storage units on the property. The potential commercial use of the property likely had an influence on the price. The 2.97 acre tract located at 5176 E MT Highway 200 and the 2.07 acre tract (Land Sale No. 1) included installed utilities. Both included a private well and installed electricity to building site and the 2.97 acre tract also included a septic system. The subject property and all of the improved sales have access to all available utilities including electricity and telephone and all include a private well and septic system. The land value for each of the improved sales was estimated for the vacant land without installed utilities. Utilities are included in the estimated improvement value.

Lewis and Clark County has some limited zoning in the Lincoln area. The subject and none of the improved sales are in areas with county zoning. Some of the sales are in areas with covenants, however, all the land sales are for residential use. Consideration was given to possible land use regulations when arriving at the final conclusion of value.

### **Adjustment Process:**

For the adjustment process, the emphasis for quality will be related to replacement cost which acknowledges market participants, as knowledgeable buyers, or sellers, would be aware of quality-and-cost correlations. Condition is based on observed condition of the subject property through inspection whereas the sale properties were verified as to condition through broker verification and through review of the interior photographs of the sales that are part of the MLS data. To some extent, the condition of the property is also observed by the personal inspection of the exterior of the sale. This combination of sources is the basis of direct comparison of property condition (sale to subject).

The adjustment process employed for site value differences has been accomplished through my personal analysis of each of the sales which was formed through a land residual analysis as well as a valuation of the underlying site with the site value deducted from sales price to compare to the replacement cost new, less depreciation (RCNLD) of each sale. The adjustment employed is the subject site value less the sale site value (conversely, if the sale has a higher site value, a negative adjustment will be shown).

For building size, above grade, an adjustment will be made on the basis of the subject quality rating with differences between the subject quality and the sale quality having already been handled in the quality adjustment. For size, the subject quality will establish the base adjustment using a price per square foot. For example, an average quality rating for the subject will result in the use of \$75 per square foot that is applied to the difference in above grade size. The extraction of this adjustment was accomplished through analysis. The table below is a summary of the adjustment process used for quality differences in calculating the size adjustment.

Above Grade SF	Per SF
Fair/Rustic	\$50
Average	\$75
Good	\$100
Very Good	\$175
Excellent	\$210

The subject property, nor any of the sales have below grade improvements, so no additional adjustments were required for below grade improvements.

Adjustments for fireplace and wood stove are generally based on RCNLD of this feature. Some fireplace value is simply part of the overall quality of the property but the variation between one fireplace and two fireplaces is held to be something less than RCNLD. I have adjusted fireplaces at \$5,000 to \$10,000 depending on the quality of the fireplaces. For an average quality cabin, a fireplace will contribute an estimated \$5,000 so the variation between subject and sale is adjusted on that dollar amount. For very good to excellent quality, the adjustment for fireplace is \$10,000. For good quality, the adjustment is \$7,500. For a wood stove, the adjustment is \$2,500 to \$3,500 depending on the quality of the wood stove. Some are parlor stoves with little ornamentation while others have masonry backdrops and hearth so some quality variation should be accommodated.

For other living areas, this is typically represented as a detached cabin, bunkhouse, area over a garage, etc. It is not considered part of the main home or cabin. As with the main cabin, quality is a very important variable. For other living areas, I will adjust on the basis of quality which is shown in the table below but also recognizes a critical point of what the other living area reflects as to overall qualities and the structure itself.

Other Living Area	Per Square Foot
Fair/Rustic	\$25
Average	\$45
Good	\$55
Very Good	\$75
Excellent	\$100

Decks will be adjusted using a factor of \$20 per square foot with some variation done when the deck/patio area contains plain concrete pad area. Where a patio is rock or brick and of a certain quality, that area will be the same as the open deck adjustment. When a deck is covered, depending on the quality of that cover, the adjustment will be higher. If it is a covered deck but not a fully enclosed screened porch, I will use \$30 per square foot depending on the quality of the deck and the roof structure. For a fully enclosed screened porch, I will use \$35 per square foot for average and good quality while very good and excellent quality will use \$50 per square foot.

Decks/Porches/Patios	Per Square Foot
Concrete Patio	\$10
Deck/Patio	\$20
Covered Deck	\$30
Screened Porch - Avg to Good	\$35
Screened Porch - V. Good to Excellent	\$50

For garage space, the adjustment will represent the various quality levels. I have not been able to extract market evidence that a detached garage has any different contribution, although we know a detached garage costs more to build than an attached garage. For that reason, the adjustments are reflective of an attached garage.

Garage	Per Square Foot
Fair/Rustic	\$30.00
Average	\$40.00
Good	\$50.00
Very Good	\$60.00
Excellent	\$75.00
Pole/Metal	\$20.00

## Improved Valuation:

Sale #	Subject	SFR Sale No. 1		SFR Sale No. 2	
Address/Location	3815 E MT Highway 200	4029 Snow Fleury Lane	Adjustment	4342 Snow Fleury Lane	Adjustment
Sale/List Price	N/A	\$375,000	\$0	\$210,000	\$0
Overall \$/SF	N/A	\$240.38	\$0	\$530.30	\$0
Improvement Only \$/SF	N/A	\$163.46	\$0	\$239.90	\$0
Original List Price	N/A	\$375,000	\$0	\$225,000	\$0
DOM	N/A	62	\$0	59	\$0
Date of Sale	8/26/2024	4/10/2023	\$442,217	9/26/2022	\$264,040
Concessions	N/A	None	\$0	None	\$0
Site Size (Acres)	2.00	1.11	In Site Value	0.91	In Site Value
Site Value	\$155,000	\$120,000	\$35,000	\$115,000	\$40,000
Quality	Average	Average	\$0	Average	\$0
Design	Wood frame	Wood frame	In Quality	Log	In Quality
Year Built	2006	1939	See Eff. Age	1925	See Eff. Age
Effective Age	15	20	\$23,182	30	\$25,909
Bathrooms	1.0	1.0	\$0	0.5	\$2,500
Above Grade SF	900	1,560	-\$49,500	396	\$37,800
Below Grade SF	0	0	\$0	0	\$0
Below Grade Finish	0	0	\$0	0	\$0
Fireplaces	1.0	1.0	\$0	1.0	\$0
Deck/Porch/Patio(s)	443	360	\$1,660	472	\$9,930
Garage (SF)	600	576	\$960	1,300	-\$28,000
Other Living Area	0	0	\$0	0	\$0
Outbuildings	344	976	-\$6,320	80	\$2,640
Site Utilities	Elec., propane (leased), private well, private septic	Elec., phone, septic, well, propane (leased)	\$0	Elec., phone, septic, well	\$0
Onsite Improvements	Gravel drive, firepit, RV carport with deck/ramp, outhouse, pump house	Perimeter fencing, ramp entry, gravel drive, outhouse, shed	\$0	RV hookups, gravel drive	\$0
Offsite Improvements	Asphalt, MDOT maintained state highway	Private gravel road	\$0	Gravel county road	\$0
Total Adjustments			\$4,982		\$90,779
<b>Adjusted Indication-Overall</b>			<b>\$447,199</b>		<b>\$354,819</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$292,199</b>		<b>\$199,819</b>

Sale #	Subject		SFR Sale No. 3		SFR Sale No. 4	
Address/Location	3815 EMT Highway 200	4172 Snow Fleury Lane	Adjustment		3574 E Montana Highway 200	Adjustment
Sale/List Price	N/A	\$335,000	\$0		\$300,000	\$0
Overall \$/SF	N/A	\$287.55	\$0		\$259.97	\$0
Improvement Only \$/SF	N/A	\$188.84	\$0		\$138.65	\$0
Original List Price	N/A	\$349,000	\$0		\$300,000	\$0
DOM	N/A	40	\$0		0	\$0
Date of Sale	8/26/2024	5/7/2024	\$347,388		1/17/2024	\$322,598
Concessions	N/A	Allowance for flooring	\$5,000		None	\$0
Site Size (Acres)	2.00	0.97	In Site Value		1.72	In Site Value
Site Value	\$155,000	\$115,000	\$40,000		\$140,000	\$15,000
Quality	Average	Average	\$0		Average	\$0
Design	Wood frame	Wood frame	In Quality		Wood frame	In Quality
Year Built	2006	1966	See Eff. Age		1963	See Eff. Age
Effective Age	15	30	\$60,000		40	\$72,727
Bathrooms	1.0	1.5	-\$2,500		1.5	-\$2,500
Above Grade SF	900	1,165	-\$19,875		1,154	-\$19,050
Below Grade SF	0	0	\$0		0	\$0
Below Grade Finish	0	0	\$0		0	\$0
Fireplaces	1.0	0.5	\$2,500		1.5	-\$2,500
Deck/Porch/Patio(s)	443	0	\$8,860		111	\$6,640
Garage (SF)	600	784	-\$7,360		288	\$12,480
Other Living Area	0	0	\$0		0	\$0
Outbuildings	344	200	\$1,440		180	\$1,640
	Elec., propane (leased), private well, private septic	Elec., phone, septic, well, propane (owned)	\$0		Elec., phone, septic, well, propane (leased)	\$0
Onsite Improvements	Gravel drive, firepit, RV carport with deck/ramp, outhouse, pump house	Poured concrete parking area, firepit, partial fencing, landscaping.	\$0		Outhouse, gravel drive, gated entrance, perimeter fencing, firepit, gravel driveway	\$0
Offsite Improvements	Asphalt, MDOT maintained state highway	Gravel county road	\$0		Asphalt, maintained state highway	\$0
Total Adjustments			\$88,065			\$84,437
<b>Adjusted Indication-Overall</b>			<b>\$435,453</b>			<b>\$407,035</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$280,453</b>			<b>\$252,035</b>

Sale #	Subject	SFR Sale No. 5	
Address/Location	3815 EMT Highway 200	5690 7up Lane	Adjustment
Sale/List Price	N/A	\$250,000	\$0
Overall \$/SF	N/A	\$244.62	\$0
Improvement Only \$/SF	N/A	\$136.99	\$0
Original List Price	N/A	\$250,000	\$0
DOM	N/A	42	\$0
Date of Sale	8/26/2024	2/16/2023	\$299,968
Concessions	N/A	None	\$8,000
Site Size (Acres)	2.00	0.72	In Site Value
Site Value	\$155,000	\$110,000	\$45,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2006	2004	See Eff. Age
Effective Age	15	15	\$0
Bathrooms	1.0	1.0	\$0
Above Grade SF	900	1,022	-\$9,150
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	1.0	2.0	-\$5,000
Deck/Porch/Patio(s)	443	102	\$5,290
Garage (SF)	600	200	\$16,000
Other Living Area	0	0	\$0
Outbuildings	344	272	\$720
Site Utilities	Elec., propane (leased), private well, private septic	Elec., phone, septic, well, propane (leased)	\$0
Onsite Improvements	Gravel drive, firepit, RV carport with deck/ramp, outhouse, pump house	Outhouse, gravel drive, fenced yard, swing	\$0
Offsite Improvements	Asphalt, MDOT maintained state highway	Gravel private road	\$0
Total Adjustments			\$60,860
<b>Adjusted Indication-Overall</b>			<b>\$360,828</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$205,828</b>

Sale No.	Adjusted Indication - Overall	Adjusted Indication - Improvements Only	Per SF
SFR Sale No. 1	\$447,199	\$292,199	\$324.67
SFR Sale No. 2	\$354,819	\$199,819	\$222.02
SFR Sale No. 3	\$435,453	\$280,453	\$311.61
SFR Sale No. 4	\$407,035	\$252,035	\$280.04
SFR Sale No. 5	\$360,828	\$205,828	\$228.70

	Overall	Improvement Only	Per SF
Minimum	\$354,819	\$199,819	\$222.02
Maximum	\$447,199	\$292,199	\$324.67
Mean	\$401,067	\$261,863	\$273.41

The sales produced a range of adjusted overall indications of \$354,819 to an upper end of \$447,199. The arithmetic mean of the overall indications is \$401,067. For improvements only the range of adjusted indications is \$199,819 to \$292,199, which calculates to \$222.02 to \$324.67 per square foot.

Sale No. 1 is located less than a half mile south of the subject and includes a wood frame single family residence built in 1939 that is somewhat larger (1,560 square feet) than the subject (900 square feet). It includes a similar size garage as well as an additional carport enclosed on three sides. Although larger, this sale is considered to have an inferior condition to the subject which was built in 2006 and includes recent updates to flooring and to the kitchen (cabinets, appliances, tile backsplash). Other than those characteristics, this property compares well to the subject and provides an overall indication of \$447,199.

Sale No. 2 has a small historic log cabin that was moved to the site in the last ten years. It was purchased by the seller in April 2022 for \$175,000. After the purchase, the seller made updates to the cabin including new flooring and a wood front porch. They also built a 24' by 30' detached garage, which is reasonably comparable to the subject garage. This cabin does not include a kitchen sink, although there is running water (sink and toilet) in the half bathroom. It has a studio layout without a separate bedroom and is 396 square feet in size. The subject is considered overall superior to this sale, mainly due to overall size and amenities. Sale No. 2 sold in September 2022 for \$210,000 and helps sets the lower end of the bracket with an adjusted indication of \$354,819.

Sale No. 3 is located roughly 0.4 miles southeast of the subject and includes a three bedroom and one and a half bathroom wood frame residence. The main floor of this sale compares well with the subject. It has 832 square feet (subject has 900 square feet), new flooring and an updated kitchen. There is a small second level with just over 300 square feet of living space that includes a bedroom, half bath, and a storage/work area. Although this sale has a somewhat larger living area than the subject, it is considered inferior in overall condition and estimated effective age compared to the subject. This sale also included a detached garage that is reasonably comparable to the subject. This sale closed in May 2024 and provides an overall adjusted indication of \$435,453.

Sale No. 4 is located on the north side of Montana Highway 200, within a quarter mile west of the subject. It is a two bedroom, one and a half bath, wood frame home built in 1963 with an estimated effective age of forty years. It has 1,154 square feet of living space, which compares reasonably well with the subject. The site size is 1.74 acres which also compares reasonably well to the subject site size. It has a smaller garage than the subject but overall, this sale compares well to the subject. It sold in January 2024 and produces an adjusted indication of \$407,035.

Sale No. 5 has a two bedroom, one bath home located within 2 miles east of the subject. This home was built in 2004 and is estimated to have a similar effective age as the subject. It also compares well in overall size at 1,022 square feet. It has a built-in wood burning fireplace in the



living room with a tile surround, as well as a wood stove. This sale does not include a garage that is comparable to the subject. It has a three sided carport as well as several small storage sheds. This property sold in February 2023 and provides an adjusted overall indication of \$360,828.

Sale No. 1 includes a house almost twice as large as the subject and the cabin included in Sale No. 2 is less than half the size as the subject. Emphasis is to the other sales closer in overall improvement size to the subject. The indicated range from the remaining three sales is \$360,828 to \$435,453.

The lower end is set by Sale No. 5 which is roughly the same size as the subject with the same number of bedrooms and bathrooms, and similar estimated effective age/condition. Sale No. 5 is somewhat inferior due to not having a garage that is comparable to the subject, but the SFR improvements are reasonably similar.

Sale No. 3 is the most recent sale and includes a comparable garage; however, it has an additional bedroom, and half bath compared to the subject. In contrast, it is inferior to the subject in terms of condition and estimated effective age. The middle of the range is set by Sale No. 4, which is also considered inferior to the subject in terms of condition/effective age and has an inferior garage space compared to the subject but does include an additional half bath. Overall, this sale also compares best on overall lot size to the subject and is located on a similar lot that is adjacent to the highway with good tree cover. Emphasis is to middle of this range with an overall value of \$410,000.

Indicated Value	\$410,000
Land Value	\$155,000
Personal Property	\$255,000
Per SF	\$283.65

## APPRAISER'S CERTIFICATION

The undersigned does hereby certify that (except as otherwise noted in this appraisal report):

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, 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.
3. I have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. I have not performed services as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment was 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.
8. My analysis, 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, which include the Uniform Standards of Professional Appraisal Practice.
9. I made a physical inspection of the property appraised and the property owner was given the opportunity to accompany me on the property inspection.
10. No one provided significant real property appraisal assistance to the person signing this certification, except for Kelli Hogan. She provided significant professional assistance with the preparation of this report. She assisted with primary and secondary research associated with the report. She also assisted in compilation of data and report writing.
11. As of the date of this report, Nicholas J. Hogan, MAI has completed the continuing education program of the Appraisal Institute.

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. This report is in compliance with applicable regulations governing appraisal services and appraisal reporting requirements for the State of Montana.
14. This report contains necessary discussion concerning a reasonable exposure period for the subject property within the estimated value shown.

### VALUATION

Based upon my investigations, studies and analyses, my opinion of the as is fee simple market values of the subject property, considering the specific hypothetical conditions, assumptions and limiting conditions as of August 26, 2024, is listed below.

Sale No.	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2065	2.00	LINCOLN FLATS DEV, S16, T14 N, R08 W, Lot 30, ACRES 2, COS #3242262 (LEASE #3062383) Crystal Hout	3815 E MT Highway 200	\$410,000	\$155,000	\$255,000

Pursuant to USPAP, it is necessary for this appraisal to consider and analyze exposure time when developing an opinion of market value. Please refer to the Reasonable Exposure and Marketing Time section of this report for discussion of both exposure time and marketing time.



NICHOLAS J. HOGAN, MAI  
 MT General Certificate No. REA-RAG-LIC-370  
 Expires: 3/31/25

## **ADDENDA**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and the local and/or regional real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

### **1. LIMIT OF LIABILITY:**

The liability of the firm Hogan Real Estate Appraisal Group, LLC and employees and affiliated independent contractors is limited to the CLIENT ONLY AND TO THE FEE ACTUALLY RECEIVED BY APPRAISER (TOTAL PER APPRAISAL). FURTHER, THERE IS NO ACCOUNTABILITY, OBLIGATION, OR LIABILITY to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser completely harmless in any such action.

### **2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:**

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of Hogan Real Estate Appraisal Group, LLC for the use of the client; the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; HOWEVER, selected portions of this appraisal report shall NOT be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the Appraiser.

### **3. CONFIDENTIALITY:**

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made. The Appraiser may not divulge the material (evaluation) contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena. Sales information obtained during the course of this appraisal assignment is the Appraiser's and it can be used or exchanged without consent of the client.

### **4. TRADE SECRETS:**

This appraisal was obtained from Hogan Real Estate Appraisal Group, LLC and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosures under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or a principal in Hogan Real Estate Appraisal Group, LLC for any request to reproduce this appraisal in whole or in part.

**5. INFORMATION USED:**

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Hogan Real Estate Appraisal Group, LLC and possibly signing the report are independent contractors.

The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgement and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for subject property.

**6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:**

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable prior to delivery of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

**7. EXHIBITS:**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

**8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:**

The Appraiser and/or firm has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser. Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy nor soils and potential for settlement, drainage, etc. The lender and owner should inspect the property before any disbursement of funds; further it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause loss of value. The land or the soil of the area being appraised appears firm, however, subsidence in the area is unknown. The Appraiser (singular or plural) does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. The Appraiser and firm have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgement may be made by us to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the Appraiser has not been supplied with a deficiency or hazard inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

**9. LEGALITY OF USE:**

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

**10. COMPONENT VALUES:**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

**11. AUXILIARY AND RELATED STUDIES:**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

**12. DOLLAR VALUES, PURCHASING POWER:**

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of dollar as of the date of value estimate.

**13. INCLUSIONS:**

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined and essentially integrated to comprise the property in total, i.e. Hotels/Motels.

**14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:**

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown which is indicative of a hypothetical condition or an extraordinary assumption.

**15. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:**

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace. In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser(s) interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic. "The Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised. Appraisal report and value estimate are subject to change if physical or legal entity or financing is different than that envisioned in the report.

**16. MANAGEMENT OF THE PROPERTY:**

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

**17. CONTINUOUS EDUCATION:**

The Appraisal Institute conducts a voluntary and a mandatory program of continuing education for its designated members depending upon date of membership. Those who meet the minimum standards of this program are awarded periodic educational certification. Please refer to the Appraisers Certification for compliance with the Appraisal Institute's requirements addressing continuing education.

**18. FEE:**

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount of payment of fee for services is not contingent on any result, approval amount or other estimates or statements.

**19. AUTHENTIC COPIES:**

The authentic copies of this report are signed in blue ink and have embossed type seal. Any copy that does not have the above is unauthorized and may have been altered.

**20. INSULATION AND TOXIC MATERIALS:**

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

**21. REVIEW:**

Unless otherwise noted herein, any named Review Appraiser from Hogan Real Estate Appraisal Group, LLC has reviewed the report as to general appropriateness of technique and format, and has agreed to accept full responsibility for the contents and conclusions noted therein.

**22. CHANGES, MODIFICATIONS:**

The Appraiser(s) and/or principals of Hogan Real Estate Appraisal Group, LLC, reserve the right to alter statements, analyses, conclusions or any value estimate(s) in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

**23. AFTER TAX ANALYSIS AND/OR VALUATION:**

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; note that the Appraiser(s) does not claim expertise in tax matters and advises client and any other using the appraisal to seek competent tax advice as the Appraiser(s) is in no way to be considered a tax advisor or investment advisor.

**24. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTEND ONLY TO STATED CLIENT, NOT TO SUBSEQUENT PARTIES OR USERS OF ANY TYPE, AND THE TOTAL LIABILITY OF APPRAISER AND FIRM IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY HOGAN REAL ESTATE APPRAISAL GROUP, LLC.**



**FOR DNRC USE ONLY**

Amount under this Agreement: \$2,000.00


**Source of Funds**

<u>Fund Name</u>	<u>Fund No.</u>
Cabin Site Sale Private Closing Costs	02031
Trust Administration Account	02938

<u>Subclass</u>	<u>Org. No.</u>	<u>Percent</u>
555HA	6048-01	50%
	6049-59	50%

Approved  
 No. 245225  
 Division DK  
 Legal MP  
 F.S.O. SS  
 SPSD NH



**TRUST LAND MANAGEMENT DIVISION  
 APPRAISAL OF POTENTIAL CABIN SITE SALE PROPERTY IN LEWIS AND CLARK 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 11<sup>th</sup> Avenue, Helena, MT 59620-1601, (406) 444-4289 and, Nicholas J. Hogan, Hogan Real Estate Appraisal Group, LLC (Contractor), whose address and phone number are 7901 Saddlebow Trail, Missoula, MT 59808, (406) 239-6425.

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

**1.1 Contract Term.** The contract’s initial term is upon contract execution, through October 31, 2024, 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, Brent Neace, Real Estate Specialist at P.O. Box 201601, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1601 by September 30, 2024.**

**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 Lewis and Clark County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be

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

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

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

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

#### **4. WARRANTIES**

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

#### **5. CONSIDERATION/PAYMENT**

**5.1 Payment Schedule.** In consideration of the successful submission of the appraisal report to be provided, the State shall pay Contractor: \$2,000.00.

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

In No case shall the State's total cumulative payment under this contract exceed Two thousand dollars and No/100 (\$2,000.00)

#### **5.2 Withholding of Payment – N/A**

**5.3 Payment Terms.** Unless otherwise noted in the solicitation document, the State has thirty (30) days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

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

**5.5 Fuel Surcharge – N/A**

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

**7. ACCESS AND RETENTION OF RECORDS**

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

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

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

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

**9. HOLD HARMLESS/INDEMNIFICATION**

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

**9.2** Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in

any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of State, under this Contract.

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

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

**12. REQUIRED INSURANCE**

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

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

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

**12.4 Specific Requirements for Automobile Liability. – N/A**

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

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

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

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

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

### **14. COMPLIANCE WITH LAWS**

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

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

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

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

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

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

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

**14.5 Nondiscrimination Against Firearms Entities/Trade Associations. – N/A**

**15. DISABILITY ACCOMMODATIONS**

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

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

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

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

**17. INTELLECTUAL PROPERTY/OWNERSHIP**

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

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

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

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

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

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

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

**20. CONTRACT TERMINATION**

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

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

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

## **21. EVENT OF BREACH – REMEDIES**

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

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

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

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

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

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

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

## **22. FORCE MAJEURE**

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God,



materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

### **23. WAIVER OF BREACH**

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

### **24. CONFORMANCE WITH CONTRACT**

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

### **25. LIAISONS AND SERVICE OF NOTICES**

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

Brent Neace, Real Estate Specialist, is the State's liaison.

Address: PO Box 201601

Helena, MT 59620-1601

Telephone: (406) 444-4289

Fax: (406) 444-2684

E-Mail: [brent.neace@mt.gov](mailto:brent.neace@mt.gov)

Nicholas J. Hogan, Hogan Real Estate Appraisal Group, LLC is Contractor's liaison.

7901 Saddlebow Trail

Missoula, MT 59808:

Telephone: (406) 239-6425

E-mail: [nickhogan@gmail.com](mailto:nickhogan@gmail.com)

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

**25.3 Identification/Substitution of Personnel. – N/A****26. MEETINGS**

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

**26.2 Progress Meetings. – N/A****26.3 Failure to Notify. – N/A****26.4 State's Failure or Delay. – N/A****27. Transition Assistance**

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

**28. CHOICE OF LAW AND VENUE**

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

**29. TAX EXEMPTION**

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

**30. AUTHORITY**

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

**31. SEVERABILITY CLAUSE**

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

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

**32.1 Contract.** This contract consists of 11 numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, Pages 12-17. In the case of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

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

**33. WAIVER**

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

**34. EXECUTION**

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

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

**STATE OF MONTANA**

**Dept. Natural Resources & Conservation  
Trust Land Management Division  
PO Box 201601  
1539 11<sup>th</sup> Avenue  
Helena, MT 59620-1601**

**CONTRACTOR**

**Nicholas J. Hogan  
Hogan Real Estate Appraisal Group LLC  
7901 Saddlebow Trail  
Missoula, MT 59808  
FEDERAL ID #: 92-1081041**

BY: Deidra Kloberdanz REMB Chief  
(Deidra Kloberdanz, Bureau Chief)

DocuSigned by:  
Deidra Kloberdanz  
CE58DE0D083D45E...  
(Signature)

DATE: 8/2/2024

BY: Nick Hogan Director  
(Nicholas J. Hogan)

(nickhogan@gmail.com)  
DocuSigned by:  
Nick Hogan  
963E2EC5B90D406...  
(Signature)

DATE: 8/2/2024

# ATTACHMENT A

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

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

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales Program: 2024 Lewis and Clark 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 Crystal Hout. The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

### DEFINITIONS:

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

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

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

### PROPERTY RIGHTS APPRAISED:

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

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

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

**SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

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

**ASSIGNMENT CONDITIONS:**

The appraiser must be a Montana certified general appraiser and must 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 property at a level that will allow the appraiser to render a credible opinion of value about the property. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable and must have at least viewed the comparables.

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

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

The appraisal will be an Appraisal Report as per USPAP, that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 1 (one) cabin site identified in the Supplemental Appraisal Instructions.

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

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

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

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

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

**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

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

## ATTACHMENT B

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

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

**Subject Property (Located in Lewis and Clark County):**

Sale #	Acres ±	Legal Description
2065	2.00±	LOT 30, LINCOLN FLATS COS 3242262, Section 16 , T14N- R8W

<p><u>DNRC Contact Information:</u>                  Brent Neace,                  Real Estate Specialist                  PO Box 201601                  Helena, MT 59620-1601                  Phone: (406) 444-4289                  Fax: (406) 444-2684  <a href="mailto:brent.neace@mt.gov">brent.neace@mt.gov</a></p>	<p><u>Lessees:</u>                  Sale 2065: Crystal Hout                  - (817) 269-1797</p>
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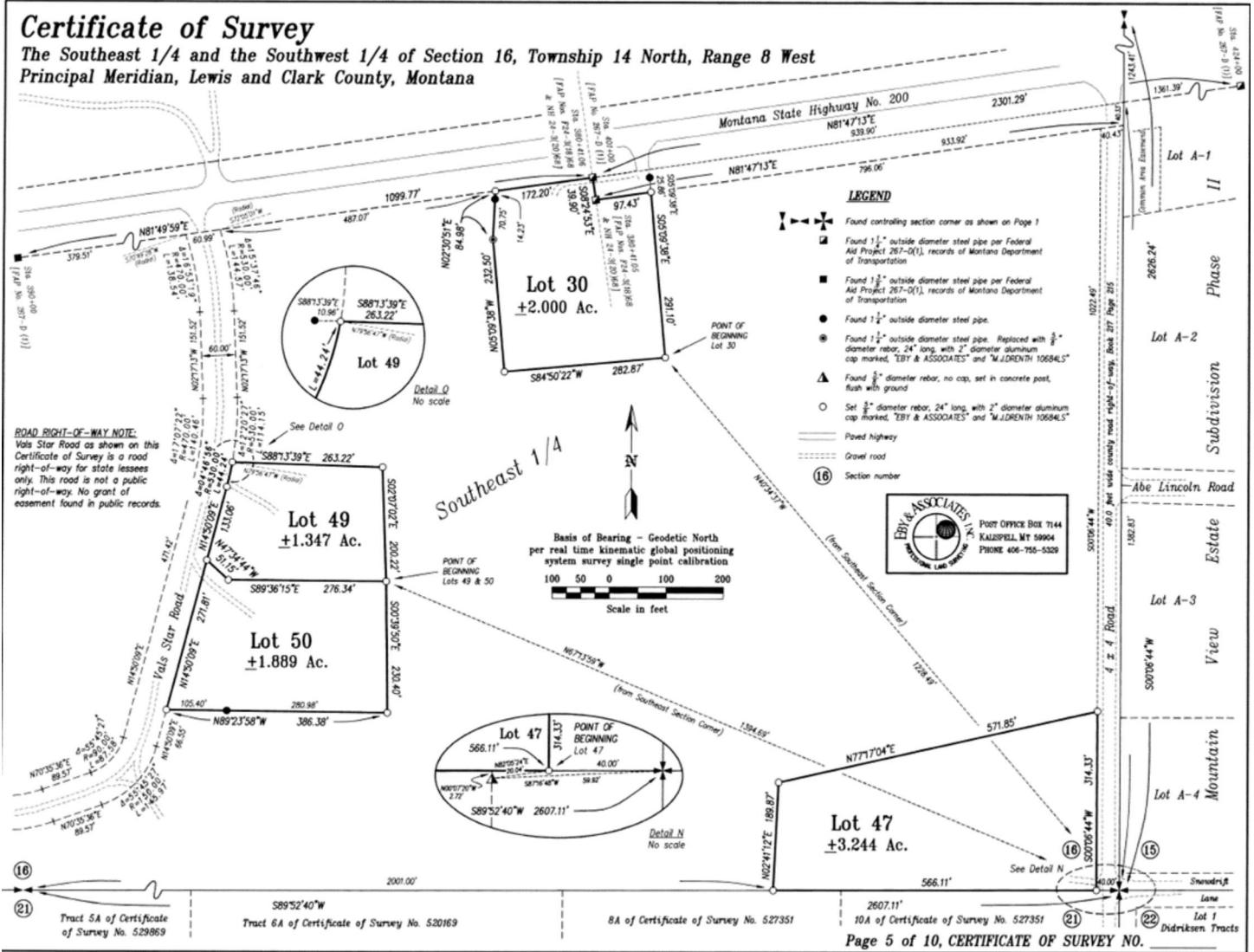
***The following will be located in the body of the contract:***

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

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

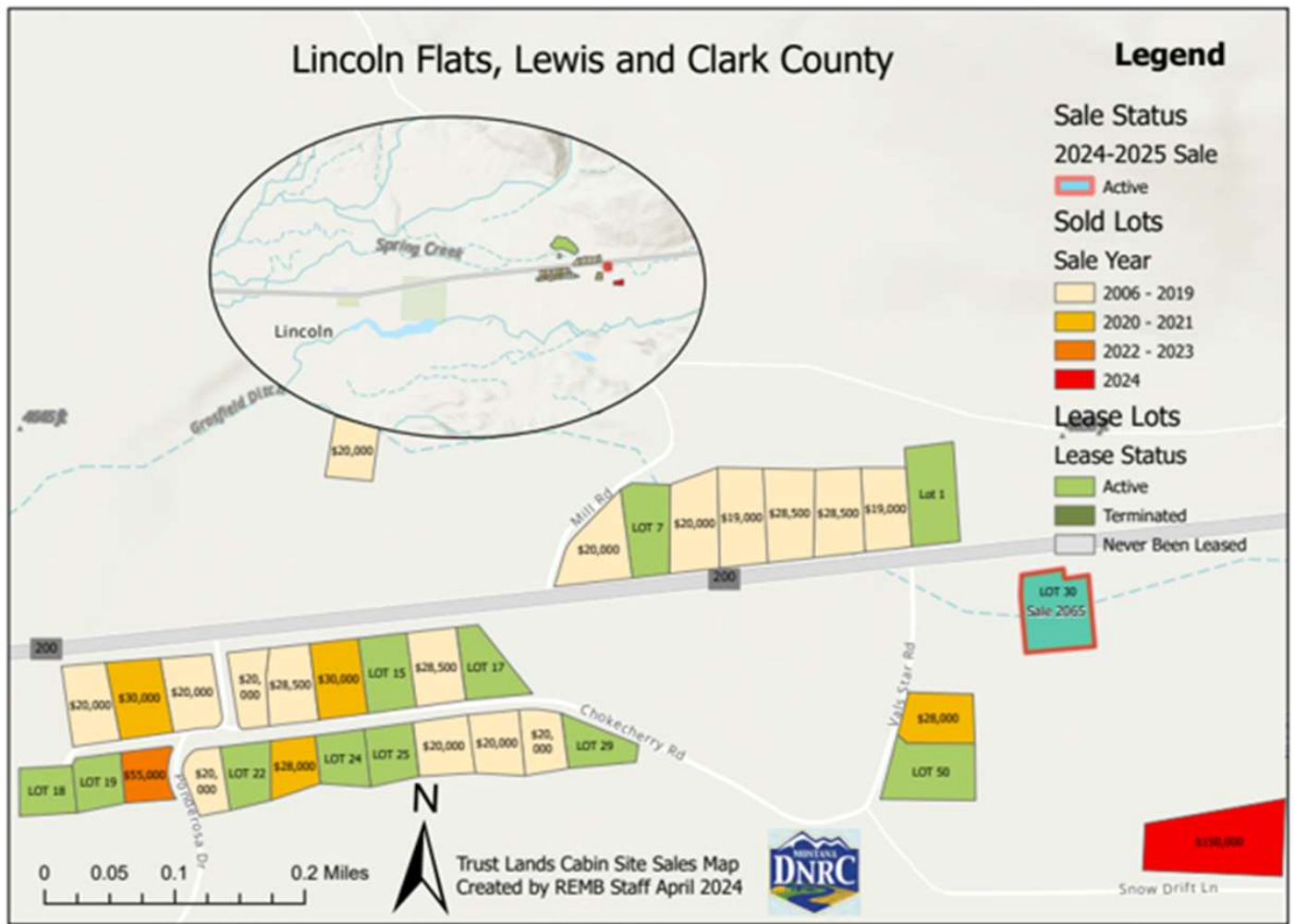
The DNRC will provide access to each state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, current lease data, any known property issues, surveys (if any). The local land office will provide the contact information to the appraiser, if necessary,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

# Lewis and Clark County Certificate of Survey 3242262





# Cabin Site Sale Parcel Map



## **APPRAISER QUALIFICATIONS - NICHOLAS J. HOGAN, MAI**

### **APPRAISAL AND RELATED BUSINESS EXPERIENCE:**

December 2022 to present: Owner and chief appraiser, Hogan Real Estate Appraisal Group, LLC, specializing and real estate appraisal and consulting with emphasis noted below.

January 1994 to December 2022: Staff Appraiser for Hall-Widdoss & Co., P.C. specializing in real estate appraisal and consulting with emphasis on multi-family residential, Section 42 LIHTC, assisted living facilities, farm and ranch, conservation easements, partial interests, and complex commercial valuation. Currently licensed in Montana, Idaho and Wyoming. Work includes value estimates for loan purposes, conservation easements, litigation support, estate planning, marketing, condemnation, accounting requirements and feasibility analysis.

### **EDUCATION:**

University of Montana – Bachelor of Science in Business Administration (12/92)

#### **Appraisal Institute Courses and Seminars**

- 110 Appraisal Principles
- 120 Appraisal Principles
- 310 Basic Income Capitalization
- 510 Advanced Income Capitalization
  
- 520 Highest and Best Use/Market Analysis
- 530 Advanced Sales Comparison & Cost Approaches
- 540 Report Writing and Valuation Analysis
- Conservation Easement & Partial Interests
- Yellow Book

#### **Court Testimony**

Montana 6<sup>th</sup> Judicial Court  
District of Montana Bankruptcy Court  
9<sup>th</sup> Judicial Circuit Court, Kalamazoo, MI  
US Bankruptcy Court Western District of  
Washington  
Silver Bow County District Court

### **PROFESSIONAL AFFILIATIONS:**

Member Appraisal Institute – MAI No. 12400  
Montana General Certificate No. REA-RAG-LIC-370  
Wyoming Certified Real Estate Appraiser Permit No. 1090  
Idaho General Certified Appraiser No. CGA-3332

### **REPRESENTATIVE CLIENTS:**

#### **US & State**

Federal Aviation Administration  
General Services Administration  
Bureau of Reclamation  
US Forest Service  
Office of Valuation Services  
Justice Department  
US Highway Administration  
US Army Corp of Engineers  
City of Missoula/Missoula County  
City of Bozeman  
Montana Department of Transportation  
Montana Fish Wildlife & Parks  
Missoula County

#### **Other Clients**

First Interstate Bank  
The Nature Conservancy  
US Bank  
Bank of America  
Sterling Savings Bank  
Rocky Mountain Bank  
Glacier Bank  
Five Valleys Land Trust  
Catholic Church – Diocese of Helena  
Montana Environmental Trust Group



**State of Montana**  
Employment Standards Division  
Board of Real Estate Appraisers

**REA-RAG-LIC-370**

Status: **Active**  
Expires: **03/31/2025**

This certificate verifies licensure as:

**CERTIFIED GENERAL APPRAISER**

With endorsements of:

\* *REAL ESTATE APPRAISER MENTOR*

**HOGAN REAL ESTATE APPRAISAL GROUP, LLC**  
**NICHOLAS J HOGAN**  
**7901 SADDLEBOW TRAIL**  
**MISSOULA, MT 59808**



Montana Department of  
**LABOR & INDUSTRY**

RENEW OR VERIFY YOUR LICENSE AT:  
<https://ebiz.mt.gov/pol>

**Renew online at <https://ebiz.mt.gov/pol> by signing in with your username and password.**

The renewal cycle opens 60 days prior to the expiration date on your current license.

Renew your license prior to your expiration date to avoid being charged a late fee(s).

**Remember to maintain your online account information with a password, security question and a valid email address. You can update your account information by accessing the 'Account Management' link when logged in.**