

**APPRAISAL REPORT**  
**SALE 2067: LOT 23 SEELEY LAKE OUTLET WEST**  
**SEELEY LAKE, MISSOULA 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:**  
**NICHOLAS J. HOGAN, MAI**  
**HOGAN REAL ESTATE APPRAISAL GROUP**  
**7901 SADDLEBOW TRAIL**  
**MISSOULA, MT 59808**

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**ADDENDA:**

- Assumptions and Limiting Conditions
- Contract
- Easement Grant
- Qualifications
- License



7901 Saddlebow Trail  
Missoula MT 59808  
Ph. 406-239-6425  
nickhogan@gmail.com  
kellih.mt@gmail.com

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

September 30, 2024

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

RE: Summary appraisal report, Sale 2067; Lot 23, Seeley Lake Outlet West, located at 1402 Snowmass Drive, Seeley Lake, 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 properties. The following report, defined by the scope of work, is hereby presented in the requested narrative report format containing **93** 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.

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 Seeley Lake Outlet West 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, 20243, is listed below.

Sale No.	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2067	1.80	S04, T16 N, R15 W, C.O.S. 5140, PARCEL 23, IMPROVEMENTS ON STATE LAND, SEELEY LAKE OUTLET W STATE LEASE # 3061335 Jonathan Espenschied	1402 Snowmass Drive	\$940,000	\$290,000	\$650,000

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 Jonathan Espenschied. 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 on Snowmass Drive with frontage on the westerly side of the Seeley Lake Outlet (Clearwater River). Physical access is from Snowmass Drive via an access easement across DNRC lands. 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 properties 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 waterfront property with a year-round single-family residence. Pursuant to the hypothetical conditions noted above reflecting a vacant and unimproved land tract 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 2000 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 waterfront single-family residences as well as sales of vacant waterfront land. The primary market area and primary search area included sales within 10 miles of Seeley Lake, 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 Seeley Lake, 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 Treasurer  
Lewis and Clark County Clerk and Recorder  
Montana Regional Realtors MLS  
Crystal Ault  
Scott Kennedy

Lewis and Clark County Planning  
Lewis and Clark County Sanitarian  
Kevin Wetherell  
Derek Blanchard  
Leonard Kobylenski  
Robin Matthews-Barnes

**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: Jonathan Espenschied

**Sales History:**

The improvements were purchased by the Lessee on October 26, 2021, for \$610,000. The property (improvements) was listed on the local MLS and the sale went under contract in twenty-nine days and closed in ninety days. The listed price was \$625,000 and the sale included all personal property. This included the furnishings. In 2022, the Lessee updated the plumbing, electrical, and insulation in the home, and updated the insulation in the bunkhouse. In 2023, the electrical was updated in the shop. Prior to the sale in 2021, the improvements were sold in October 2019 for \$365,000. That sale was for the leasehold real property only and did not include any personal items. Prior to that the property had been under the same family ownership since the 1940's.

**Location of Property:**

The subject property is situated on the westerly side of the Seeley Lake Outlet, approximately 1.3 miles west of Montana Highway 83 and the town of Seeley Lake, Montana.

**Legal Description:**

The site is legally identified through client records as:

*LOT 23, SEELEY LAKE OUTLET WEST  
COS 5140  
Section 4, T16N-R15W*

## **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 waterfront 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.

<b>APPRAISAL:</b>	(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.  <b><u>Comment:</u></b> 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> .)
<b>VALUE:</b>	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
	<b><u>Comment:</u></b> 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:

<b>EASEMENT:</b>	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.
<b>EASEMENT APPURTENANT:</b>	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.
<b>ENCROACHMENT:</b>	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.
<b>ENCUMBRANCE:</b>	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.
<b>FEE SIMPLE ESTATE:</b>	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	13	Sale No. 1	117
Land Sale #2	39	Sale No. 2	63
Land Sale #3	13	Sale No. 3	195
Land Sale #4	15	Sale No. 4	247
Land Sale #5	162	Sale No. 5	27
		Sale No. 6	0
		Sale No. 7	49
		Sale No. 8	0
Minimum	13	Minimum	0
Maximum	162	Maximum	247

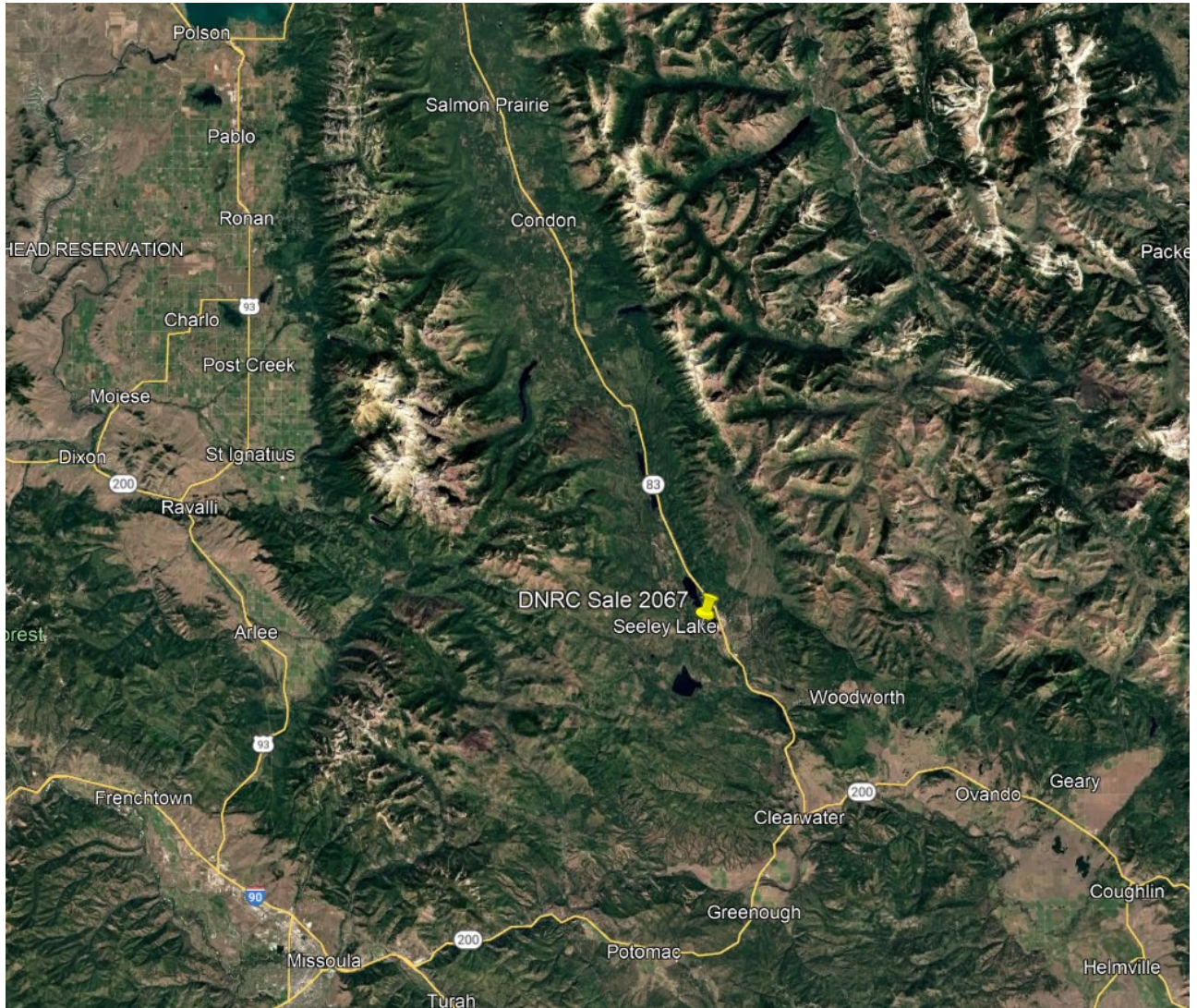
The number of days on the market for the vacant land sales analyzed ranged from 13 days to 162 days. The single-family residential sales analyzed ranged from 0 days up to 247 days. All of the improved properties, as well as vacant land properties sold in less than 12 months and only two were in less than 6 months. In addition, sales extracted from the Montana Regional MLS showed that single-family residential sales in the general market area along Montana Highway 83 from Salmon Lake north to Lindberg Lake have averaged less than 180 days since 2020. Data showed the average number of days on market for vacant residential land (30 acres or less) extracted from the same market area show sales closing within 6 months or less since 2022. In 2021, the average days on market was 41 days for waterfront land and 239 days for land without frontage. So far in 2024 vacant land sales have an average of 46 days on market for waterfront properties and 109 days for properties without frontage. Overall, there is a reasonable expectation that both vacant land and an improved single-family residential property would have an exposure time of months or less in this market.

**REAL ESTATE TAXES**

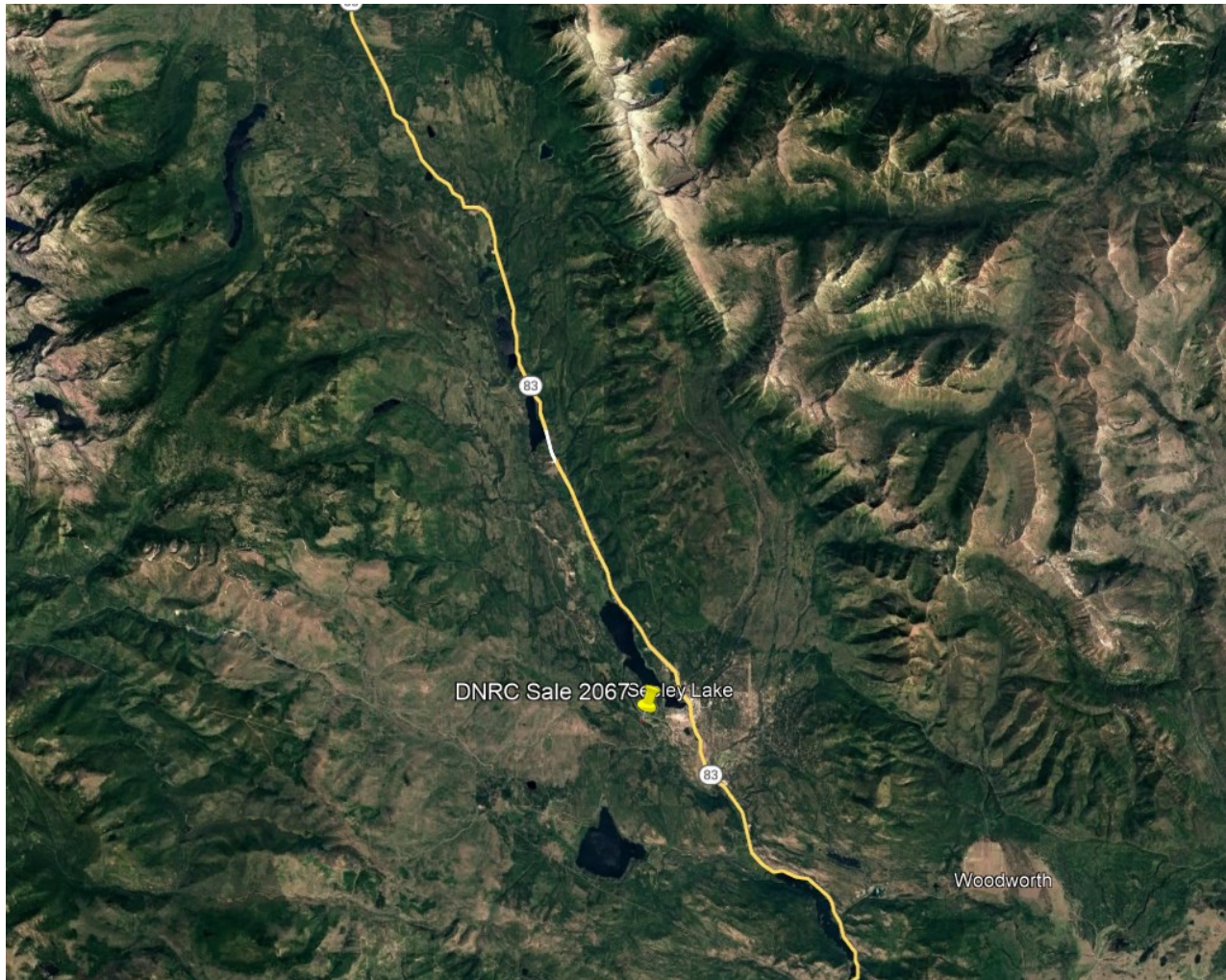
Sale No.	Legal Description Lessee	Address	2023 Taxes	2023 Market Value (county)
2067	S04, T16 N, R15 W, C.O.S. 5140, PARCEL 23, IMPROVEMENTS ON STATE LAND, SEELEY LAKE OUTLET W STATE LEASE # 3061335  Jonathan Espenschied	1402 Snowmass Drive	\$3,785.95	\$521,670

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**

I have not included a discussion of the general area in the sense of the property having influences associated with both the Missoula market and the Kalispell/Flathead market. Rather, I have concentrated only on a presentation of the neighborhood that is clearly indicated as the Seeley Swan Valley ranging from Clearwater Junction to the South and Bigfork to the north. This is an approximate 92 mile long valley that is formed by the Mission Mountains to the west and the Swan Mountains to the east. The Swan River Basin is said to be located within the Northern Rocky Mountain Physiographic Province. The Mission Range reaches elevations of 9,800 feet above mean sea level and the Swan Range reaches elevations of 9,400 feet AMSL. This neighborhood is a heavily forested area with mountains forming the west and east boundaries and the valley bottom reflecting lakes, rivers and streams as well as glacial moraine pot and kettle topography reflecting a myriad of small lakes, ponds, wetlands, etc.

The Clearwater River flows south within the south half of Seeley Swan Valley from its source at Clearwater Lake and then empties into the Blackfoot River just southwest of Clearwater Junction. The series of lakes found to the south end of the valley include Rainy Lake, Lake Alva,

Lake Inez, Seeley Lake, Placid Lake, Elbow Lake, Salmon Lake and Blanchard Lake. The north valley flows from Summit Lake and Lindberg Lake, and this is the start of the Swan River which flows northwesterly through the Swan Valley to Flathead Lake at Bigfork. The headwaters of the Swan River include several lakes including Lindbergh Lake, Cygnet Lake and Holland Lake to the south and Swan Lake to the north that is a highly prized recreational resource.

This is a very sparsely populated neighborhood. The town of Seeley Lake is the service and trade center for the Clearwater drainage and the south part of Swan Valley. Seeley Lake provides basic services while medical and major shopping and services are found in either Missoula or Kalispell.

There are also some limited public services for light groceries, restaurants and gasoline at several other locations in the Swan Valley along Montana Highway 83. The town of Bigfork, located at the north end of the neighborhood, provides limited public services. Bigfork is well known for its gift shops, art galleries and theater. Missoula and Kalispell are full service communities. Both Missoula County and Flathead County (Kalispell) have shown strong growth over the past three decades.

Missoula and Kalispell have scheduled airline service, so they serve as a major entry point for the out-of-state visitor. The Seeley Swan Valley is served by a primary highway running north/south through the area from Clearwater Junction to Bigfork referred to as Montana Highway 83. Within the neighborhood, gravel surfaced county and Forest Service roads provide access from Highway 83 to the lakes and into the mountains. The two million acre Bob Marshall Wilderness area lies roughly 7 miles northeast of Highway 83. The Mission Mountain Wilderness lies just a few miles southwest of Highway 83. The Seeley Swan area serves as a jumping-off point for guided horseback and hiking trips into these wilderness areas. This area serves as a recreation area for the populations found in the major Montana communities of Missoula, Kalispell, Helena and Great Falls. The area also serves a much wider geographic population as many tourists recreate in the Seeley Swan Valley; many becoming residents after having visited the area. Many recreationists and recreation land buyers are from out-of-state.

Pyramid Mountain Lumber Company is a sawmill located in Seeley Lake and until recently was the largest employer in the area providing good paying, year around employment for approximately 120 sawmill workers. In April 2024 the owners announced it was closing due to lack of labor and rising costs of operation. Roughly two-thirds of the employees continued working through the final stages, including the sawmill shutting down in early July, production coming to an end in late August, and shipping will continue through September. The company is in the stages of preparing for auction. Pyramid Lumber Company was the last operating sawmill in Missoula County and the loss of jobs will have a lasting and ripple effect on the Seeley Swan economy. Not only were the mill jobs lost but the support businesses such as logging and equipment maintenance, accounting and legal services, etc., will also be affected by the closing.

Tourism is an increasingly important part of the local economy, creating more jobs but usually reflect lower paying and part-time jobs. Bigfork has a 27-hole golf course and resort community called Eagle Bend. Seeley Lake has an 18-hole golf course and resort called Double Arrow. These are an example of the other recreational attractions to the area. Mostly, the



recreational characteristics have been associated with outstanding hunting, fishing, lake, river, stream and mountain recreating (hiking, biking, boating, etc.).

People and real estate investors have been attracted to the amount of underdeveloped or lightly developed forested mountains in this area. The ownership patterns in the area reflect USDA Forest Service and Plum Creek Timberland for the majority of these mountainous areas in the Mission and Swan Mountain Ranges. The public lands provide recreation used such as hiking, hunting, fishing, camping, berry picking, firewood gathering, snowmobiling, and cross country skiing. The lakes in the valley bottoms serve as locations for water oriented activities such as boating, canoeing, water skiing, and fishing. White water rafting is a popular activity on the Blackfoot River and lower Swan River. There are State Parks on Salmon Lake and Placid Lake. The State also maintains fishing and camping facilities on the Clearwater River and the Blackfoot River. The U.S. Forest Service maintains public campgrounds on Seeley Lake, Lake Alva, Lindbergh Lake, Holland Lake, and Swan Lake. The Forest Service also manages a canoe trail along the Clearwater River.

Fall recreation is mostly associated with hunting. The Montana Department of Fish, Wildlife and Parks manage the large Blackfoot-Clearwater Game Range near the southeast part of the neighborhood. Hunting is allowed for whitetail deer, mule deer, elk, moose, mountain goat, mountain lion, black bear, and mountain grouse. The area around Lindbergh Lake is excellent whitetail deer summer range, with summer populations over 30 deer per square mile. Good duck hunting can be found in the Blackfoot area and on the southeast part of Swan Lake. Viewing and photographing wildlife is another popular recreation activity. This area harbors populations of rare wildlife species such as grizzly bear, wolverine, lynx, loons, bald eagles, and bull trout. There is a national wildlife refuge at the south end of Swan Lake.

Winter recreation includes snowmobiling, cross country skiing, dog sledding, and ice fishing. These add a winter dimension to recreation. The Seeley Lake area boasts of fifteen groomed snowmobile trails covering 350 miles. There also are groomed snowmobile trails on Crane Mountain, northwest of Swan Lake.

Utility service includes electricity and telephone service available in all developed areas. Seeley Lake has both a grade school and a high school. There are two small grade schools north of Seeley Lake in the Swan Valley. Students from those two schools attend high school in either Seeley Lake or Bigfork. Mail service is generally limited to the Highway 83 area.

A major economic focal point during the past few years in this area has been the Double Arrow Ranch. This major cattle ranch has been subdivided into 800 residential/recreation lots, a golf course, a lodge and related support business. All of these lots have been sold and about 30 new homes were being built each year prior to the Great Recession of 2008/2009. Since that point, construction activity has fallen sharply.

There are some signs of renewed construction activity at some of the higher price points, but not to pre-recessionary levels. The Double Arrow Ranch recently expanded their golf course to 18 holes and added another 50 new residential lots. There are also lodge and resort facilities on Seeley Lake, Swan Lake, and Holland Lake. Swan Lake has experienced extensive development

of its lakeshore for recreation homes and retirement homes since Champion International Corporation sold off its extensive lake frontage on this lake in the mid 1980's. Other corporate timber company lands fronting Salmon Lake and Placid Lake have been sold to developers. Developers have subdivided most of the lakeshore. Many of these new lakeshore lots are now being developed with expensive vacation homes.

This area has experienced rapid expansion of its tourist oriented economy during the last few years, similar to what is happening all over western Montana. Many out-of-state people are choosing to buy recreation type of real estate for vacation use and retirement use. Many affluent buyers usually attempt to buy lakefront property. Recreational and residential property values increased very substantially from the late 1980's through 2005.

Seeley Swan recreation land prices are some of the highest prices in western Montana. One of the unique aspects of this area is its location between two spectacular mountain ranges, offering excellent mountain views in two directions. The other is the abundance of lakes and streams for water based recreation.

### **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.

### **Demographics:**

The below tabulation shows the total population counts from the U.S. Census ACS 5-Year Estimates, including data for Seeley Lake, Condon, Missoula, Missoula County, Bigfork, Kalispell, and Flathead County.

	<b>Seeley Lake</b>	<b>Condon</b>	<b>Missoula</b>	<b>Missoula County</b>
2010 Population	1,374	309	65,383	<b>107,288</b>
2020 Population	1,512	282	74,994	<b>119,062</b>
2021 Population	1,566	282	73,300	<b>117,379</b>
2022 Population	1,590	307	74,627	<b>118,541</b>
2010-2020 Growth Rate	10.04%	-8.74%	14.70%	<b>10.97%</b>
2020-2021 Growth Rate	3.57%	0.00%	-2.26%	<b>-1.41%</b>
2021-2022 Growth Rate	1.53%	8.87%	1.81%	<b>0.99%</b>

	<b>Bigfork</b>	<b>Kalispell</b>	<b>Flathead County</b>
2010 Population	4,401	19,298	<b>89,215</b>
2020 Population	4,733	23,935	<b>102,001</b>
2021 Population	4,683	24,260	<b>103,400</b>
2022 Population	4,953	25,473	<b>105,950</b>
2010-2020 Growth Rate	7.54%	24.03%	<b>14.33%</b>
2020-2021 Growth Rate	-1.06%	1.36%	<b>1.37%</b>
2021-2022 Growth Rate	5.77%	5.00%	<b>2.47%</b>

The town of Seeley Lake had an over 10% increase in population between 2010 and 2020 and has continued to see an increase in population each year through 2022. Missoula and Missoula County as a whole also increased over 10% in population between 2010 and 2020. They each had a small decrease between 2020 and 2021 but are back to roughly the same population as in 2020.

Flathead County had an increase of 14.33% between 2010 and 2020 and has continued to increase each year since with a growth rate of 2.47% between 2021 and 2022. Bigfork had a slight decrease of 1.06% between 2020 and 2021 but saw a surge of 5.77% growth between 2021 and 2022. Overall, these areas all continue to show a growing population. It is yet to be seen if the Seeley Lake area sees a decrease in population after the Pyramid Lumber Company closing in 2024 or if new people moving to the area will account for others moving away for other job opportunities.

	Seeley Lake Households	Condon
2010 Households	538	148
2020 Households	753	139
2021 Households	780	166
2010 - 2020 Annual Rate	39.96%	-6.08%
2020-2021 Growth Rate	3.59%	19.42%

As of 2021, there were 780 households in Seeley Lake which was a 3.29% growth from the prior year. Between 2010 and 2020, Seeley Lake had an almost 40% increase in the number of households. In Condon, there was a of 9 households between 2010 and 2020. In 2021, the number of households in Condon rose to 166.

### Employment

Industry	Seeley Lake	
	# Employed	Percentage
Manufacturing	102	18.3%
Wholesale Trade	0	0.0%
Retail Trade	106	19.0%
Transportation/Warehousing/Utilities	16	2.9%
Information	28	5.0%
Finance/Insurance/Real Estate/Rental & Leasing	50	9.0%
Professional/Science/Management/Admin	38	6.8%
Education/Health Care/Social Assistance	17	3.0%
Arts & Entertainment/Recreational/Accommodations	0	0.0%
Public Administration	10	1.8%
Other Services	32	5.7%
<b>Total</b>	<b>558</b>	

The above tabulations were extracted from the U.S. Census 2022 ACS 5-Year Estimates. There were an estimated 558 people employed during that time and the categories of retail trade and manufacturing had the highest percentage of workers in Seeley Lake. Finance/insurance/real estate/rental and leasing had the next highest percentage of 9%.



**Location/Product Analysis:**

The subject property consists of an individual cabin site situated on the Seeley Lake Outlet, just southwest of Seeley Lake. The subject has frontage on the outlet which is navigable into Seeley Lake.

**Demand Analysis:**

**Single-Family Residential**

Year	Total Sales	Average Sales Price	Median Sales Price	Average DOM
2024 to current	28	\$587,929	\$490,000	114
2023	33	\$542,624	\$500,000	101
2022	38	\$673,153	\$599,950	160
2021	67	\$698,224	\$525,000	115
2020	66	\$399,105	\$327,450	147

**Active/Under Contract Listings**

Total Listings	Average List Price	Median List Price	Average DOM
34	\$1,027,553	\$690,250	120

The tabulation above outlines single-family residential sales each year since 2020 through 2024 (mid-September) including the number of sales, average and median price and average number of days on market for each year. It also shows the same statistics for the current active listings on the MLS. The market area included is the Seeley-Swan valley from just south of Salmon Lake to as far north as Lindburgh Lake, south of Condon.

Overall, there are fewer lakefront sales on this chain of lakes, in general terms. The waterfront properties have been extracted in the tabulation below and include properties with lakefront as well as riverfront.

**Waterfront Single-Family Residential**

Year	Total Sales	Average Sales Price	Median Sales Price	Average DOM
2024 to current	4	\$1,197,375	\$1,298,500	77
2023	5	\$851,980	\$680,000	180
2022	6	\$763,667	\$827,000	144
2021	11	\$829,136	\$695,000	135
2020	17	\$622,265	\$450,000	148

**Active/Under Contract Listings**

Total Listings	Average List Price	Median List Price	Average DOM
6	\$2,468,667	\$2,137,000	79

As can be seen from the tabulation the average and median sales price under each category had a significant increase between 2020/2021. For lake and river frontage properties there was a slight dip in the average price in 2022, but the median price increased. In 2023 the average price increased while the median price dipped lower than the previous year. So far in 2024 both the average and median price is significantly higher than in 2023 with the average at \$1,197,375 and the median price at \$1,298,500. The total number of SFR waterfront sales has decreased each year. In 2020 there were 17 waterfront properties that sold. The number of sales dropped to 11 in 2021 and in 2023 there were only 5 sales. Average days on the market has been at or below six months since 2020 and so far in 2024, sales have average 77 days. There has been a significant influx in buyers for both residential property in Western Montana as well as single family recreational/residential properties. Currently there are only 6 listings with frontage, and they have a median list price of \$2,137,000 with average days on market of 79 days.

Below is a tabulation for vacant residential land in the same market area of the Seeley-Swan valley. The top table shows all the sales and sales with lake or river frontage have been extracted in the bottom table. These are sales including 30 acres or less of property.

**Vacant Residential Land (< 30 acres)**

Year	Total Sales	Average Sales Price	Median Sales Price	Average DOM	Average Size (Acres)
2024 to current	13	\$185,385	\$165,000	109	2.4
2023	21	\$212,010	\$179,000	162	2.6
2022	49	\$212,222	\$179,000	131	4.7
2021	77	\$143,606	\$95,000	246	4.3
2020	109	\$101,432	\$79,000	424	3.7

**Active/Under Contract Listings**

Total Listings	Average List Price	Median List Price	Average DOM	Average Size (Acres)
26	\$396,475	\$254,250	279	5.5

**Waterfront Vacant Residential Land (<30 ac)**

<b>Year</b>	<b>Total Sales</b>	<b>Average Sales Price</b>	<b>Median Sales Price</b>	<b>Average DOM</b>	<b>Average Size (Acres)</b>
2024 to current	1	\$140,000	\$140,000	13	2.7
2023	3	\$456,667	\$460,000	81	1.7
2022	2	\$325,000	\$325,000	119	3.3
2021	6	\$437,000	\$429,000	34	6.0
2020	11	\$238,473	\$263,100	313	2.7

**Active/Under Contract Listings**

<b>Total Listings</b>	<b>Average List Price</b>	<b>Median List Price</b>	<b>Average DOM</b>	<b>Average Size (Acres)</b>
1	\$849,000	\$849,000	11	1.5

The total number of vacant land sales has sharply decreased since 2020. Overall, in 2020 there were 109 vacant land sales, 11 of those were lake or riverfront property sales. In 2023 the total number of vacant lots was only 21, with 3 having frontage and so far in 2024 there have only been 13 vacant land sales with 1 having frontage on the Clearwater River. That property is Land Sale No. 1 in the Sales Comparison analysis.

Overall, the average and median sales price has increased year after year since 2020. The tabulation shows a slight drop in price in 2022, but the average size lot was twice as large in 2021 (6 acres) as compared to the average size lot in 2022 (3.3 acres). The average size lot was only 1.7 acres in 2023, but the average and median sales price increased from 2022. The current sale has a significantly lower price than the average/median price from 2023, but this property is located on a non-navigable section of the Clearwater River south of Seeley Lake and is inferior to the 3 sales in 2023 which had lake frontage on Lake Inez and Emerald Lake.

**Supply:**

Overall, the supply of waterfront properties in the Seeley chain of lakes is relatively limited. Historically, at any given time there are very few listings. Currently there is only one listing for vacant land with frontage available on the market and as of 9/13/24 it had been listed for 11 days. It includes 1.5 acres on Salmon Lake and is listed for \$849,000.

**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 Seeley/Swan 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 a year and less than a few months in the most recent year or so. Buyers are still showing an interest in properties in western Montana of a residential/recreational nature.

**PROPERTY DESCRIPTION**

**Land Description**

Land GEO Code	04-2540-04-3-02-21-0000
Improvement GEO Code	04-2540-04-3-02-21-0099
Physical Address	1402 Snowmass Drive
Utility	Residential/Recreational
Soil Conditions	Typical
Location	Seeley Lake outlet; west side of Clearwater River. Property has frontage to Clearwater River, on west shore.
Street Improvements	Gravel/dirt improved roadway across DNRC, State of Montana lands.
Size Acres	1.80
Size SF	78,539
Waterfront (Straight Across)	approx. 148
Waterfront Plat Dimension	329.94
Average Lot Depth	300.00
Corner Lot	No
Common Areas	None
Irrigation	None
Vegetation/Tree Cover	Natural grasses/shrubbery, established evergreens, landscaping.
Water Resource	Seeley Lake Outlet (Clearwater River) on the west shore.
Road to Building Site Topography	Mostly level
Shore to Building Site Topography	Gradual slope
Shoreline Topography	Gradual slope to marsh land.

Lake Depth	Shallow
Overall Topography	Somewhat level around SFR site, then gradually sloped towards the shore.
Access	Private gravel road
Road Frontage	Easement from Snowmass Drive across State of Montana ownership, then private driveway to subject.
Utilities	Elec., well, private septic, propane (leased)
Shape	Irregular
Zoning	None
Flood Hazard	The shoreline frontage is subject to seasonal fluctuation in water depth. The building site, as well as the majority of the property is elevated and not in a flood hazard zone based on information available.
Visibility	Minimal; property has visibility from access roadway and partially from the river.
Viewshed	Clearwater River, trees
Wetlands	Along entire northerly boundary
Environmental Issues	None known
Easements/Encroachments	Snowmass Drive is partially situated on DNRC lands. DNRC granted an easement grant found in Book 1088 Page 369 to the Snowmass Road Users' Association for access. The subject property has access along Snowmass as well as an easement from Snowmass Drive to the subject westerly boundary.
Offsite Improvements	Gravel/dirt improved roadway across DNRC, State of Montana lands.
Onsite Improvements	Landscaped, multi-level lawn with rock retaining wall around the SFR, multiple frost-free spigots and electric meter boxes, gravel drive with concrete aprons in front of detached garage and in front of shop, concrete sidewalks from garage to SFR entrances, hot tub.
Date of Value	8/26/24

Legal Description

S04, T16 N, R15 W, C.O.S. 5140, PARCEL 23,  
IMPROVEMENTS ON STATE LAND, SEELEY LAKE  
OUTLET W STATE LEASE # 3061335

DNRC Sale Number

2067

### Improvement Description

Number of Units	1
Number Stories	1.5
Type	Detached
Quality	Average
Year Built	2000
Condition	Average
Design	Wood frame
Effective Age	15
Number of Bathrooms	2
Finished Area Above Grade SF	1,776
Basement SF	0
Basement Finish SF	0
Attic SF	0
Foundation	Concrete
Exterior Walls	Wood
Roofing	Metal
Specialty Siding Elements	No
Gutters and Downspout	No
Window Type	Vinyl
Storm Sash	No
Number of Fireplaces	0
Number of Woodstoves	1

Refrigerator	Yes
Range/Oven	Yes
Microwave	Yes
Dishwasher	Yes
Disposal	No
Washer/Dryer	Yes
Room Count Total	6
Number of Above Grade Bedrooms	3
Number of Below Grade Bedrooms	0
Number of Above Grade Baths	2.0
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	No
Forced Air Furnace	Yes
Cooling System	No
Window Units	No
Central AC	No
Floors	Carpet & vinyl
Walls	Painted/textured drywall
Trim/Finish	Wood
Ceiling Finish	Painted/textured drywall. T & G in living room (vaulted)
Bath Floor	Vinyl tile
Bath Wainscot	Fiberglass

Decks, Porches and Patios S.F	428
Garage SF	2,142
Other External Living Area SF	150
Outbuildings SF	777
Dock SF	1,052
Boathouse SF	240
Seawall/Retaining Wall	No

Comments

RECENT UPDATES: Rewired all electrical and updated plumbing after purchase in 2021. Installed new well pump in spring 2024.

THE SITE & STRUCTURES: Has a gravel driveway from Snowmass Drive that leads up a small incline. A shop with two overhead doors is on the left (west) side of the drive with a concrete apron and covered overhang. The shop includes a furnace, a half-bath with a hot water heater, and an open loft area. A log frame with metal roof detached 2-car garage is at the end of the drive on the right (easterly) side and SFR home is just north of the garage. This structure was the original SFR on the site and still has remnants of the kitchen/bathroom. (plumbing was not operational at time of inspection) There is a half loft area for additional storage. Outside it has a large concrete apron with concrete walkways leading to the house, as well as a large overhang in the back being utilized for firewood. Storage shed behind garage (tree had fallen through the week before, owner stated plans to replace). An outhouse is located on the east side of the garage. Landscaping around the SFR and expanded down to the dock. Northerly side of site has a gentle slope down to the waterfront, which is marshland. Landscaping includes 2 levels with partial rock retaining walls within the landscaping. Dock has a wood pier walkway from the shore over the marsh that is roughly 3 feet wide by 246 feet long. The pier then has a widened area roughly 11 feet wide by 14 feet long. A short plank then joins the pier to an 8 foot by 20 foot floating dock. The water depth is very shallow, and the dock is surrounded by lily pads. There is a small boat house on the shore near the northwest corner of the site with a sleeping bunkhouse on the second story. The bunkhouse has a finished interior with wood walls, T&G ceiling, painted plywood floor, electricity and a wall heating unit, as well as a covered balcony that overlooks the river. The interior of the boathouse is unfinished and has a plywood floor. On west side of the site is a greenhouse with electricity and a heating unit, an open metal-frame carport on concrete forms, a storage shed with electricity and a covered porch, and an enclosed garden area with deer-proof fencing and a gate. A tree had recently fallen through the northerly side of the garden space and knocked out part of the fence.

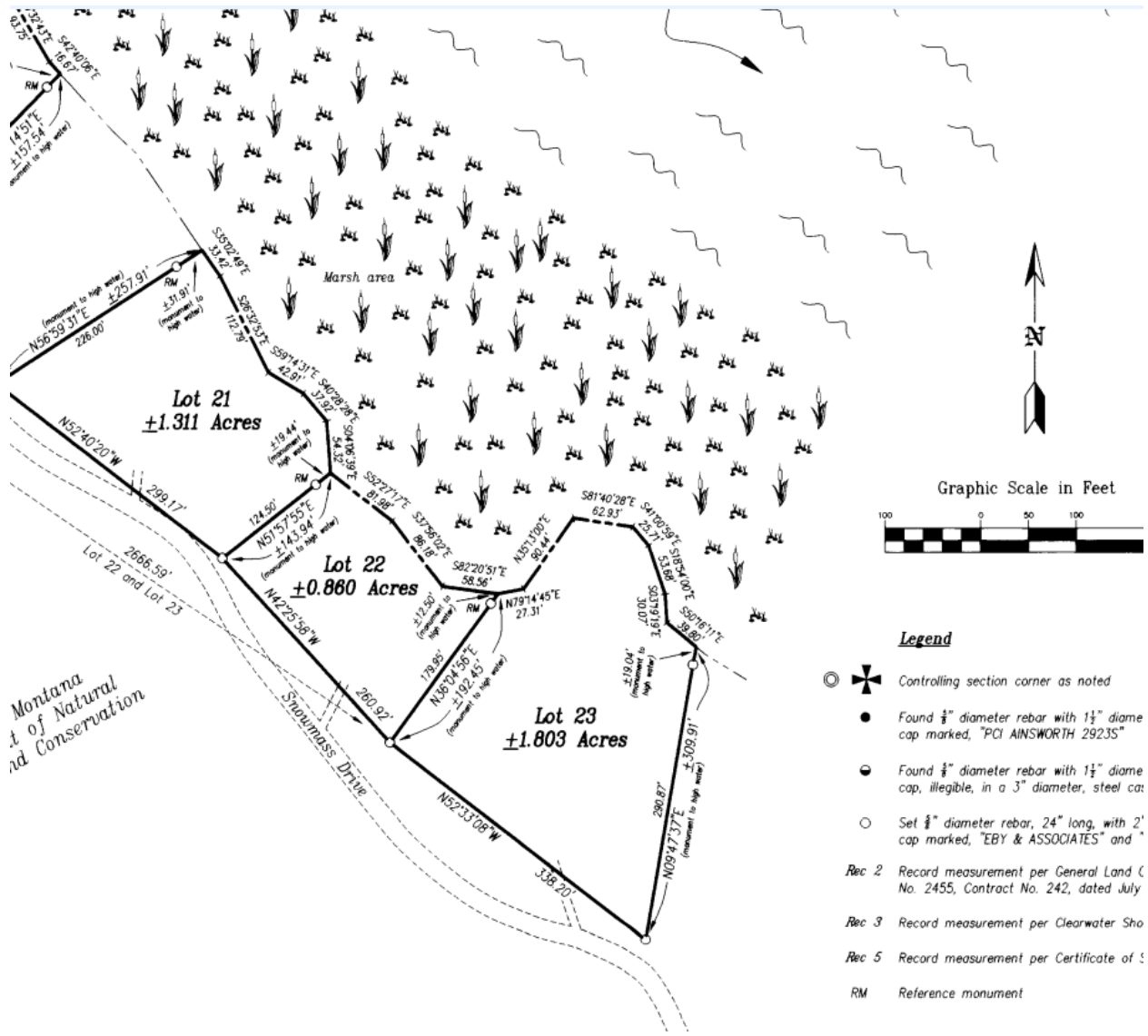
SFR EXTERIOR: There is an entry to the home on the westerly side into the hallway and one on the northerly side into the dining room from the patio area through a sliding door. The northerly side has a covered concrete patio with a hot tub and a wood balcony off the primary bedroom on the second level. There is a metal roof and wood siding. The area around the home is fully landscaped.

SFR INTERIOR: The flooring is a mix of vinyl tile (bathrooms, hallway, kitchen, pantry) and carpet (living, dining, bedrooms, stairs). The walls/ceiling are painted/textured drywall with the exception of the living room which has vaulted T&G ceiling finish with a ceiling fan. There is a wood burning stove in the living room with a rock hearth and surround. The kitchen has an island with storage and stainless steel appliances including a built in microwave/hood and dishwasher. There is a large walk in pantry off the kitchen that also contains the furnace. There are stairs leading from the living room to the upper level. The stairs and upper landing are open to the living room below. On the upper level is the primary bedroom with an en suite bathroom that includes a shower insert and single

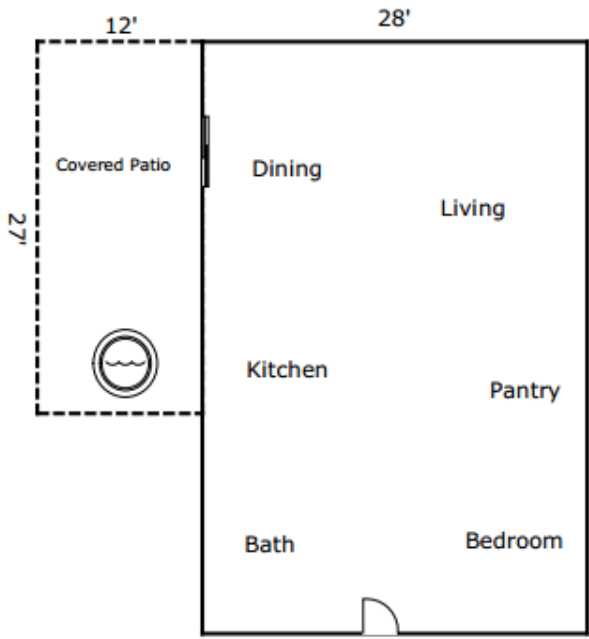


sink vanity. There are sliding doors in the primary bedroom that lead onto the wood balcony on the north side of the home overlooking the yard and river. Another bedroom is located on the south side of the upper lever. A third bedroom is located on the main level in the hallway across from the main bathroom. All 3 bedrooms have ceiling fans. The main bathroom has a shower insert and single sink vanity. The laundry and utility closet are also located in the main bathroom.

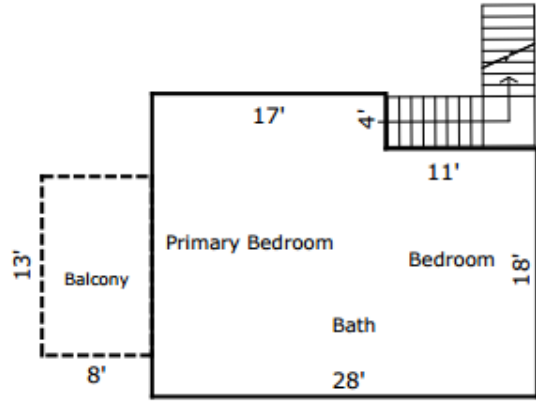
**Plat Map:**



**Building Sketches:**

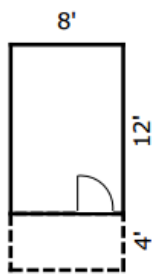


First Floor

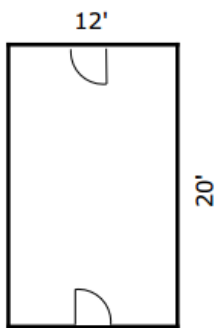


Second Floor

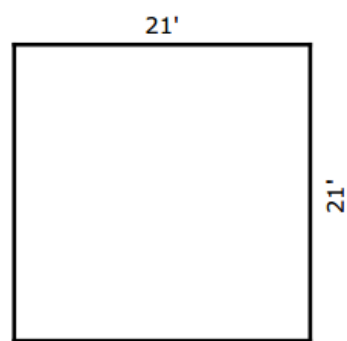
**Outbuildings**



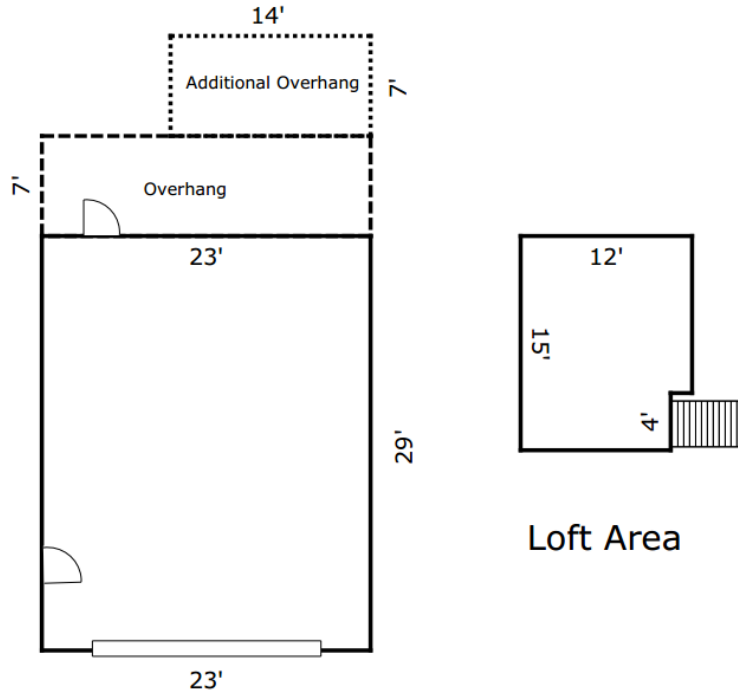
Shed



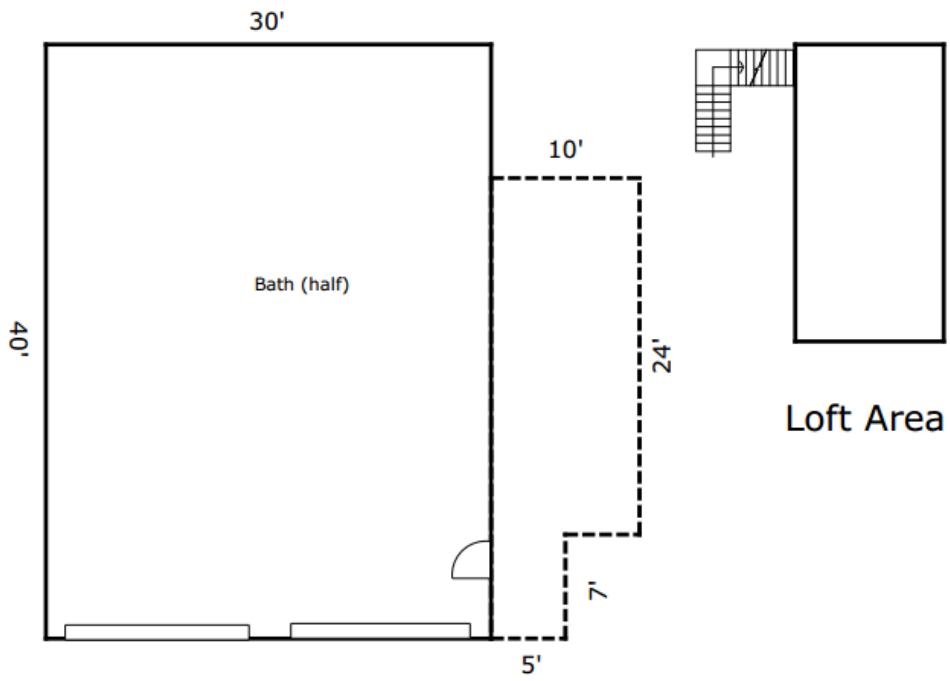
Greenhouse



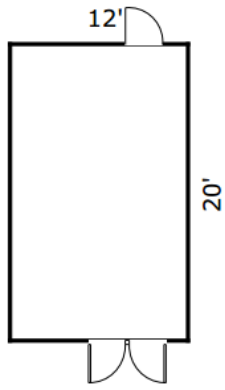
Carport



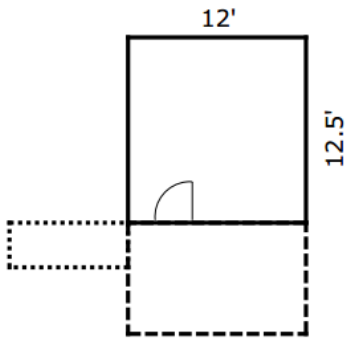
Detached 2-Car Garage



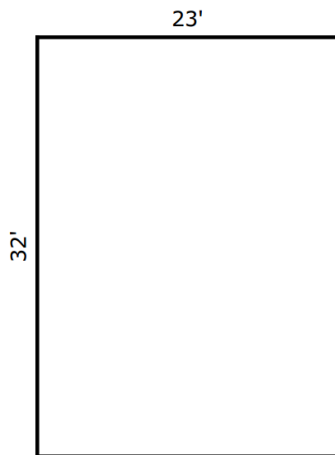
Heated Shop



First Level Boathouse



Second Level Bunkhouse



Deer Fenced Garden



**Subject Photographs:**



Exterior view of the subject from the driveway off Snowmass Drive looking in a northerly direction.



Rear elevation of the SFR.



Westerly side elevation of the SFR.



View of the front elevation looking in a southerly direction.





View of SFR from near the garage looking in a northwesterly direction.



View of the SFR and bunkhouse/boathouse from near the dock.



View of the detached 2-car garage.



View of the northerly side of the detached garage.



Interior of the detached garage.



View of the outhouse in the foreground and shed that was damaged during storm the prior week on the left.



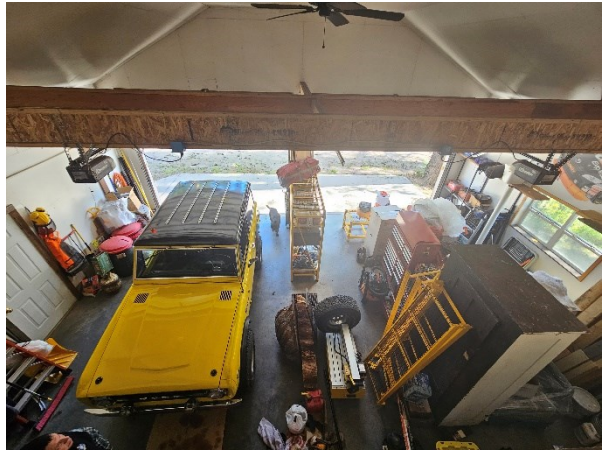
View of heated shop from the driveway.

Rear view of the heated shop.





View of bathroom in heated shop.



View from loft in heated shop looking down into the shop.



View of the deer-fenced garden. A tree had fallen through the fence during a storm in the prior week.



View of the shed.



Interior of the greenhouse.



View of the carport and greenhouse.





View of the boathouse/bunkhouse.



Interior of boathouse.



View of the bunkhouse from the access point from the front yard on the easterly side



Covered deck of bunkhouse looking out towards the river.



Interior of the bunkhouse.



View from the front yard near the bunkhouse looking northerly towards the river.





View of the dock and river.



View of floating dock on the river.



View from the same location as the previous photo looking in a southwesterly direction back towards the subject property.



View from the dock looking in an easterly direction.



View from the same location on the dock as the previous photo looking in a northwesterly direction towards the lake.



View of a second shed located near the detached garage and outhouse that was damaged in a storm by a fallen tree the prior week.





View of the living room and dining room.



View of the kitchen.



View of bedroom on the first floor.



View of main bathroom.



Shower and laundry in main bathroom.



Interior view of the entrance on the west side of the SFR.





Walk in pantry with furnace.



View from living room looking towards kitchen and stairs to second floor.



Second bedroom located on second level.



Primary bedroom on second level.



View of balcony off the primary bedroom.



Primary bathroom.





View from top of stairs into the living room.



Firewood pass-through.



View from back patio off the dining room looking towards the river in a northerly direction.



View from patio looking in a westerly direction towards the bunkhouse.



View of the patio and the sliding doors into the dining room.



View of landscaping on the northerly side of SFR looking in a northerly direction.

## 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.

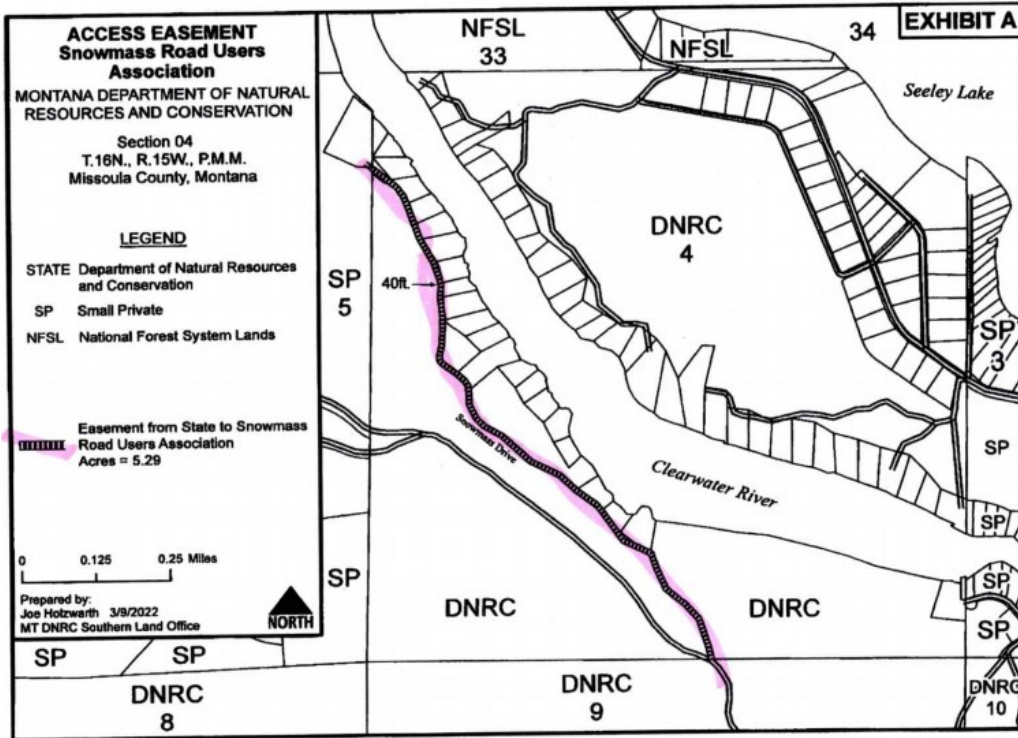
There are five general uses which are considered. These include residential, commercial, industrial, agricultural, and recreational. Within the Montana marketplace I have found it more prudent to begin the analysis with legally permissible since this helps refine the analysis quickly and to the point.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

**Legally Permissible:**

The subject property is located within Missoula County. There is no zoning on the subject property or in the immediate neighborhood.

**Physically Possible:**

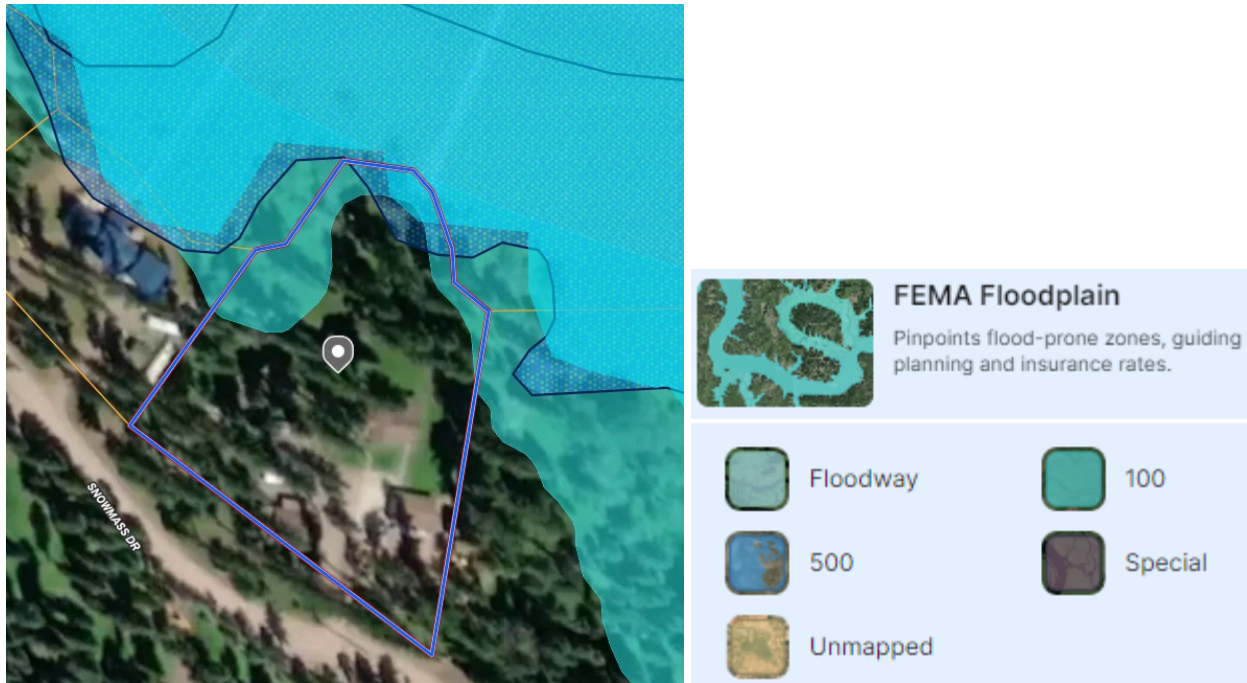
The subject property has direct frontage to Seeley Lake Outlet and that is the basis of the recreational land use. The subject property has physical and legal access from Snowmass Drive. Snowmass Drive is partially situated on DNRC lands. DNRC granted an easement grant found in Book 1088 Page 369 to the Snowmass Road Users' Association for access. The subject property has access along Snowmass as well as an easement from Snowmass Drive to the subject southwesterly boundary. A requirement for the easement grant was to form the Snowmass Road Users Association. The purpose of the association is to raise and use funds for maintaining the roadway. The members of the association are the private landowners as well as cabin site lessees located on the easterly side of Snowmass Drive from where Snowmass Drive ends on the northerly end to the south to where it forks with West Side Bypass.



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. Missoula County does not have a septic permit on record; however, that does not necessarily mean the system is not legal, only that it was installed prior to when they began requiring permits.

The subject is gradually sloping towards the river and the lower elevations are in the FEMA floodway and 100 year flood areas, but none of the improvements are located in the flood areas.





**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 in relation to the river, but overall, 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 with water frontage and has the ability to also support several ancillary buildings such as garages, boathouse, greenhouse, sheds, and bunkhouse. The site allows for the installation of a dock; unless there is a site specific reason that would preclude that improvement (none are found with the subject property). 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 has frontage to the Seeley Lake Outlet and that is a driving factor in this submarket. It has relatively easy access from Montana Highway 83 which is situated directly east of Seeley Lake Outlet. It is in close proximity to the town of Seeley Lake 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 twelve months and all but two sold in under four 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 and there are few waterfront properties available for sale.

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

The subject property has a mainly residential/recreational 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  
2785 Montana Highway 83



Land Sale No. 2  
218 Overland Trail



Land Sale No. 3  
520 Overland Trail



Land Sale No. 4  
210 Emerald Lake Loop



Land Sale No. 5  
2049 Westlake Way

Categories	Land Sale #1	Land Sale #2	Land Sale #3	Land Sale #4	Land Sale #5
<b>Address/Sale Price</b>	<b>2785 MT Highway 83</b>	<b>218 Overland Trail</b>	<b>520 Overland Trail</b>	<b>210 Emerald Lake Loop</b>	<b>2049 Westlake Way</b>
Sale Price	\$140,000	\$140,000	\$175,000	\$485,000	\$460,000
Price Acre	\$51,282	\$103,704	\$125,899	\$319,079	\$1,352,941
Per SF	\$1.18	\$2.38	\$2.89	\$7.33	\$31.06
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	13	39	13	15	162
Sale Date/Market Conditions	5/13/2024	2/22/2021	3/22/2021	5/19/2023	9/28/2023
Time Lapse	3	42	41	15	11
Location	W side of MT Hwy 83 on south side of Seeley Lake borders DNRC land on Clearwater River	W side of Clearwater River, south of Seeley Lake	W side of Clearwater River, south of Seeley Lake	W shore of Emerald Lake	W shore of Lake Inez
Size (SF)	118,919	58,806	60,548	66,211	14,810
Size (Ac)	2.73	1.35	1.39	1.52	0.34
FF	21.00	165.00	200.00	160.00	93.00
Access	Asphalt highway	Private/gravel	Private/gravel	Private/gravel	Private/gravel
Topography	Level to rolling	Level to rolling	Level to sloping	Mix	Sloping
Utilities	Elec., telephone	Elec., telephone, community water	Elec., telephone, septic, community water	Elec., telephone, well, septic	Elec., telephone, septic, water rights for lake water usage
Zoning/Land Use	None	Double Arrow covenants/HOA fees	Double Arrow covenants/HOA fees	Emerald Lake covenants/HOA fees	Lake Inez Rec Site covenants/HOA fees
Vegetation/Tree Cover	Open near highway with trees along westerly side near river.	Open near Overland Trl, trees/shrubs along river.	Good mix	Good tree cover	Good tree cover
Water Resource	Clearwater River	Clearwater River	Clearwater River	Emerald Lake	Lake Inez
Corner Lot	No	No	No	No	No
Improvements	Gravel driveway, leveled building site, electrical pedestal	Electricity, phone, community water.	Septic, community water,	Well, septic, electricity, driveway, building pad, building permit with plans/bid	Septic, electricity, phone, older deck and dock.
Common Area	None	Yes - River access on east side.	None	Yes -with lake access	Yes -68 acres of common ground

**General Comments:**

As discussed earlier, the use of a unit of value measurement should be cross-checked for reasonableness. In simple terms, an analyst can present evidence of extracted adjustments for a variety of physical dissimilarities and be thoroughly convinced the results are exactly as market participants have reacted.

Sometimes the cumulative impacts of those adjustments result in an unrealistic and unsupportable conclusion because the extracted adjustments have, individually, accounted for some other variable(s). For recreational lake front property, the entire concept of size (per front foot variation) cannot be entirely severed from topographical variability, shoreline characteristics and lake depth qualities. With the science and art of real property valuation being both interpretive and analytical, if the market being analyzed is inconsistent and/or highly subjective in standards of measurement, the interpretive portion becomes more important and the science or analytical part of appraising is less quantifiable.

I have included the column for lot size as a per square foot indication for both size and price paid. With very little effort, it becomes quite apparent the lot size does not seem to correlate with price paid. There is a lack of consistency in the mathematical analysis using this unit of measure. More importantly, the market does not discuss value using this unit measure. For these reasons, the analysis will not address the use of a price paid per square foot nor will the individual appraisals utilize this unit of measure in providing an opinion of market value.

**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
470 Skyport Way Seeley Lake	04/14/23 \$456,000	470 Skyport Way Seeley Lake	10/28/20 \$430,000	30	0.20%
629 Morrell Creek Drive Seeley Lake	05/31/23 \$469,000	629 Morrell Creek Seeley Lake	09/08/20 \$289,500	33	1.49%
1091 & 1067 Tamarack Drive Seeley Lake	05/09/24 \$435,000	1091 Tamarack Drive Seeley Lake	11/18/21 \$395,000	30	0.33%
SFR Sale No. 2 Seeley Lake	12/15/23 \$680,000	123 Rivers Edge Lane Seeley Lake	06/07/22 \$650,000	18	0.25%
538 Stagecoach Drive Seeley Lake	08/16/24 \$460,000	538 Stagecoach Drive Seeley Lake	10/05/23 \$395,000	10	1.48%
288 Chippewa Way Seeley Lake	09/24/21 \$665,000	288 Chippewa Way Seeley Lake	08/20/20 \$465,000	13	2.76%
216 Silvertip Trail Seeley Lake	03/08/24 \$437,500	216 Silvertip Trail Seeley Lake	01/19/21 \$300,000	38	1.01%
				Minimum	0.20%
				Maximum	2.76%
				Median	1.01%
				Average	1.07%

The tabulation above includes single-family residential sales in the Seeley Lake area (with or without lake/river frontage). The data set provides a good range of original sale dates in 2020, 2021, 2022, and 2023, with the resale dates occurring in 2021, 2022, 2023, and 2024. The range shows a monthly compound adjustment rate of 0.20% up to 2.76%. One of the sales is primary Sale No. 2 used in the sales comparison approach for improved sales. Sale No. 2 is located on Rivers Edge Lane and originally sold for \$650,000 in June 2022. It then resold in December 2023 for \$680,000. This indicates a monthly compound adjustment of 0.25%. The average indication from all the pairings is 1.07% and the median indication is 1.01%.

Sale	Date New Price	Sale	Date Old Price	Months	Monthly Compound
Land Sale No. 5 Seeley Lake	09/28/23 \$460,000	2049 Westlake Way Seeley Lake	02/26/21 \$358,000	31	0.81%
159 Telemark Way Seeley Lake	06/09/23 \$225,000	159 Telemark Way Seeley Lake	04/18/22 \$239,000	14	-0.44%
368 Seclusion Point Seeley Lake	10/04/23 \$171,000	368 Seclusion Point Seeley Lake	06/07/22 \$154,000	16	0.66%
292 Seclusion Point Seeley Lake	06/01/22 \$125,000	292 Seclusion Point Seeley Lake	01/31/22 \$90,500	4	8.46%
365 Seclusion Point Seeley Lake	06/30/23 \$149,500	365 Seclusion Point Seeley Lake	03/03/22 \$98,000	16	2.69%
185 Silvertip Trail Seeley Lake	09/02/21 \$95,000	185 Silvertip Trail Seeley Lake	10/05/20 \$84,000	11	1.13%
682 Grandview Drive Seeley Lake	06/14/23 \$100,000	682 Grandview Drive Seeley Lake	10/15/21 \$70,000	20	1.80%
136 Montana Drive Seeley Lake	04/22/22 \$92,500	136 Montana Drive Seeley Lake	02/08/21 \$42,500	14	5.55%
255 Grizzly Drive Seeley Lake	09/20/21 \$129,000	255 Grizzly Drive Seeley Lake	11/18/20 \$55,000	10	8.84%
2368 Double Arrow Road Seeley Lake	07/17/24 \$175,000	2368 Double Arrow Seeley Lake	09/08/20 \$80,000	46	1.71%
275 Buckskin Drive Seeley Lake	08/25/23 \$125,000	275 Buckskin Drive Seeley Lake	08/31/21 \$109,000	24	0.58%
NHN Grandview Drive Seeley Lake	03/17/23 \$45,000	NHN Grandview Drive Seeley Lake	09/10/21 \$35,000	18	1.39%
Nhn Dunham Court Seeley Lake	05/04/22 \$99,500	Nhn Dunham Court Seeley Lake	08/26/20 \$47,000	20	3.77%
327 Dunham Court Seeley Lake	06/30/23 \$134,500	327 Dunham Court Seeley Lake	03/03/22 \$97,000	16	2.08%
451 Crimson Peak Court Seeley Lake	07/15/22 \$200,000	451 Crimson Peak Seeley Lake	10/16/20 \$100,000	21	3.37%
1087 Golf View Drive Seeley Lake	05/16/22 \$207,000	1087 Golf View Drive Seeley Lake	04/23/21 \$165,000	13	1.79%
725 Golf View Drive Seeley Lake	04/18/23 \$179,000	725 Golf View Drive Seeley Lake	10/23/20 \$119,000	30	1.38%
NHN Tamarack Drive Seeley Lake	05/22/24 \$240,000	NHN Tamarack Drive Seeley Lake	06/22/22 \$235,000	23	0.09%
Nhn Shining Shirt Road Seeley Lake	10/13/21 \$240,000	Nhn Shining Shirt Seeley Lake	10/05/20 \$120,000	12	5.82%
				Minimum	-0.44%
				Maximum	8.84%
				Median	1.79%
				Average	2.71%

I also analyzed sale/resale data for vacant land in the area. The tabulation above outlines pairings of vacant land in the same market area 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 -0.44% to 8.84%. The average indication of all nineteen pairings is 2.71% and the median rate is 1.79%. The pairings included Land Sale No. 5 which is located on Lake Inez. That property sold in February 2021 for \$358,000 and resold in September 2023 for \$460,000. This indicates a monthly compound adjustment rate of 0.81%.

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:**



The subject property is considered somewhat of a submarket within the Seeley Lake area. The subject property is situated on the outlet of Seeley Lake which is also the Clearwater River. The subject represents a mixture of level to slightly sloping and has a fairly slow moving waterfrontage.

The sales data was taken from the general location along both sides of Montana Highway 83 between Lindburg Lake and Clearwater Junction. Land Sale No. 2 and Land Sale No. 3 are located within 2 miles southeast of the subject property on the Clearwater River beyond the navigable area of the Seeley Lake Outlet. Sale No. 1 is located further south and within 3 miles of the subject on the Clearwater River. Land Sale No. 4 is located roughly 7.5 miles southeast of the subject on Emerald Lake (just east of Salmon Lake). Sale No. 5 is located on the west shore of Lake Inez and is approximately 8.5 miles north of the subject. The subject and all the sales are within ten miles of the center of the community of Seeley Lake. 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 Seeley Lake, the consensus supports the contention that larger parcels are typically priced at a lesser unit price.

Land Sale No. 1 is the largest parcel at 2.73 acres and sold for the lowest market adjusted price of \$53,074 per acre. It should also be noted that Land Sale No. 1 has a relatively small amount of river frontage but does have effective control of a “typical lot”. The majority of this frontage is separated from the sale by DNRC land.

Land Sale No. 2, and Land Sale No. 3 are roughly the same size at 1.35 acres and 1.39 acres, respectively and both sold in the first quarter of 2021. Land Sale No. 2 has approximately 165 feet of river frontage and sold for an adjusted price of \$157,685 per acre. Land Sale No. 3 has approximately 200 feet of river frontage and sold for an adjusted price of \$189,688 per acre.

Land Sale No. 5 is the smallest parcel at 0.34 acres and sold for the highest adjusted price of \$1,508,652 per acre. This sale has approximately 93 feet of lake frontage, which is considered superior quality of frontage to river frontage in this submarket. Land Sale No. 4 is 1.52 acres with approximately 160 feet of lake frontage and sold for an adjusted price of \$371,503 per acre. It appears that size is a factor, especially when looking at Land Sale No.1, Land Sale No. 2, and Land Sale No. 3; however, the quality of frontage (river vs. lake) as well as the amount of foot frontage also likely has a strong influence on the price paid for acre.

This can also be seen when looking at the overall price paid. Land Sale No. 4 is located on Emerald Lake, which has motorized boating restrictions (only allows electric trolling motors

with a no-wake speed limit). Land Sale No. 4 is roughly the same size (1.52 acres) as Land Sale No. 2 (1.35 acres) and Land Sale No. 3 (1.39 acres), which are located on a non-navigable section of the Clearwater River, yet it sold for an adjusted overall price of \$564,684. Land Sale No. 2 sold for an adjusted overall price of \$212,874 and Land Sale No. 3 sold for an adjusted price of \$263,667, respectively. Since the size of these parcels is roughly the same, the market indicates that even with the boating restrictions on Emerald Lake, the lake frontage is superior to the river frontage. In addition, Lake Inez allows for all forms of boating recreation, without the restrictions on Emerald Lake. Land Sale No. 5 indicates the market is paying a higher price for lake frontage on lakes without restrictions. Land Sale No. 5 is 0.34 acres and sold for near the same adjusted price (\$512,942) as Land Sale No. 4 (\$564,684), which is located on Emerald Lake and more than three times the size (1.52 acres). Land Sale No. 1, which is located on a narrow, non-navigable section of the Clearwater River is 2.73 acres and sold for an adjusted price of \$144,892. Other physical characteristics such as floodplain also likely influenced the price of Land Sale No. 1 and are discussed further down.

Size does seem to be a factor in the market and 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; however, sales with the most similar quality/quantity of water frontage will also be emphasized.

#### **Road Access:**

The subject has access from a private gravel improved/maintained roadway with an easement grant over DNRC land. All of the sales have access from private gravel improved roadways except Sale No. 1. Sale No. 1 has access directly from Montana Highway 83. Year-round vehicular access in this area is superior to seasonal access based on many buyers being fulltime users or wanting to recreate during all seasons. Each of the sales have year-round access from maintained roadways and are considered at least offsetting to the subject property in terms of access.

#### **Topography:**

Topography is fully defined as site usability. That 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.

A buildable site can have difficult access from existing road-to-building site but the actual building site can be level-to-gently sloping with good gradual-sloping shoreline. Conversely, a site can have reasonably level driveway access off the primary access road to the building site but then the site can reflect an elevated building lot that makes access to the lake/shoreline challenging. The latter characteristics is given some additional emphasis when that lakeshore access requires costly construction of stairs. Overall, the individual subject properties vary slightly in terms of topography. Mostly, the subject property has a generally level, or slightly

sloping topography.

***Shoreline Characteristics (Actual shoreline qualities and Lake Depth)*** are an integral part of topography and these two issues were researched to determine if the market provided any quantifiable data to separate that analysis from the general discussion of site topography.

Discussion with local real estate brokers indicated the lake depth element was more of a personal preference and emotion that is somehow factored into the purchase decision-matrix. In other words, some buyers prefer shallow sandy lake bottom, even if very shallow, because it allows wading and swimming in low water elevations. Others prefer to have deep water access for boating activities. Unless the lake bottom depth is really shallow and creates expensive dock issues (long span), lake bottom is less a value issue and more a simple personal preference element.

For the most part, the subject property has frontage to the Clearwater River which is also referred to as the Seeley Lake Outlet. This area generally has slower moving water and marshy areas requiring a long pier or gangway. All of the sales also have a level to sloping topography, with the exception of Land Sale No. 5. Land Sale No. 5 has a steep sloping topography where the building site would need to be excavated into the hillside. Cost to build would likely be higher than the subject property and Land Sale No. 5 is considered inferior to the subject in terms of topography of the land itself.

#### **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. 3 and Land Sale No. 5 both included an installed septic system and Land Sale No. 4 included an installed septic system and a well. These three sales are considered superior to the subject in terms of utilities. Land Sale No. 1 included an electric pedestal at the building site and is also considered somewhat superior the subject in terms of utilities, although a septic and well are not permitted on this property due to the floodplain. Land Sale No. 2 and Land Sale No. 3 have access to the community water system. While access to the community water eliminates the expense of drilling a well, the debt service for access to the system is expensive. This is considered at least reasonably offsetting to a property requiring a well and no adjustments were made for the difference between a well or community water. Qualitative adjustments were made to each sale that included installed utilities.

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

Zoning and land use is based on restrictions the owner may have on developing the land. There is no zoning on any of the sales or subject properties. It should be noted that all of the land sales,

with the exception of Land Sale No. 1 are located in subdivisions with covenants and HOA fees; however, these sales are still at least reasonably comparable to the subject properties 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 Seeley Lake 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 located on the Seeley Lake Outlet which is part of the Clearwater River with access to Seeley Lake to the north. Land Sale No. 1, Land Sale No. 2, and Land Sale No. 3 all have frontage on the Clearwater River but are located further south from the subject and in areas considered non-navigable. The river at these locations is too small for most motorized boats and would not easily provide access to Seeley Lake via the river.

The consensus is that it is more of a personal preference and emotion that determines the quality of the water resource. For buyers who prefer fishing over water sports, the location further south on the river could be preferable to the heavier trafficked area of the outlet. On the other hand, for buyers who prefer motorized boat and water sports, the outlet location of the subject would be more preferable due to access to the lake. The same could be said for Land Sale No. 4, which is located directly on a lake, although it is a lake that restricts the usage of motorized watercraft. A buyer who prefers a quiet area for swimming and paddleboarding/kayaking, and/or fishing, would likely prefer Emerald Lake over the outlet.

Land Sale No. 5 is located on Lake Inez, which is comparable to Seeley Lake. While the subject is not located directly on Seeley Lake, it has direct access to Seeley Lake via the outlet to the north. The market does pay higher prices for properties located directly on lakes over rivers, especially non-navigable sections of rivers. No quantitative adjustments could be extracted from the market, but consideration of the water resource was given in the analysis.

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
Address/Sale Price	1402 Snowmass Drive	2785 MT Highway 83	\$140,000	218 Overland Trail	\$140,000
Sales Price		\$140,000		\$140,000	
Price Acre		\$51,282		\$103,704	
Per SF		\$1.18		\$2.38	
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	13		39	
Sale Date/Market Conditions	8/26/2024	5/13/2024	\$4,892	2/22/2021	\$72,874
Time Lapse		3		42	
Adjusted Sale Price	N/A		\$144,892		\$212,874
Adjusted Price (\$/Ac)	N/A		\$53,074		\$157,685
<b>Adjustments:</b>					
Location	Seeley Lake outlet; west side of Clearwater River. Property has frontage to Clearwater River, on west shore.	W side of MT Hwy 83 on south side of Seeley Lake borders DNRC land on Clearwater River		W side of Clearwater River, south of Seeley Lake	
Size (SF)	78,539	118,919		58,806	
Size (Ac)	1.80	2.73		1.35	
FF	329.94	21.00	Inferior	165.00	
Access	Private gravel road	Asphalt highway		Private/gravel	
Topography	Somewhat level around SFR site, then gradually sloped towards the shore.	Level to rolling		Level to rolling	
Utilities	Elec., well , private septic, propane (leased)	Elec., telephone		Elec., telephone, community water	
Zoning/Land Use	None	None		Double Arrow covenants/HOA fees	Inferior
Vegetation/Tree Cover	Natural grasses/shrubbery, established evergreens, landscaping.	Open near highway with trees along westerly side near river.		Open near Overland Trl, trees/shrubs along river.	
Water Resource	Seeley Lake Outlet (Clearwater River) on the west shore.	Clearwater River		Clearwater River	
Corner Lot	No	No		No	
Improvements	None	Gravel driveway, leveled building site, electrical pedestal	Superior	Electricity, phone, community water.	
Common Area	None	None		Yes - River access on east side.	
Net Adjustments			\$0		\$0
Indicated Value			\$144,892		\$212,874
Implied Subject Per Acre			\$80,362		\$118,067

Categories	Subject Property	Land Sale #3	Adjustments	Land Sale #4	Adjustments
Address/Sale Price	1402 Snowmass Drive	520 Overland Trail	\$175,000	210 Emerald Lake Loop	\$485,000
Sales Price		\$175,000		\$485,000	
Price Acre		\$125,899		\$319,079	
Per SF		\$2.89		\$7.33	
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	13		15	
Sale Date/Market Conditions	8/26/2024	3/22/2021	\$88,667	5/19/2023	\$79,684
Time Lapse		41		15	
Adjusted Sale Price	N/A		\$263,667		\$564,684
Adjusted Price (\$/Ac)	N/A		\$189,688		\$371,503
<b>Adjustments:</b>					
Location	Seeley Lake outlet; west side of Clearwater River. Property has frontage to Clearwater River, on west shore.	W side of Clearwater River, south of Seeley Lake		W shore of Emerald Lake	
Size (SF)	78,539	60,548		66,211	
Size (Ac)	1.80	1.39		1.52	
FF	329.94	200.00		160.00	
Access	Private gravel road	Private/gravel		Private/gravel	
Topography	Somewhat level around SFR site, then gradually sloped towards the shore.	Level to sloping		Mix	
Utilities	Elec., well, private septic, propane (leased)	Elec., telephone, septic, community water		Elec., telephone, well, septic	
Zoning/Land Use	None	Double Arrow covenants/HOA fees	Inferior	Emerald Lake covenants/HOA fees	Inferior
Vegetation/Tree Cover	Natural grasses/shrubbery, established evergreens, landscaping.	Good mix		Good tree cover	
Water Resource	Seeley Lake Outlet (Clearwater River) on the west shore.	Clearwater River		Emerald Lake	
Corner Lot	No	No		No	
Improvements	None	Septic, community water,	Superior	Well, septic, electricity, driveway, building pad, building permit with plans/bid	Superior
Common Area	None	None		Yes -with lake access	
Net Adjustments			\$0		\$0
Indicated Value			\$263,667		\$564,684
Implied Subject Per Acre			\$146,238		\$313,191

Categories	Subject Property	Land Sale #5	Adjustments
Address/Sale Price	1402 Snowmass Drive	2049 Westlake Way	\$460,000
Sales Price		\$460,000	
Price Acre		\$1,352,941	
Per SF		\$31.06	
Property Rights Conveyed	Fee Simple	Fee Simple	\$0
Financing Terms	Cash Equivalent	Conventional	\$0
Conditions of Sale	Market	Market	\$0
Expenditures Made Immediate to Sale	None	None	\$0
Improvement Value			
Days on Market	N/A	162	
Sale Date/Market Conditions	8/26/2024	9/28/2023	\$0
Time Lapse		11	
Adjusted Sale Price	N/A		\$512,942
Adjusted Price (\$/Ac)	N/A		\$1,508,652
<b>Adjustments:</b>			
Location	Seeley Lake outlet; west side of Clearwater River. Property has frontage to Clearwater River, on west shore.	W shore of Lake Inez	Superior
Size (SF)	78,539	14,810	
Size (Ac)	1.80	0.34	
FF	329.94	93.00	
Access	Private gravel road	Private/gravel	
Topography	Somewhat level around SFR site, then gradually sloped towards the shore.	Sloping	Inferior
Utilities	Elec., well, private septic, propane (leased)	Elec., telephone, septic, water rights for lake water usage	
Zoning/Land Use	None	Lake Inez Rec Site covenants/HOA fees	Inferior
Vegetation/Tree Cover	Natural grasses/shrubbery, established evergreens, landscaping.	Good tree cover	
Water Resource	Seeley Lake Outlet (Clearwater River) on the west shore.	Lake Inez	
Corner Lot	No	No	
Improvements	None	Septic, electricity, phone, older deck and dock.	Superior
Common Area	None	Yes -68 acres of common ground	
Net Adjustments			\$0
Indicated Value			\$512,942
Implied Subject Per Acre			\$284,493

## Reconciliation:

	Value Indication	Dollar Per Acre
Mean (Average)	\$339,812	\$188,470
Median	\$263,667	\$146,238
Minimum	\$144,892	\$80,362
Maximum	\$564,684	\$313,191

The five sales produced adjusted overall indications ranging from \$144,892 to an upper end of \$564,684 and an adjusted unit price of \$80,362 per acre to \$313,191 per acre. The subject represents a good quality outlet lot with access to Seeley Lake on the north. Lower elevations of the subject property near the shoreline are in the FEMA floodplain area, although none of the improvements are within the floodplain.

Land Sale No. 4 is most similar in size to the subject at 1.52 acres. Land Sale No. 4 sold in May 2023 and included an installed well and septic system. It also included a gravel driveway, a level building pad, and a building permit with plans and a bid for construction. Land Sale No. 4 has approximately 160 feet of lake frontage on Emerald Lake, which restricts motorized watercraft to only allow electric trolling motors and at a no-wake speed limit. It's located in a neighborhood with covenants and annual HOA fees and includes use of a common area with lake access. Emerald Lake frontage could be considered at least offsetting to the outlet frontage.

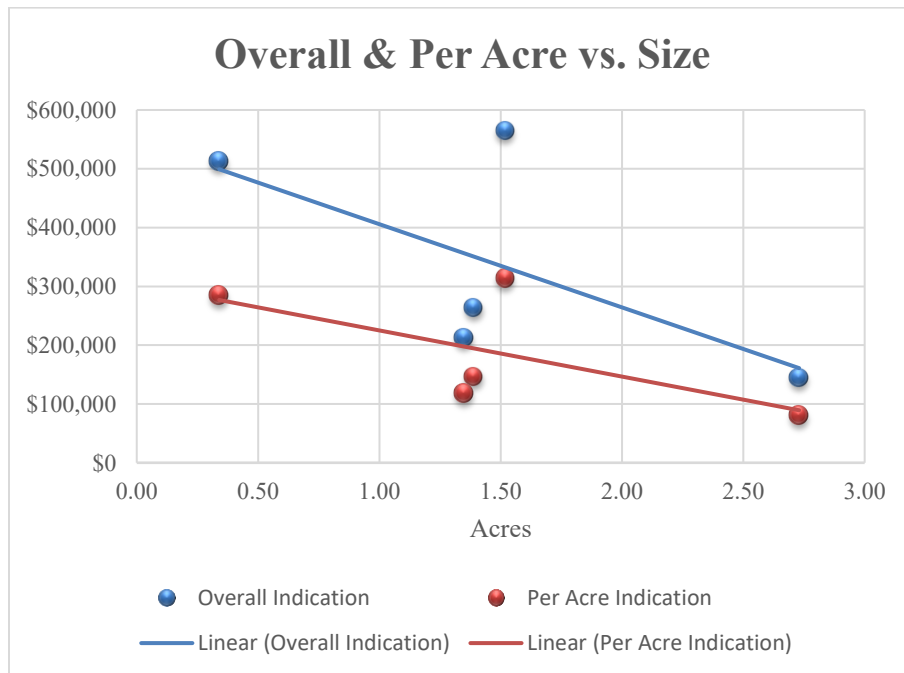
Although preference is subjective, buyers in the market likely pay higher price for frontage on the outlet versus frontage on the Clearwater River further south where Land Sale No. 1, Land Sale No. 2, and Land Sale No. 3 are located. And buyers would likely pay a higher price for frontage directly on Lake Inez versus frontage on the outlet where the subject is located.

Land Sale No. 2 and Land Sale No. 3 are located the closest to the subject property (within 2 miles) and are at least reasonably similar to the subject size (1.35 acres and 1.39 acres, respectively) The subject is slightly larger than these two sales at 1.80 acres. Land Sale No. 3 is similar to the subject in terms of vegetation and tree cover providing good privacy from the road. Land Sale No. 2 is more open with a mix of trees and shrubs along the river.

Land Sale No. 1 included a gravel driveway and electric pedestal but is located within the floodplain. Due to the floodplain location, a septic system and well would not be permitted on this property and it likely would be best suited for a primarily recreational use including RV/camping, and less likely for a fulltime residential use. The subject is considered overall superior to this sale, mostly due to floodplain and emphasis is to the other sales not contained within the floodplain.

Land Sale No. 5 is located on a steep sloping hillside on the west shore of Lake Inez, which makes residential development more difficult and expensive compared to the subject property. It included an already installed septic system, stairs down to an older deck near the water and older dock. Although the topography is inferior to the subject, the location on Lake Inez is considered superior to the subject and there are other residential uses surrounding Sale No. 5 with residential development on similar sloped parcels.

Sale No.	Size (Acres)	Overall Indication	Per Acre Indication
Land Sale #1	2.73	\$144,892	\$80,362
Land Sale #2	1.35	\$212,874	\$118,067
Land Sale #3	1.39	\$263,667	\$146,238
Land Sale #4	1.52	\$564,684	\$313,191
Land Sale #5	0.34	\$512,942	\$284,493
Subject	1.80		



Emphasis is toward Land Sale No. 2 and Land Sale No. 3 due to location and Land Sale No. 4 due to overall size and offsetting water resource. Land Sale No. 2 does not include any utility improvements which is most similar to the subject property. Emphasis is to the range of \$118,067 per acre to the upper end of \$313,191 per acre and an overall range of \$212,874 to \$564,684, with a conclusion of \$160,000 per acre and an overall conclusion of \$290,000.



Gross Site Area (Acres)	1.80
Gross Site Area (SF)	78,539
Per Acre	\$160,000
Indicated Value	\$288,480
Rounded to	\$290,000

**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

973 Riverview Drive



SFR Sale No. 2

123 Rivers Edge Lane





SFR Sale No. 3  
11560 Boy Scout Road



SFR Sale No. 4  
2046 River Watch Trail



SFR Sale No. 5  
296 Cygnet Lane





SFR Sale No. 6

565 Cabin Lane



SFR Sale No. 7

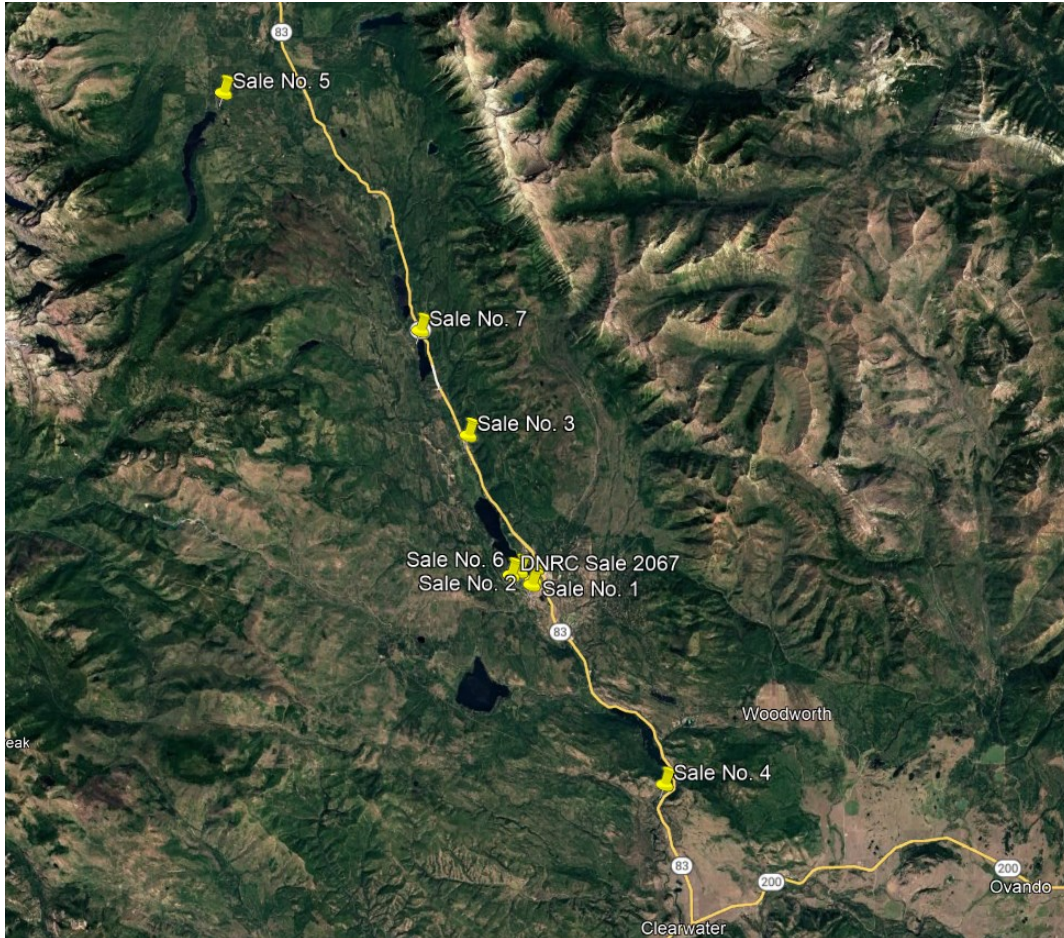
644 Rana Drive

Sale #	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
Address/Location	973 Riverview Drive	123 Rivers Edge Lane	11560 Boy Scout Road	2046 River Watch Trail
Sale/List Price	\$389,000	\$680,000	\$595,000	\$675,000
Overall \$/SF	\$330.78	\$339.32	\$340.58	\$337.84
Improvement Only \$/SF	\$160.71	\$189.62	\$151.69	\$272.77
Original List Price	\$389,000	\$695,000	\$595,000	\$699,000
DOM	117	63	195	247
Date of Sale	9/1/2023	12/15/2023	2/3/2021	7/11/2024
Concessions	None	Closing costs	None	None
Site (Acres)	1.01	3.13	8.94	1.93
Site (FF)	170.00	360.00	1000.00	0.00
Site Value	\$200,000	\$300,000	\$330,000	\$130,000
Quality	Average	Average	Average	Average
Design	Wood frame	Wood frame	Log	Wood frame
Year Built	2005	1966	1993	2017
Effective Age	20	35	25	3
Bathrooms	2.0	1.0	2.0	2.5
Above Grade SF	1,176	2,004	1,747	1,998
Below Grade SF	0	0	0	0
Below Grade Finish	0	0	0	0
Fireplaces	0.5	1.5	0.5	1.0
Deck/Porch/Patio(s)	380	300	258	736
Garage (SF)	1,600	1,144	1,128	440
Other Living Area	320	0	900	0
Outbuildings	400	468	0	144
Dock (SF)	0	0	0	0
Boathouse (SF)	0	0	0	0
Site Utilities	Elec., phone, septic, community water	Elec., phone, septic, well, propane (owned)	Elec., phone, septic, well	Elec., phone, septic, well
Onsite Improvements	Hot tub, enclosed garden, landscaping, gravel drive.	Fire pit, horseshoe pit, gravel driveway	Gravel driveway, interior trails.	Hot tub, asphalt driveway, landscaping
Offsite Improvements	Asphalt county road	Gravel county road	Asphalt county road	Asphalt private road



Sale #	Sale No. 5	Sale No. 6	Sale No. 7
Address/Location	296 Cygnet Lane	565 Cabin Lane	644 Rana Drive
Sale/List Price	\$630,000	\$249,900	\$1,517,500
Overall \$/SF	\$631.26	\$345.17	\$962.88
Improvement Only \$/SF	\$230.46	\$82.73	\$671.00
Original List Price	\$595,000	\$249,900	\$1,550,000
DOM	27	0	49
Date of Sale	8/11/2023	5/26/2023	8/28/2024
Concessions	None	None	None
Site (Acres)	0.41	1.83	0.27
Site (FF)	95.00	185.00	100.00
Site Value	\$400,000	\$190,000	\$460,000
Quality	Average	Average	Average
Design	Log	Wood frame	Wood frame
Year Built	1974	1955	2013
Effective Age	20	40	5
Bathrooms	1.0	0.5	2.0
Above Grade SF	998	724	1,576
Below Grade SF	0	0	820
Below Grade Finish	0	0	480
Fireplaces	0.5	0.5	0.5
Deck/Porch/Patio(s)	757	28	332
Garage (SF)	0	0	1,000
Other Living Area	0	0	0
Outbuildings	120	236	70
Dock (SF)	100	268	550
Boathouse (SF)	0	0	0
Site Utilities	Elec., phone, septic, well,	Elec., phone, propane	Elec., telephone, septic, lake water
Onsite Improvements	Gravel drive, wood plank walkway, firepit.	Outdoor light posts. In floodplain - no septic or well permitted	Gravel driveway, rock landscaping, wood stairs to dock, hot tub.
Offsite Improvements	Private gravel road	Gravel private road	Private gravel road.

## Location Map:



The sales data was gleaned from MLS in the general market along both sides of Montana Highway 83 from Clearwater Junction, north as far as Lindberg Lake. Overall, there is a reasonable comparability in the location of the sales and the subject properties.

## Site Value:

The following tabulations outline a number of residential land sales located within the general market along Montana Highway 83 between Clearwater Junction and Lindberg Lake that sold in 2022, 2023 and 2024. The land sales range in size from 0.2 acres to 10.65 acres and are broken out into several size ranges: less than 1 acre, 1 to 5 acres, and over 5 acres. The land sales are located in an area considered consistent with the primary sales, as well as the subject. In addition to size, consideration was also given if utilities were included and if the parcel included water frontage and what body of water is associated with the property. The subject property and all of the improved sales have access to all available utilities including electricity and telephone and all include a septic system and well or access to community water, with the exception of Sale No. 6. This sale is located in a floodplain where a septic system is not permitted and there is no access to potable water. 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.

ML #	Close Date	Lot Size Acres	Close Price	Price Per Acre	Address	City	Water Body Name	Days On Market
22210684	11/2/2022	0.2	\$73,000	\$365,000	780 Juniper Drive	Seeley Lake		105
30008687	9/7/2023	0.23	\$82,500	\$358,696	535 Juniper Drive	Seeley Lake		69
30029719	9/23/2024	0.295	\$75,000	\$254,237	258 Redwood Lane	Seeley Lake		4
30002245	9/28/2023	0.34	\$460,000	\$1,352,941	Land Sale No. 5	Seeley Lake	Lake Inez	162
22214328	11/10/2022	0.46	\$75,000	\$163,043	Nhn Gull Port	Seeley Lake		43
30022028	5/24/2024	0.46	\$370,000	\$804,348	129 Gull Port Road	Seeley Lake		58
30022031	5/10/2024	0.46	\$159,000	\$345,652	141 Eagle Port	Seeley Lake		2
22107021	2/24/2022	0.5	\$93,000	\$186,000	207 Silvertip Trail	Seeley Lake		286
22113280	2/23/2022	0.51	\$90,000	\$176,471	388 Daisy Lane	Seeley Lake	Clearwater River	189
22112923	2/14/2022	0.51	\$98,000	\$192,157	307 Seclusion Point	Seeley Lake		185
22207452	8/26/2022	0.52	\$139,000	\$267,308	304 Seclusion Point	Seeley Lake		84
22111635	2/14/2022	0.53	\$100,000	\$188,679	289 Seclusion Point	Seeley Lake		206
22204437	6/1/2022	0.57	\$125,000	\$219,298	292 Seclusion Point	Seeley Lake		42
22112456	1/31/2022	0.57	\$90,500	\$158,772	292 Seclusion Point	Seeley Lake		178
22113382	5/6/2022	0.58	\$149,000	\$256,897	315 Seclusion Point	Seeley Lake		259
22111696	3/28/2022	0.63	\$124,000	\$196,825	349 Seclusion Point	Seeley Lake		247
30002418	6/30/2023	0.66	\$149,500	\$226,515	365 Seclusion Point	Seeley Lake		106
22113383	3/3/2022	0.66	\$98,000	\$148,485	365 Seclusion Point	Seeley Lake		195
30023163	7/3/2024	0.67	\$105,000	\$156,716	305 Deer Park Drive	Seeley Lake		71
22207617	10/28/2022	0.67	\$80,000	\$119,403	Nhn Deer Park Drive	Seeley Lake		144
30012795	10/4/2023	0.73	\$171,000	\$234,247	368 Seclusion Point	Seeley Lake		41
22111698	6/7/2022	0.73	\$154,000	\$210,959	368 Seclusion Point	Seeley Lake		318
		Minimum	\$73,000	\$119,403				
		Maximum	\$460,000	\$1,352,941				
		Median	\$102,500	\$215,129				
		Average	\$139,114	\$299,211				

The primary sales range in site size from 0.27 acres to 8.94 acres. I used the tabulation above to estimate the site value for primary Sale No. 5 (0.41 acres) and Sale No. 7 (0.27 acres). Sale No. 5 is located on Cygnet Lake and Sale No. 7 is located on Lake Inez. One of the land sales included in the tabulation above is Land Sale No. 5 used in the Sales Approach for Land Value analysis for the subject property. That property is located on Westlake Way on Lake Inez and compares best to these two primary sales (Sale No. 5 and Sale No. 7) due to location and quality of water resource.

Primary Sale No. 6 (1.83 acres) and Sale No. 4 (1.93 acres) are closest in lot size to the subject (1.80 acres). Sale No. 6 is also located in closest proximity to the subject on the east side of the Seeley Lake Outlet, approximately 0.25 miles east. This sale is located in the floodplain, which is considered inferior to the subject. Sale No. 1 is somewhat smaller than the subject at 1.01 acres and is located on the southeast side of the Riverview Lane bridge that crosses the Clearwater River, southeast of the subject. Sale No. 2 is larger than the subject at 3.13 acres and is located roughly 0.15 acres south of the Riverview Lane bridge (0.75 air miles southeast of the subject). I used the tabulation below to estimate the site value for these four primary sales.

ML #	Close Date	Lot Size Acres	Close Price	Price Per Acre	Address	City	Water Body Name	Days On Market
22210326	6/30/2023	1	\$134,500	\$134,500	327 Dunham Court	Seeley Lake		451
22117735	3/3/2022	1	\$97,000	\$97,000	327 Dunham Court	Seeley Lake		99
22110709	9/28/2023	1.01	\$189,000	\$187,129	1128 Golf View Drive	Seeley Lake		804
22110694	5/24/2022	1.02	\$179,000	\$175,490	1268 Golf View Drive	Seeley Lake		319
22204083	6/3/2022	1.09	\$155,000	\$142,202	124 Sequoia Court	Seeley Lake	Morrell Creek	57
22214433	9/18/2023	1.1	\$185,000	\$168,182	165 Emerald Lake Loop	Seeley Lake	Emerald Lake	187
22115737	5/16/2022	1.14	\$207,000	\$181,579	1087 Golf View Drive	Seeley Lake	Trail Creek	222
22214250	4/18/2023	1.18	\$179,000	\$151,695	725 Golf View Drive	Seeley Lake	None	205
22202456	5/4/2022	1.34	\$99,500	\$74,254	Nhn Dunham Court	Seeley Lake		56
30007928	7/18/2023	1.35	\$115,000	\$85,185	155 Overland Trail	Seeley Lake		2
22204239	5/2/2022	1.5	\$135,000	\$90,000	695 Timberlane	Seeley Lake		17
30004942	5/19/2023	1.52	\$485,000	\$319,079	Land Sale No. 4	Seeley Lake	Emerald Lake	15
30014764	12/4/2023	1.8	\$290,000	\$161,111	591 Whitetail Drive	Seeley Lake	Trail Creek	0
22202280	6/30/2022	2	\$190,000	\$95,000	2403 Mt Hwy 83 N	Seeley Lake	Salmon Lake	115
30004051	5/3/2024	2.02	\$150,000	\$74,257	767 Montana Drive	Seeley Lake		378
22211797	10/24/2022	2.04	\$299,900	\$147,010	1225 Emerald Lake Loop	Seeley Lake	Emerald Lake	80
30027469	8/16/2024	2.08	\$220,000	\$105,769	1368 Emerald Lake Loop	Seeley Lake	Emerald Lake	79
22212384	7/31/2023	2.1	\$140,000	\$66,667	1245 Grandview Drive	Seeley Lake		352
22205128	5/23/2022	2.15	\$125,000	\$58,140	940 Grandview Drive	Seeley Lake		21
30012994	10/13/2023	2.25	\$140,000	\$62,222	181 Fawn Lane	Seeley Lake	Unknown	46
22206646	6/15/2022	2.3	\$145,000	\$63,043	333 Fawn Lane	Seeley Lake	Mountain Creek	22
22208917	6/14/2023	2.42	\$100,000	\$41,322	682 Grandview Drive	Seeley Lake		363
22204611	9/2/2022	2.51	\$220,000	\$87,649	127 Highland Drive	Seeley Lake	Private Pond	133
30007825	8/25/2023	2.55	\$125,000	\$49,020	275 Buckskin Drive	Seeley Lake		71
22205204	5/24/2022	2.58	\$140,000	\$54,264	34 Double Arrow Ranch Pha	Seeley Lake		22
30000413	3/17/2023	2.6	\$45,000	\$17,308	NHN Grandview Drive	Seeley Lake		3
30013575	2/15/2024	2.62	\$220,000	\$83,969	NHN Morrell Creek	Seeley Lake	Morrell Creek	163
30023260	4/30/2024	2.63	\$145,000	\$55,133	382 Sourdough Lane	Seeley Lake		15
22202499	8/17/2022	2.65	\$208,000	\$78,491	1910 Grandview Drive	Seeley Lake		161
22202925	5/26/2022	2.66	\$379,500	\$142,669	1721 Grandview Drive	Seeley Lake	Mountain Creek	66
22301183	2/24/2023	2.69	\$287,700	\$106,952	386 Skyport Way	Seeley Lake	Trail Creek	1
30011135	5/2/2024	2.7	\$165,000	\$61,111	567 Glacier Drive	Seeley Lake		231
30023018	5/13/2024	2.73	\$140,000	\$51,282	Land Sale No. 1	Seeley Lake	Clearwater River	13
30030294	9/24/2024	2.81	\$155,000	\$55,160	321 Stagecoach Drive	Seeley Lake	NA	58
30004190	5/31/2023	3	\$185,000	\$61,667	780 Evergreen Drive	Seeley Lake	Mountain Creek	31
22113384	4/18/2022	3	\$239,000	\$79,667	159 Telemark Way	Seeley Lake		241
22207433	6/9/2023	3	\$225,000	\$75,000	159 Telemark Way	Seeley Lake		375
22201026	2/24/2022	3.06	\$123,500	\$40,359	430 Grayling Drive	Seeley Lake	Trail Creek	21
30021935	5/10/2024	3.08	\$175,000	\$56,818	430 Grayling Drive	Seeley Lake	Trail Creek	39
30010126	9/14/2023	3.09	\$425,000	\$137,540	125 Anthony Court	Seeley Lake	Emerald Lake	65
22201693	4/22/2022	3.17	\$92,500	\$29,180	136 Montana Drive	Seeley Lake		60
22113563	7/15/2022	3.26	\$200,000	\$61,350	451 Crimson Peak Court	Seeley Lake		325
30022858	7/17/2024	3.51	\$175,000	\$49,858	2368 Double Arrow Road	Seeley Lake	Seasonal, Drew Creek	99
22111778	3/2/2022	3.93	\$225,000	\$57,252	171 White Smoke Trail	Seeley Lake		219
30026460	8/9/2024	4.07	\$146,000	\$35,872	496 Stagecoach Drive	Seeley Lake		85
22202442	4/11/2022	4.55	\$229,500	\$50,440	723 Wolverine Drive	Seeley Lake		34
22211801	12/6/2022	4.6	\$460,000	\$100,000	Nhn Emerald Lake Loop	Seeley Lake	Emerald Lake	122
30016549	5/22/2024	4.608	\$240,000	\$52,083	NHN Tamarack Drive	Seeley Lake		185
22206105	6/22/2022	4.61	\$235,000	\$50,976	Nhn Tamarack Drive	Seeley Lake		39
22212083	8/26/2022	4.68	\$228,500	\$48,825	690 Stage Coach Drive	Seeley Lake		15
22203981	5/3/2022	5.01	\$200,500	\$40,020	Lot 6 Frontier Drive	Seeley Lake		22
		Minimum	\$45,000	\$17,308				
		Maximum	\$485,000	\$319,079				
		Median	\$179,000	\$74,254				
		Average	\$195,973	\$89,230				

Primary Sale No, 3 is located on the Clearwater River just north of the Canoe Trail on the Seeley Lake inlet. It is larger than the subject at 8.94 acres. The tabulation below includes land sales for properties larger than 5 acres and this data was used to estimate the site value for Sale No. 3.

ML #	Close Date	Lot Size Acres	Close Price	Price Per Acre	Address	City	Water Body Name	Days On Market
22204306	5/25/2022	5.74	\$365,000	\$63,589	Nhn Placid Creek Road, X-2	Seeley Lake		37
22204367	5/27/2022	5.74	\$324,000	\$56,446	Nhn Placid Creek Road, X-3	Seeley Lake		39
22211698	9/20/2022	6	\$195,000	\$32,500	139 Montana View Drive	Seeley Lake		46
22204811	6/10/2022	6.74	\$311,000	\$46,142	408 Montana View Drive	Seeley Lake	Drew Creek	46
22205337	9/8/2022	10	\$165,000	\$16,500	1515 Elkhorn Road	Seeley Lake		127
22203142	6/2/2022	10.29	\$331,000	\$32,167	685 N Canyon Drive	Seeley Lake	Swamp Creek	69
22201095	3/30/2022	10.65	\$350,000	\$32,864	934 Montana Drive	Seeley Lake		51
		Minimum	\$165,000	\$16,500				
		Maximum	\$365,000	\$63,589				
		Median	\$324,000	\$32,864				
		Average	\$291,571	\$40,030				

For the most part Missoula County does not have zoning in the Seeley Lake 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



Below grade adjustments were made on the basis of two specific line items. One is for the actual size of the basement or lower level, regardless of finish. So, if a property has a 1,000 square foot basement space, there will be an adjustment for a conventional basement versus an adjustment for a daylight walk-out lower level. There is a cost differential between those two types of construction so an adjustment should reflect those issues.

The second part of the lower-level adjustment is a comparison of finished area which incorporates quality. When a lower level is of an obviously lower quality than its above grade space, the individual appraisal will account for that fact in this process. At the same time, it should be understood that lower-level space is less costly than above grade space, even if they are the same quality. The lower-level space does not require a roof component and there is often at least one side with no window and/or frame construction and there is generally not a kitchen of the main floor size and quality.

Further, the above grade area typically has vaulted ceilings or higher ceilings than the lower level, so cost is less than main floor (above grade) space. The subject does not have a basement, but Sale No. 7 has a finished walk-out basement. The adjustment was made for a daylight basement at \$35 per square foot plus an additional \$25 per square foot for the finished area of the basement. No other below grade adjustments were made.

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

Boathouse adjustment will be done on the equivalent quality rating and unit cost as shown above for the garage adjustment. This is consistent with the function of the space. It should be noted that many boathouse improvements fit closest to the fair/rustic category and regardless of condition, the boathouse improvement is viewed as a valuable addition to a lake front property regardless of condition.

For dock space, the replacement cost new is \$30 per square foot. The adjustment for dock size will be done on that same basis of \$30 per square foot although variations in physical depreciation due to shorter life expectancy may need to be accommodated on a case-by-case basis.

**Improved Valuation:**

Sale #	Subject	Sale No. 1	
Address/Location	1402 Snowmass Drive	973 Riverview Drive	Adjustment
Sale/List Price	N/A	\$389,000	\$0
Overall \$/SF	N/A	\$330.78	\$0
Improvement Only \$/SF	N/A	\$160.71	\$0
Original List Price	N/A	\$389,000	\$0
DOM	N/A	117	\$0
Date of Sale	8/26/2024	9/1/2023	\$437,619
Concessions	N/A	None	\$0
Site (Acres)	1.80	1.01	In Site Value
Site (FF)	329.94	170.00	In Site Value
Site Value	\$290,000	\$200,000	\$90,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2000	2005	See Eff. Age
Effective Age	15	20	\$17,182
Bathrooms	2.0	2.0	\$0
Above Grade SF	1,776	1,176	\$60,000
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	0.5	\$0
Deck/Porch/Patio(s)	428	380	\$960
Garage (SF)	2,142	1,600	\$21,680
Other Living Area	150	320	-\$4,250
Outbuildings	777	400	\$3,770
Dock (SF)	1,052	0	\$31,560
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well , private septic, propane (leased)	Elec., phone, septic, community water	\$0
Onsite Improvements	Landscaped, multi-level lawn with rock retaining wall around the SFR, multiple frost-free spigots and electric	Hot tub, enclosed garden, landscaping, gravel drive.	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC.	Asphalt county road	\$0
Total Adjustments			\$232,902
<b>Adjusted Indication-Overall</b>			<b>\$670,520</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$380,520</b>

<b>Sale #</b>	<b>Subject</b>	<b>Sale No. 2</b>	
<b>Address/Location</b>	<b>1402 Snowmass Drive</b>	<b>123 Rivers Edge Lane</b>	<b>Adjustment</b>
Sale/List Price	N/A	\$680,000	\$0
Overall \$/SF	N/A	\$339.32	\$0
Improvement Only \$/SF	N/A	\$189.62	\$0
Original List Price	N/A	\$695,000	\$0
DOM	N/A	63	\$0
Date of Sale	8/26/2024	12/15/2023	\$739,158
Concessions	N/A	Closing costs	\$4,000
Site (Acres)	1.80	3.13	In Site Value
Site (FF)	329.94	360.00	In Site Value
Site Value	\$290,000	\$300,000	-\$10,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2000	1966	See Eff. Age
Effective Age	15	35	\$138,182
Bathrooms	2.0	1.0	\$5,000
Above Grade SF	1,776	2,004	-\$22,800
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	1.5	-\$10,000
Deck/Porch/Patio(s)	428	300	\$2,560
Garage (SF)	2,142	1,144	\$39,920
Other Living Area	150	0	\$3,750
Outbuildings	777	468	\$3,090
Dock (SF)	1,052	0	\$31,560
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well , private septic, propane (leased)	Elec., phone, septic, well, propane (owned)	\$0
Onsite Improvements	Landscaped, multi-level lawn with rock retaining wall around the SFR, multiple frost-free spigots and electric	Fire pit, horseshoe pit, gravel driveway	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Gravel county road	\$0
Total Adjustments			\$197,262
<b>Adjusted Indication-Overall</b>			<b>\$936,420</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$646,420</b>

Sale #	Subject		Sale No. 3
Address/Location	1402 Snowmass Drive	11560 Boy Scout Road	Adjustment
Sale/List Price	N/A	\$595,000	\$0
Overall \$/SF	N/A	\$340.58	\$0
Improvement Only \$/SF	N/A	\$151.69	\$0
Original List Price	N/A	\$595,000	\$0
DOM	N/A	195	\$0
Date of Sale	8/26/2024	2/3/2021	\$910,356
Concessions	N/A	None	\$0
Site (Acres)	1.80	8.94	In Site Value
Site (FF)	329.94	1000.00	In Site Value
Site Value	\$290,000	\$330,000	-\$40,000
Quality	Average	Average	\$0
Design	Wood frame	Log	In Quality
Year Built	2000	1993	See Eff. Age
Effective Age	15	25	\$48,182
Bathrooms	2.0	2.0	\$0
Above Grade SF	1,776	1,747	\$2,900
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	0.5	\$0
Deck/Porch/Patio(s)	428	258	\$3,400
Garage (SF)	2,142	1,128	\$40,560
Other Living Area	150	900	-\$18,750
Outbuildings	777	0	\$7,770
Dock (SF)	1,052	0	\$31,560
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well, private septic, propane (leased)	Elec., phone, septic, well	\$0
Onsite Improvements	Landscaped, multi-level lawn with rock retaining wall around the SFR, multiple frost-free spigots and electric meter	Gravel driveway, interior trails.	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Asphalt county road	Offsets
Total Adjustments			\$87,622
<b>Adjusted Indication-Overall</b>			<b>\$997,978</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$707,978</b>



Sale #	Subject	Sale No. 4	
Address/Location	1402 Snowmass Drive	2046 River Watch Trail	Adjustment
Sale/List Price	N/A	\$675,000	\$0
Overall \$/SF	N/A	\$337.84	\$0
Improvement Only \$/SF	N/A	\$272.77	\$0
Original List Price	N/A	\$699,000	\$0
DOM	N/A	247	\$0
Date of Sale	8/26/2024	7/11/2024	\$685,234
Concessions	N/A	None	\$0
Site (Acres)	1.80	1.93	In Site Value
Site (FF)	329.94	0.00	In Site Value
Site Value	\$290,000	\$130,000	\$160,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2000	2017	See Eff. Age
Effective Age	15	3	-\$118,909
Bathrooms	2.0	2.5	-\$2,500
Above Grade SF	1,776	1,998	-\$22,200
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	1.0	-\$5,000
Deck/Porch/Patio(s)	428	736	-\$6,160
Garage (SF)	2,142	440	\$68,080
Other Living Area	150	0	\$3,750
Outbuildings	777	144	\$6,330
Dock (SF)	1,052	0	\$31,560
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well , private septic, propane (leased)	Elec., phone, septic, well	\$0
Onsite Improvements	Landscaped, multi-level lawn with rock retaining wall around the SFR, multiple frost-free spigots and electric meter	Hot tub, asphalt driveway, landscaping	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Asphalt private road	\$0
Total Adjustments			\$126,951
<b>Adjusted Indication-Overall</b>			<b>\$812,185</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$522,185</b>

Sale #	Subject	Sale No. 5	
Address/Location	1402 Snowmass Drive	296 Cygnet Lane	Adjustment
Sale/List Price	N/A	\$630,000	\$0
Overall \$/SF	N/A	\$631.26	\$0
Improvement Only \$/SF	N/A	\$230.46	\$0
Original List Price	N/A	\$595,000	\$0
DOM	N/A	27	\$0
Date of Sale	8/26/2024	8/11/2023	\$713,625
Concessions	N/A	None	\$0
Site (Acres)	1.80	0.41	In Site Value
Site (FF)	329.94	95.00	In Site Value
Site Value	\$290,000	\$400,000	-\$110,000
Quality	Average	Average	\$0
Design	Wood frame	Log	In Quality
Year Built	2000	1974	See Eff. Age
Effective Age	15	20	\$20,909
Bathrooms	2.0	1.0	\$5,000
Above Grade SF	1,776	998	\$77,800
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	0.5	\$0
Deck/Porch/Patio(s)	428	757	-\$6,580
Garage (SF)	2,142	0	\$85,680
Other Living Area	150	0	\$3,750
Outbuildings	777	120	\$6,570
Dock (SF)	1,052	100	\$28,560
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well , private septic, propane (leased)	Elec., phone, septic, well,	\$0
Onsite Improvements	lawn with rock retaining wall around the SFR, multiple frost-free spigots	Gravel drive, wood plank walkway, firepit.	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Private gravel road	\$0
Total Adjustments			\$123,689
<b>Adjusted Indication-Overall</b>			<b>\$837,314</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$547,314</b>

Sale #	Subject	Sale No. 6	
Address/Location	1402 Snowmass Drive	565 Cabin Lane	Adjustment
Sale/List Price	N/A	\$249,900	
Overall \$/SF	N/A	\$345.17	
Improvement Only \$/SF	N/A	\$82.73	
Original List Price	N/A	\$249,900	
DOM	N/A	0	
Date of Sale	8/26/2024	5/26/2023	\$290,292
Concessions	N/A	None	\$0
Site (Acres)	1.80	1.83	In Site Value
Site (FF)	329.94	185.00	In Site Value
Site Value	\$290,000	\$190,000	\$100,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2000	1955	See Eff. Age
Effective Age	15	40	\$27,227
Bathrooms	2.0	0.5	\$7,500
Above Grade SF	1,776	724	\$105,200
Below Grade SF	0	0	\$0
Below Grade Finish	0	0	\$0
Fireplaces	0.5	0.5	\$0
Deck/Porch/Patio(s)	428	28	\$8,000
Garage (SF)	2,142	0	\$85,680
Other Living Area	150	0	\$3,750
Outbuildings	777	236	\$5,410
Dock (SF)	1,052	268	\$23,520
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well, private septic, propane (leased)	Elec., phone, propane	\$10,000
Onsite Improvements	lawn with rock retaining wall around the SFR, multiple frost-free spigots	Outdoor light posts. In floodplain - no septic or well permitted	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Gravel private road	\$0
Total Adjustments			\$388,287
<b>Adjusted Indication-Overall</b>			<b>\$678,580</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$388,580</b>

Sale #	Subject	Sale No. 7	
Address/Location	1402 Snowmass Drive	644 Rana Drive	Adjustment
Sale/List Price	N/A	\$1,517,500	
Overall \$/SF	N/A	\$962.88	
Improvement Only \$/SF	N/A	\$671.00	
Original List Price	N/A	\$1,550,000	
DOM	N/A	49	
Date of Sale	8/26/2024	8/28/2024	\$1,516,507
Concessions	N/A	None	\$0
Site (Acres)	1.80	0.27	In Site Value
Site (FF)	329.94	100.00	In Site Value
Site Value	\$290,000	\$460,000	-\$170,000
Quality	Average	Average	\$0
Design	Wood frame	Wood frame	In Quality
Year Built	2000	2013	See Eff. Age
Effective Age	15	5	-\$192,273
Bathrooms	2.0	2.0	\$0
Above Grade SF	1,776	1,576	\$20,000
Below Grade SF	0	820	-\$28,700
Below Grade Finish	0	480	-\$12,000
Fireplaces	0.5	0.5	\$0
Deck/Porch/Patio(s)	428	332	\$1,920
Garage (SF)	2,142	1,000	\$45,680
Other Living Area	150	0	\$3,750
Outbuildings	777	70	\$7,070
Dock (SF)	1,052	550	\$15,060
Boathouse (SF)	240	0	\$12,000
Site Utilities	Elec., well, private septic, propane (leased)	Elec., telephone, septic, lake water	\$0
Onsite Improvements	lawn with rock retaining wall around the SFR, multiple frost-free spigots and	Gravel driveway, rock landscaping, wood stairs to dock, hot tub.	\$0
Offsite Improvements	Gravel/dirt improved roadway across DNRC,	Private gravel road.	\$0
Total Adjustments			-\$297,493
<b>Adjusted Indication-Overall</b>			<b>\$1,219,015</b>
<b>Adjusted Indication-Improvements Only</b>			<b>\$929,015</b>

Sale No.	Adjusted Indication - Overall	Adjusted Indication - Improvements Only	Per SF
Sale No. 1	\$670,520	\$380,520	\$214.26
Sale No. 2	\$936,420	\$646,420	\$363.98
Sale No. 3	\$997,978	\$707,978	\$398.64
Sale No. 4	\$812,185	\$522,185	\$294.02
Sale No. 5	\$837,314	\$547,314	\$308.17
Sale No. 6	\$678,580	\$388,580	\$218.79
Sale No. 7	\$1,219,015	\$929,015	\$523.09

	Overall	Improvement Only	Per SF
Minimum	\$670,520	\$380,520	\$214.26
Maximum	\$1,219,015	\$707,978	\$523.09
Mean	\$878,859	\$588,859	\$331.56

The sales produced a range of adjusted overall indications of \$670,520 to an upper end of \$1,219,015. The arithmetic mean of the overall indications is \$878,859. For improvements only the range of adjusted indications is \$380,520 to \$707,978, which calculates to \$214.26 to \$523.09 per square foot.

Sale No. 1 is located approximately 0.72 miles southeast of the subject and includes a single-family, wood frame home built in 2005 with a shop and a separate guest quarter. It has the same number of bedrooms and bathrooms but is smaller than the subject at 1,176 square feet compared to the subject at 1,776 square feet. The shop is roughly the same size as the subject, although the subject has an addition 2-car garage that this sale does not include. This sale also includes onsite improvements that are comparable to the subject including a hot tub, landscaping and an enclosed garden space. Sale No. 1 provides an adjusted overall indication of \$670,520

Sale No. 2 includes an older wood frame home built in 1966 with an estimated effective age of 35 years. It has one bathroom, three bedrooms with a total of 2,004 square feet of living space. It also includes a heated shop that is at least reasonably comparable to the subject but does not include a second garage. This property is located southeast of the subject on the Clearwater River and sold in December of 2023 and provides an adjusted indication of \$936,420 overall.

Sale No. 3 is located roughly 1.6 miles from the north end of Seeley Lake on Boy Scout Road and on the Clearwater River, just before the section of the river known as the Canoe Trail, which is a popular recreation area for kayakers and paddleboarders. This sale includes a larger lot (8.94 acres) than the subject (1.8 acres) and has a log home built in 1993. The home is very similar in overall size to the subject at 1,747 and has the same number of bedrooms/bathrooms as the subject. The garage is approximately 1,128 square feet, is heated and includes a separate living area on the second level with a bathroom. The subject includes a bunkhouse approximately 150 square feet, without running water or a bathroom. This property sold in February 2021 and provides an adjusted overall indication of \$997,978.



Sale No. 4 has Clearwater River access only via a common area just south of Salmon Lake. It includes a two level wood frame home built in 2017 with three bedrooms, two and half bathrooms and 1,998 square feet of living area and has a similar design as the subject with two bedrooms and a bathroom on the smaller second floor and vaulted ceiling in the living area on the main floor. This sale has an attached, single-car garage which is inferior to the subject detached two-car garage and additional heated shop. This sale has limited views of the river and provides an adjusted indication of \$812,185.

Sale No. 5 is located on Cygnet Lake which is a small non-motorized lake adjacent to the north of Lindberg Lake. This sale includes a log home with vaulted ceilings and a loft area built in 1974. It has 998 square feet of living area with two bedrooms and one bathroom. It does not include a garage and has only one small shed included as an outbuilding, as compared to the several included with the subject property. This sale provides an adjusted overall indication of \$837,314.

Sale No. 6 is located within a quarter mile of the subject on the east side of the Seeley Lake Outlet. The lot size is roughly the same size as the subject; however, this property is located completely in the floodplain. A septic system would not be permitted, and it does not have access to potable water. The improvements include a two story wood frame cabin built in 1955. It has a total of 724 square feet of living space with two bedrooms an estimated effective age of 40 years. It has a compostable toilet, although it is not contained in a separate bathroom from the living space and there is no running water. An adjustment of \$10,000 for site utilities was applied in the analysis for the estimated cost for lack of septic/well. The sale does not include a garage or any other living space. This sale closed in May 2023 and produces an adjusted overall indication of \$678,580.

Sale No. 7 is a relatively small lot of 0.27 acres located on the west shore of Lake Inez and includes a wood frame home built in 2013 with a walkout basement that looks out over the lake. It has a total of 2,056 square feet of finished living area with two bedrooms/two bathrooms. This property includes a carpeted dock, an 840 square foot attached garage, as well as a partially enclosed carport. This home has an estimated effective date of 5 years, which is overall newer than the subject. Overall, this sale is considered superior to the subject, mostly due to overall size, effective age, and lake access. This sale produces an adjusted indication of \$1,219,015.

The lower end is set by Sale No. 1 which is smaller than the subject overall and considered inferior in overall condition, and Sale No. 6 which is a smaller dry cabin without running water or a septic system due to being located in a floodplain. The cabin is considered to be in inferior condition and quality to the subject and Sale No. 6 is considered overall inferior to the subject property. The upper end is set by Sale No. 7, which is considered overall superior to the subject, mostly due to the lake location, but also condition and overall size.

There are limited waterfront sales in this market and there is not one sale that compares perfectly with the subject. Emphasis is sales that compare best to the subject in terms of location, overall

size, design, and estimated effective age/condition. The subject includes a large, heated shop with a bathroom as well as a separate two-car garage. None of the primary sales include two garage spaces so emphasis is also to the sales that have at least a two car garage.

Sale No. 2 is located within one mile of the subject property on the Clearwater River. The overall size of the SFR compares reasonably well with the subject although it has one less bathroom and is in an inferior condition compared to the subject. Sale No. 2 also includes a heated shop. Sale No. 1 includes a large, heated garage space, is located within a mile of the subject but has a smaller overall living space than the subject. Sale No. 3 compares best in overall size and number of bathrooms, but it is a log home compared to the subject which is a stick frame home. It is likely a log home is more desirable in this submarket, although I was not able to extract an exact adjustment from the market data. Sale No. 3 does include a large, heated shop and additional living space, although the additional living space is superior to the bunkhouse that is included with the subject. Sale No. 3 is located just under 5 miles north of the subject. Sale No. 4 is at least reasonably similar in overall size to the subject, although it includes an extra half bath and is in superior condition compared to the subject. Sale No. 4 has a much smaller garage space and is located over 8.5 miles south of the subject and does not have water frontage, only river access via a common area. These are the four best sales and the range of indications they provide is \$670,520 to an upper end of \$997,978. Emphasis is to the upper end of this range with a conclusion of \$940,000.

Indicated Value	\$940,000
Land Value	\$290,000
Personal Property	\$650,000
Per SF	\$366

## 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, 20243, is listed below.

Sale No.	Acres	Legal Description Lessee	Address	Total Market Value	Land Value	Improvement Value
2067	1.80	S04, T16 N, R15 W, C.O.S. 5140, PARCEL 23, IMPROVEMENTS ON STATE LAND, SEELEY LAKE OUTLET W STATE LEASE # 3061335 Jonathan Espenschied	1402 Snowmass Drive	\$940,000	\$290,000	\$650,000

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: \$1,750.00

**Source of Funds**

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

<b><u>Subclass</u></b>	<b><u>Org. No.</u></b>	<b><u>Percent</u></b>
555HA	6048-03	50%
	6049-51	50%

Approved  
 No. 245227  
 Division DK  
 Legal MP  
 F.S.O. SS  
 SPSP NH



**TRUST LAND MANAGEMENT DIVISION  
 APPRAISAL OF POTENTIAL CABIN SITE SALE PROPERTY IN MISSOULA 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 Missoula 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: \$1,750.00.

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 One thousand seven hundred and fifty dollars and No/100 (\$1,750.00)

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

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

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

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

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

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

**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)

BY: Nick Hogan Director  
(Nicholas J. Hogan)

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

DocuSigned by:  
(nickhogan@gmail.com)  
Nick Hogan  
963E2EC68F0D406...  
(Signature)

DATE: 8/6/2024

DATE: 8/6/2024

## 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 Missoula County Seeley Outlet West 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 Jonathan Espenschied. 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 Missoula County):**

Sale #	Acres ±	Legal Description
2067	1.803±	LOT 23, SEELEY LAKE OUTLET WEST COS 5140 Section 4, T16N-R15W

<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 2067: Jonathan Espenschied - (619) 954-2924</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.



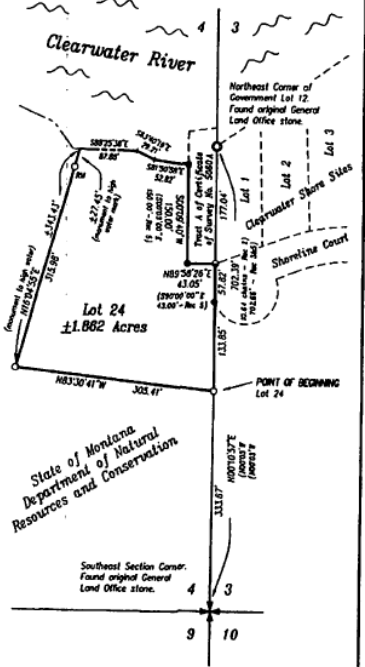
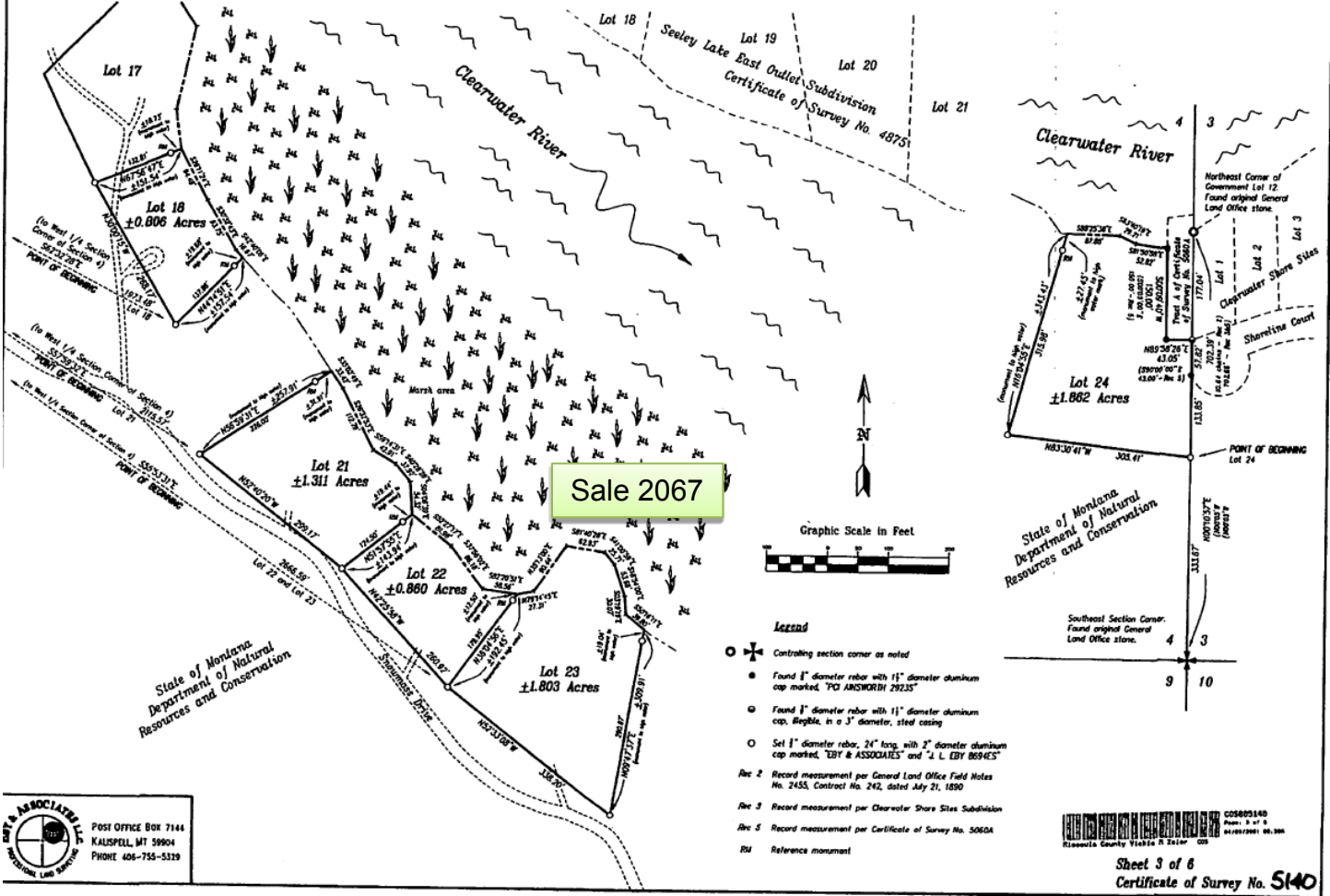
# Cabin Site Missoula County COS 5140

5140

## Certificate of Survey

Section 4, Township 16 North, Range 15 West, Principal Meridian, Montana  
Missoula County, Montana

Owner of record: Montana Department of Natural Resources and Conservation  
Date of survey: October 2000  
Purpose: Retroachment of Sealey Lake Outlet West Shore Subdivision, a state leased lot subdivision



- Legend**
- ⊕ Controlling section corner as noted
  - Found 1" diameter rebar with 1 1/2" diameter aluminum cap marked, "PCI ANSWORTH 29235"
  - Found 1" diameter rebar with 1 1/2" diameter aluminum cap, flaglike, in a 3" diameter, steel casing
  - Set 1" diameter rebar, 24" long, with 2" diameter aluminum cap marked, "EBY & ASSOCIATES" and "J. L. EBY 8694ES"
  - REC 2 Record measurement per General Land Office Field Notes No. 2455, Contract No. 242, dated July 21, 1890
  - REC 3 Record measurement per Clearwater Shore Sites Subdivision
  - REC 5 Record measurement per Certificate of Survey No. 5060A
  - RM Reference monument

**EBY & ASSOCIATES, P.C.**  
 POST OFFICE BOX 7144  
 KALISPELL, MT 59904  
 PHONE: 406-755-5329

MISSOULA COUNTY VICTOR H. ZIEGLER, C.S.  
 MISSOULA, MONTANA  
 0058051140  
 PAGES: 6 OF 8  
 04/28/2001 09:30

Sheet 3 of 8  
 Certificate of Survey No. 5140

Snowmass RUA  
PO Box 1223  
Seeley Lake, MT  
59868

202304676 B:1088 P:388 Pages:5 Fee:\$40.00  
05/05/2023 08:11:35 AM Easement  
Tyler R. Gernant, Missoula County Clerk & Recorder



Right of Way Application No. 19490  
Affecting a 40-foot strip through Gov.  
Lots 5, 6, 10 & 11, SE4SW4, NW4SW4,  
Sec. 4, Twp. 16N, Rge. 15W  
Missoula County, Montana

EASEMENT NO. D-17696

## EASEMENT GRANT

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF MONTANA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Know ye that the State of Montana (hereinafter referred to as "Grantor"), in consideration of the sum of Thirty-One Thousand Five Hundred Twenty-Two and No/100 Dollars (\$31,522.00), now paid, grants to Snowmass Road Users' Association (hereinafter referred to as "Grantee") a right of way upon and across State lands for private access roads to serve 21 lots for single-family residential and associated outbuilding use, one single-family residence per lot, as follows:

40-foot strips through Government Lots 5, 6, 10 and 11, SE4SW4, NW4SW4, Section 4, Township 16 North, Range 15 West, Principal Meridian Montana, Missoula County, Montana, as shown and depicted on the Exhibit attached hereto and made a part hereof and containing 5.29 acres, more or less.

The grant of this easement is subject to the following conditions:

The Grantee shall comply with the Montana Antiquities Act, Title 22, Chapter 3, MCA. In particular, Section 22-3, Parts 4 and 8.

It is also agreed that Grantee's membership shall comply with such rules or regulations as may be hereafter imposed by the State Board of Land Commissioners to ensure that the environment will be adequately protected and the public health and safety not be endangered.

Provided, however, that the easement granted herein is not exclusive and Grantee's membership shall not interfere with the Grantor and its successors, assigns, lessees or other parties authorized to use State lands, in their right, at all times to go upon, cross and re-cross the land covered by said easement and any road thereon, at any point, for any and all purposes in a manner that will not unreasonably interfere with the rights granted to Grantee's membership.

Provided, further, that this easement is granted under the express condition that the rights herein granted to Grantee's membership shall not interfere with the Grantor's use of the adjacent land.

Provided, further, that permission must be obtained in writing, from the Director, Department of Natural Resources and Conservation,

prior to the construction of any improvements in the easement area herein granted.

This easement is intended to provide Grantee's membership access to the following described lands, hereinafter referred to as the Dominant Tenement: Lot 1 of Certificate of Survey No. 6523; Lots 2 through 12, 14 through 18, and 21 through 23 of Certificate of Survey No. 5140; and Lot 13 of Certificate of Survey No. 6624, all Certificates of Survey filed for record in the records of Missoula County, Montana and generally located in Government Lots 5, 6 and 10, SE4SW4 and NW4SW4 in Section 4, Township 16 North, Range 15 West, P.M.M.

It is understood that the Dominant Tenement lands include residential lots that are currently leased and may be sold pursuant to §77-2-318, MCA. Authority under said statute includes the ability to grant any easement necessary to provide legal access to said residential properties made available for sale. Consistent with Administrative Rules of Montana, 36.25.1002, Grantor has required the formation of this road users' association for the purpose of providing a shared maintenance responsibility for those lots within the dominant tenement that are currently leased and/or may be sold pursuant to §77-2-318, MCA, including the purpose of providing legal access to those lots so sold.

It is further known and understood that certain lots within the Dominant Tenement have already been sold and currently hold existing easements to access such sold lots. Pursuant to those individual easement agreements, the Grantee named therein, and/or any successor or assignee, are required to assign their easement to the Snowmass Road Users Association and all rights of access shall thereafter be secured through the grant of this easement to the Snowmass Road Users Association. Upon execution of this easement and assignment of all previous easements to the Snowmass Road Users Association, any rights associated with these previously issued easements are hereby declared null and void.

This easement is issued for the purpose of providing private, non-commercial access to the Dominant Tenement lands described above for one single-family residence and associated outbuildings per lot. This easement does not provide access for the construction or operation of any restaurant, bar, hotel, motel, office space, storage space, shopping center, or any structure of public accommodation. No additional or expanded use is authorized pursuant to this easement.

This easement may not be transferred or assigned by the Grantee road users' association without being approved by the Grantor and made upon the prescribed forms issued by the Department. Provided, however, this easement may not be partially assigned to individual landowners or lessees of the Dominant Tenement and shall only be assigned to another legally constituted road users' association. The foregoing notwithstanding, the Grantor's approval of the assignment of this easement shall not be unreasonably withheld so long as the Grantee membership is in compliance with the terms and conditions of this paragraph and this easement.

If a member of the grantee road users' association, who has purchased their lot in the dominant tenement described herein, proposes to subdivide and create an additional lot or tract of record from the existing lot(s) as shown on Certificate of Survey Numbers 5140, 6523 or 6624 that also requires subdivision approval by a local governing body, the Grantee member shall provide notice to the Grantor no less than thirty (30) days prior to submittal of the proposal to the local governing body for consideration.

Failure to fully comply with any portion of this section shall be considered a material breach of the conditions of this easement and is cause for termination as provided below. All members of the road users' association shall be subject to the terms and conditions of this easement.

A conveyance fee of one percent (1%) of the sales price, or one percent (1%) of the fair market value, as determined by the Grantor, shall be paid when a member of the Grantee road users' association or successor in interest whose lot within the dominant tenement was purchased pursuant to §77-2-318, MCA or any subsequent statutory authority creates a new lot or tract from said original lot of record



as shown and described on Certificate of Survey Numbers 5140, 6523 and 6624; or sells anything less than its entire interest in the existing lot of record.

In the case of any action by a Grantee member who has purchased their lot in the dominant tenement which alters the legal description of and increases the burden on that lot benefited by this easement, including but not limited to creation of a new lot or tract of record, the payment of the conveyance fee shall occur prior to filing a final subdivision plat, certificate of survey or other document(s) that purports to or does alter the legal description of and increase the burden on the lot within the dominant tenement benefited by this easement. Any such action shall require each resulting, created lot owner to become members of the road users' association and will require amendment of this easement.

The Grantee's membership shall be responsible for controlling any noxious weeds introduced by Grantee's activity on State-owned land. The Grantee's methods of control must be reviewed by the Grantor's Area Field Office that has jurisdiction for that locale.

The Grantee's membership shall comply with the Montana County Noxious Weed Management Act, Section 7-22-2101 MCA et. seq., as follows:

The Grantee's membership shall notify the local weed board that is responsible for that geographical area that the project is located in. If vegetation is disturbed for any reason, Grantee's membership shall be required to submit to the local weed board a written plan specifying the methods to be used to accomplish revegetation and shall be required to revegetate the disturbed area. The plan must describe the time and method of seeding; fertilization, recommended plant species, use of weed-free seed, and the weed management procedures to be used. This plan is subject to approval by the local weed board, and therefore must be signed by the chairman of the board. Upon termination of this easement, Grantee's membership shall reclaim the entire area in accordance with this paragraph.

Provided, further, that the Grantee road user association shall provide maintenance to the road shown on Exhibit A attached hereto and made a part hereof pursuant to the organized Declaration of Covenants and Bylaws of the Snowmass Road Users' Association, Inc.

Provided, that Grantor may terminate this right of way for a material breach of any of the conditions or provisions of this deed. Before termination, the Board shall give Grantee written notice of intent to terminate and a reasonable period to cure the breach.

It is further provided that whenever said lands herein granted as a right of way shall cease to be used for such purpose, the right of way shall terminate upon notice to that effect being given to the said grantee named herein.

IN TESTIMONY WHEREOF, the State of Montana has caused these presents to be executed by the Governor, and to be attested by the Secretary of State, and countersigned by the Director, Department of Natural Resources and Conservation, and the Great Seal of the State, and the Seal of the State Board of Land Commissioners to be hereunto affixed this 24 day of April A.D. 2023.



*[Handwritten Signature]*  
.....  
Governor of the State of Montana

ATTEST:

*[Handwritten Signature]*  
.....  
Secretary of State



Countersigned by:

*Amanda Kestler*

.....  
Director, Department of Natural  
Resources and Conservation

Accepted and Approved:

Snowmass Road Users Association

*Tom Talarico*

.....  
President

*Tom TALARICO - PRESIDENT*

.....  
Printed Name

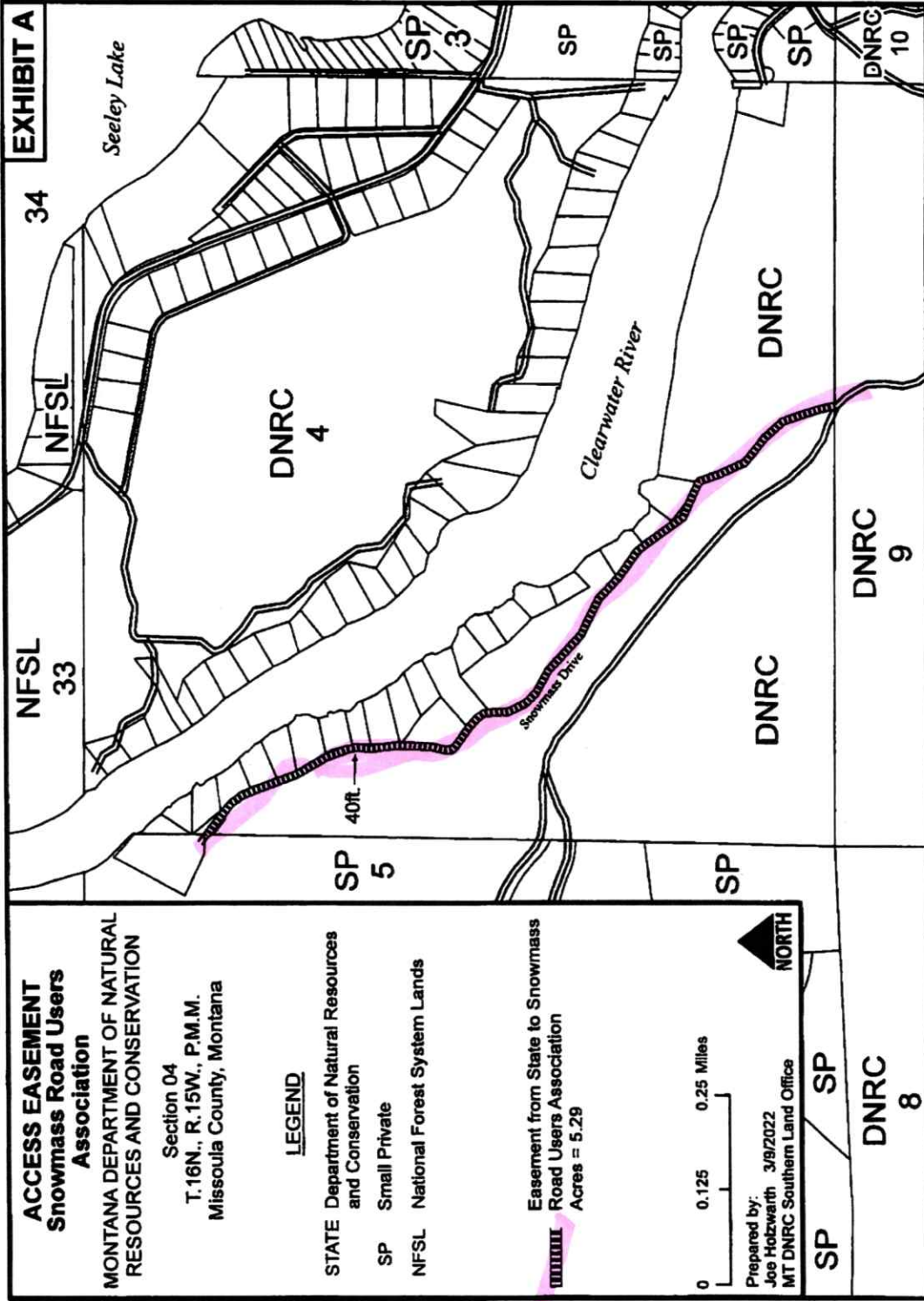
Attest:

*Denise Talarico*

.....  
Secretary and/or Treasurer

*DENISE TALARICO - SECRETARY*

.....  
Printed Name



## **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.**