

**ADDITIONAL PHOTOGRAPHS**



Waste Water Sprinklers



Sewage System Lagoon



Sewage System Lagoon



Sewage System Control Panel



Sewage System Pumps



Former Trailer Court

**ADDITIONAL PHOTOGRAPHS**



Interior Road in Former Trailer Court



Former Trailer Court



View West toward MT Highway 83



Goat Creek Loop Road



Goat Creek Loop Road Looking West toward MT Hwy 83



View across MT Hwy 83 toward DNRC Office

**ADDITIONAL PHOTOGRAPHS**



Montana Highway 83 Looking South



Montana Highway 83 Looking North

## SUBJECT MARKET ANALYSIS

Detailed economic and demographic data for the subject market area is included in the Addendum portion of this report.

### **Subject Productivity Analysis**

The subject property has been described in detail in prior sections of this report. The subject building is considered a “Special-Purpose” facility. It was constructed as a minimum security prison and was most recently utilized as a youth treatment center.

### Land Use Trends

The subject property is in a rural area with a relatively small amount of privately owned land, relatively low population and few commercial properties. Most area improvements are residential in nature.

As a result of the Montana Legacy Project approximately 310,000 acres have been acquired from Plum Creek (a timber company) in the immediate subject area since 2009. The intent of this purchase was conservation and to preserve public use. The subject area has historically been heavily utilized for recreation.

### Property Use Conclusion

Market participants typically purchase property in this subject area for residential and/or recreational use. The “Special-Purpose” nature of the improvements limits the number of market participants.

### **Potential Users of Subject Property**

The potential users of the subject property as if vacant would likely be different than those for the property as improved. The potential purchasers of the property as if vacant would be market participants seeking relatively large tracts in the subject market area for residential and/or recreational use.

Potential purchasers or users for the subject property as improved would be individuals or entities with need of an existing facility appropriate for use as a training center, retreat, camp or religious facility. Such entities would include businesses, churches, civic organizations, and governmental agencies.

### **Demand Analysis – As If Vacant**

Historical demand can shed light on future demand. We searched for sales of tracts of land ranging in size from 50.00 to 100.00 acres in the Swan Valley area. In the 2012 appraisal report we eliminated sales on significant bodies of water; however, due to the very limited amount of sales located we included such sales in this report. We located few transactions in the subject area over the past decade. Since few transactions were located we expanded the geographical search area for sales of tracts ranging in size from 50.00 to 100.00 acres to the entire coverage area for the Northwest Montana area Multiple Listing Service. The results of both searches are included on the tables on the following page.

Swan Valley Area						
Tract Sales Ranging from 50 to 100 Acres						
Year	# of Sales	% Sale to List Price	Average Tract Size/Acres	Median Price/Acre	Days on Market	% Price Change from Prior Year
2003	5	93%	86.46	\$8,252	329	
2004	5	91%	68.55	\$5,000	482	-39%
2005	8	90%	71.66	\$10,444	246	109%
2006	5	97%	69.13	\$13,120	229	26%
2007	1	100%	75%	\$7,964	177	-39%
2008	2	91%	80.00	\$8,375	72	5%
2009	1	89%	78.50	\$10,573	97	26%
2010	3	88%	63.05	\$12,818	896	21%
2011	0	-	-	-	-	-
2012	1	92%	73.70	\$4,003	99	-
2013 YTD	0	-	-	-	-	-
Active Listings	7		66.86	\$11,406	168	
<i>Sources: NMAR MLS &amp; Missoula MLS</i>						
<i>Includes waterfront &amp; non-waterfront properties</i>						

All Northwest Montana Area MLS						
Tract Sales Ranging from 50 to 100 Acres						
Year	# of Sales	% Sale to List Price	Average Tract Size/Acres	Median Price/Acre	Days on Market	% Price Change from Prior Year
2003	26	92%	73.50	\$2,620	315	-10%
2004	20	93%	77.64	\$2,797	254	7%
2005	6	29%	72.00	\$5,714	244	105%
2006	2	26%	75.36	\$6,338	200	11%
2007	15	90%	80.00	\$4,402	236	-31%
2008	6	82%	77.02	\$4,708	126	7%
2009	6	65%	72.88	\$5,813	508	23%
2010	5	61%	70.14	\$3,522	621	-39%
2011	0	-	-	-	-	-
2012	7	82%	68.77	\$2,908	190	-
2013 YTD	5	73%	76.61	\$4,219	669	45%
Active Listings	92		74.35	\$5,107	453	

Not every property transfers through the area MLS. Montana is a nondisclosure state and sales prices are not available via public record. The area MLS is the only succinct source for sales price data and is reflective of general trends.

The tables above represent the **Inferred Demand** which is the historical demand for similar properties in prior years. This data indicates that there have historically been few sales of tracts between 50 and 100 acres in size per year in the Swan Valley area over the past decade. There has been one sale in this size range since 2011. The active listings in the Swan Valley area represent an approximately 2.5 year supply; however, downward price pressure is likely for the active listings due to limited demand.

**This data assists with bracketing the value of the subject tract as if vacant. It is our opinion that \$4,003 per acre (the most recent sale) represents the low end and \$11,406 per acre (median price per acre for the active listings) represents the high end of possible value indications.**

Since there was limited market data for similar sized tracts in the immediate subject market area we expanded the search to cover a greater area in northwest Montana. This data predominantly consists of sales in Flathead, Lake and Lincoln Counties. The larger data set indicates an increase in demand from 2011 to 2012 and an increase in price per acre from 2012 to year-to-date 2013. The recent increases in demand and pricing indicate some market improvement; however, there is an approximately 10 year supply of tracts in the size range available for sale in the areas studied.

### **Forecast of Competitive Supply – As If Vacant**

There are 7 active listings of tracts ranging in size from 50 to 100 acres in the immediate subject market area. There are 92 active listings of tracts ranging size from 50 to 100 acres in the greater subject market area.

### **Interaction of Supply and Demand – As If Vacant**

Based upon the average annual demand for the last 10 years, there is an approximately 2.5 year supply of such properties available for sale in the immediate subject market area. There is an approximately 10 year supply of such properties in the greater subject market area. Based upon our analysis of supply and demand little appreciation for the subject property as if vacant is likely in the short term. Downward price pressure for the active listings in both categories is highly likely.

### **Forecast of Marketing & Exposure Times – As If Vacant**

The average annual marketing time for similar sized parcels ranging in size in the immediate subject market area over the prior 10 years has ranged from 72 days to 896 days. Marketing times for the closed sales over most of the last decade were under 1 year. Marketing time exceeded 1 year in 2004 and 2010. In order for the subject property to sell in 1 year or less a reasonable and competitive price is necessary. The value indicated in this report for the subject property as if vacant is based upon a 1 year or less **marketing time** for the subject property. If the subject property as if vacant had sold on the effective date of this report for the value indicated, the **exposure time** would have been approximately 1 year or less.

### **Demand Analysis – As Improved**

The subject improvements are considered “Special-Purpose.” There is no succinct source for data regarding transfers of similar improvements. For this reason it was not possible to prepare a traditional demand analysis. We did locate sales of facilities with somewhat similar utility in the United States using national sales data bases. For this update report we confined the search to the northwest United States.

The sales provide an indication that such properties convey on occasion. The motivations of each purchaser for the transfers located were very specific. Additionally most of these sales are located in markets with higher populations. For these reasons these sales are not considered appropriate direct sales comparisons. These sales are included in this report to assist the client in understanding the motivation of market participants for properties like the subject.

These sales are described on the following pages. Photographs of these sales are included after the descriptions.

Sales of Special Use Type Properties				
Sale #	1	2	3	4
Address	70 No. 5 Rd.	15143 Sheridan Rd.	57131 Lakeview Dr.	5401 Terry St.
Location	Poland, ME	Clinton, MI	Baker, CA	Mosca, CO
Sale Verified By	Listing Agent	Listing Agent	Listing Agent	Listing Agent
Sale Date	11/29/2011	10/17/2011	1/23/2012	5/15/2012
Original List Price	\$1,000,000	\$795,000	\$845,000	\$366,500
Sales Price	\$467,500	\$400,000	\$375,000	\$150,000
Sales Price to List Price %	47%	50%	44%	41%
Price/SF	\$16.72	\$13.43	\$27.59	\$3.69
Estimated Days on Market	185	769	145	253
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Occupancy at Sale	Unoccupied	Unoccupied	Unoccupied	Yes
FF&E Included in Price	Yes	Yes	No	No
<b>Description of Property</b>				
Year Built	1957	1920's	1968	Various
Building Size	27,954	29,776	87,000	40,686
Site Size/Acres	32.80	52.88	30.00	35.44
Most Recent Use	Elan Boarding School / Treatment Facility	High/Scope Camp-Retreat & Meeting Center	Baker Community Correctional Facility	Mosca School
Intended Use	Retreat Center	Romanian Orthodox Monastery	Conversion to Residential Development	Potato Processing Facility
Notes	Originally a Hunting Lodge, the lake front property functioned as a boarding school / treatment facility since 1970. The facility closed in March 2011. The property had 10 buildings including a dining hall/kitchen, bunk buildings with bath/showers, (2) classroom bldgs, and an administrative building. The property was purchased to operate as a retreat center. According to the selling agent, the improvements may have detracted from the value. He felt that the land value could have been higher than the sale price.	According to the listing agent, the property had been operated since 1968 as a camp/retreat center that could accommodate up to 108 residents. The property had 3 ponds, walking trails, a small creek, and a 5-acre farm. Improvements included in the sale included a dormitory building, and a home that served as a private residence. The property was in good condition and was purchased by the Romanian Orthodox Church to be utilized as a Monastery.	The property most recently operated as a minimum security corrections facility and was located on approx. 30 acres. Improvements included 17 prison buildings including living quarters, administration, maintenance, kitchen/dining, laundry, and recreation area). There were also 36 staff homes. In December 2009, The State of California ended its contract with Cornell Companies, who operated the minimum security prison. The seller stipulated that the property could not be used as a prison in the future. The buyer intends to keep only the residential buildings and convert the property to a residential development.	The property consists of approximately 35.44 acres. Improvements include the original school building that was built in the early 1900's, a metal building that houses the AG/Shop classroom, and a metal building built in the 1970's that houses the kitchen, cafeteria, gym, classrooms, and district offices. The property was purchased to be operated as a potato processing facility.

Sales of Special Use Type Properties				
Sale #	5	6	7	8
Address	215 Hickory Rd.	14260 S. Leavitt Ave.	1819 Birch Avenue	1007 Wright Ave.
Location	Kenbridge, VA	Dixmoor, IL	Greeley, CO	Richland, WA
Sale Verified By	Listing Agent	Listing Agent	Commercial Database	
Sale Date	5/18/2012	6/30/2012	2/7/2012	2/17/2012
Original List Price	\$2,500,000	\$350,000	\$625,000	\$497,500
Sales Price	\$335,000	\$400,000	\$575,000	\$350,000
Sales Price to List Price %	13%	114%	92%	70%
Price/SF	\$11.17	\$10.04	\$33.13	\$22.59
Estimated Days on Market	865	Approx 60 Days	131	184
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Occupancy at Sale	Unoccupied	Unoccupied	Unoccupied	Unoccupied
FF&E Included in Price	No	No	No	No
<b>Description of Property</b>				
Year Built	2000	1999	1957	1982
Building Size	30,000	39,848	17,356	15,492
Site Size/Acres	13.50	2.27	1.09	1.09
Most Recent Use	Camp Kenbridge Youth Correctional Facility	Jesse "Ma" Houston Transitional Facility	Residential Care Facility	Westside United Protestant Center
Intended Use	Mennonite Retreat Center	Purchased for Investment	Unknown - Unable to verify	Trinity Churches of the Tri-Cities (Worship Center)
Notes	The property consisted of 13.50 acres improved with two buildings approximately 15,000 SF each. One of the buildings was built in 1997, the other in 2000. The property was most recently utilized as a youth correctional facility. The property was marketed for 865 days with a beginning list price of \$2.5 million and sold at auction for \$335,000. The most recent list price was \$795,000. According to the listing agent, the buildings were in good condition with little or no deferred maintenance issues. The buyer was the Mennonite Church who intends to run the property as a retreat/school.	This property consists of a 39,848 SF brick bldg located on 2.27 acres. The bldg was built in 1999 and was considered to be in good condition at time of sale. The bldg housed 26 multi-function rooms, classrooms, offices, a large kitchen and dining room, and a staff lounge. It was most recently utilized by the Illinois Dept. of Corrections as an adult transitional facility. In 2011 the State of Illinois cancelled its contract to lease the facility, leading to its closure. The property was Bank Owned at the time of sale. In order to sell the property as quickly as possible the bank chose to sell it at auction. The indicated list price is the opening bid price. The property is located in an urban area and has approximately 305' along a major interstate.	This property is a 17,356 SF building located on 1.09 acres. The building is wood frame with masonry exterior and was built in 1957. Prior to the Feb. 2012 sale, the property sold in March 2005 for \$590,000.	This property is a 15,492 SF building located on 1.09 acres. The neighborhood around the property is primarily residential. The property most recently functioned as a church activity center. The building includes a large multi purpose area for banquets and events, a full size basketball court, and a commercial kitchen. Recent improvements include new flooring and fire protection system. According to the listing agent, the purchaser will also use the facility as a church meeting hall/worship center.

The sale and pending sale below are additions since the 2012 appraisal report.

Sales of Special Use Type Properties		
Sale #	9	Pending 1
Address	1518 96th St E	5604 Mission Rd
Location	Sumner, WA	Bellingham, WA
Sale Verified By		
Sale Date	8/14/2013	PENDING
Original List Price	\$795,000	\$1,500,000
Sales Price	\$795,000	\$1,500,000
Sales Price to List Price %	100%	100%
Price/SF	\$22.00	\$75.71
Estimated Days on Market	147	214
Interest Conveyed	Fee Simple	Fee Simple
Occupancy at Sale	Unoccupied	Leased
FF&E Included in Price	No	No
<b>Description of Property</b>		
Year Built	1961	1978
Building Size	36,144	19,812
Site Size/Acres	10.12	20.00
Most Recent Use	McAlder Elementary School	School for Nooksack Indian Tribe
Intended Use	Private Christian Elementary School	Foundation for Burned Children
Notes	<p>This property is a 36,144 square foot school facility on a 10.12 acre site. The property was purchased by a private entity for use as a Christian elementary school. Since the school was constructed in 1961 there was some functional obsolescence. According to the listing agent there was approximately \$350,000 in deferred maintenance present at the time of sale. The property is serviced by an engineered septic system due to proximity to a flood plain area. This property is in a zoning district that allows 1 unit for every 10 acres. The property was vacant at the time of sale.</p>	<p>This property is improved with 7 structures totaling approximately 19,812 square feet. It was originally constructed to house a county school facility. It is currently being leased for \$11,000 per month to the Nooksack tribe for use as a school. The potential purchasers intend to utilize the property as the location of a foundation for burned children. They intend to extend the current lease for approximately 3 years while seeking funding for the foundation. This property is serviced by a large private water system and a large private septic system. This property is approximately 5 minutes drive from downtown Bellingham, Washington. The agent indicated that this property could not be constructed for the contract price.</p>

**PHOTOGRAPHS OF SPECIAL-PURPOSE SALES**



Sale 1



Sale 2



Sale 3



Sale 4



Sale 5



Sale 6



Sale 7



Sale 8



Sale 9



Pending Sale 1

### **Demand Conclusion – As Improved**

Based upon our analysis there is some market for properties such as the subject. The proposed uses by the potential purchasers for the sales presented were;

- Retreat Center
- Monastery
- Re-development as a Residential Income Producing Property
- Re-development for use as a Potato Processing Facility
- Retreat/School for a Church
- Foundation for Healthcare
- Investment Purposes

There would not likely be demand for the subject property as an agricultural processing facility; however, any of the remaining potential uses are considered likely uses for the subject property. Use of the subject property as an base camp for an outfitter would be reasonable due to the proximity to public lands such as the Bob Marshal Wilderness. Most market participants would require some alteration and/or renovation prior to occupancy of the subject facility. The relatively remote location of the subject property could appeal to market participants or be off-

putting depending on their needs. Based upon our analysis, marketing on a national platform would be required to locate a market participant to lease or purchase the subject property.

### **Forecast of Competitive Supply – As Improved**

Due to the “Special-Purpose” nature of the subject improvements there is no credible method to determine the competitive supply. The national supply of similar properties would not provide a basis for determination of a realistic supply since operation of such properties is typically location specific.

### **Interaction of Supply and Demand – As Improved**

There is no credible way to forecast the interaction of supply and demand for facilities like the subject.

### **Forecast of Marketing Time or Capture Rate – As Improved**

The marketing times for the nine closed sales presented ranged from 60 days to 865 days with an average of 304 days on market. Only two of the sales (Sales 2 and 5) used in this analysis were marketed for greater than 1 year. The list price for Sale 5 was substantially higher than the sales price which may have resulted in a longer marketing time.

Based upon our analysis if the subject property is priced appropriately and marketed aggressively on a national basis a 1 year or less marketing time could be expected. The value indicated in this report is based upon an approximately 1 year **marketing time** for the subject property as improved and an approximately 1 year **exposure time**.

## HIGHEST AND BEST USE

The four basic economic principles of supply and demand, substitution, balance and conformity are considered to be the basic tools of analyzing the relationship between economic trends and an appraisal. Market forces create market value. For this reason, the analysis of highest and best use is very important. When the purpose of an appraisal is to estimate market value, a highest and best use analysis identifies the most profitable, competitive use to which a property can be used.

According to The Appraisal of Real Estate - Thirteenth Edition by the Appraisal Institute, Highest and Best Use is defined as follows:

*"Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, and financially feasible and that results in the highest value."*

The analysis for Highest and Best Use considers first the reasonably probable uses of a site that can be legally undertaken. The final Highest and Best Use determination is based on the following four criteria:

- **Legally Permissible:**  
The availability of land for a particular use in terms of existing regulations and restrictions, deed restrictions, lease encumbrances, or any other legally binding codes, restrictions, regulations, or interests.
- **Physically Possible:**  
The physical adaptability of the site for a particular use.
- **Financially Feasible:**  
All uses that are legally permissible and physically possible that are likely to produce an income, or return, equal or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization are considered to be financially feasible.
- **Maximally Productive:**  
Of the financially feasible uses, the use that produces the highest net return or the highest present worth.

It is important to recognize the possibility that the Highest and Best Use of the land could differ from the Highest and Best Use of the property. This occurs when a site has existing improvements and the Highest and Best Use of the land differs from the current use. Often, the current property use will continue until the value of the land, under its Highest and Best Use, less existing improvement demolition costs, exceeds the total value of the property in its present use.

The Highest and Best Use analyses and conclusions are included on the following page.

## **AS VACANT**

### *Legally Permissible*

The subject property is an area with no zoning; however, the property is located in a “development density region” of Lake County. The subject area is designated for 20 acre minimum lot sizes. The subject property could be subdivided; however, approval would be required by Lake County and the Montana Department of Environmental Quality.

### *Physically Possible*

The subject site has a total indicated area of 78.30 acres. It has frontage approximately ¼ mile of frontage along Montana Highway 83. The site has sufficient size and shape for many uses. There is adequate space on the subject site as if vacant for a variety of uses.

### *Financially Feasible*

The subject property is a relatively remote area. A typical commercial use is not likely financially feasible due to the remoteness of the location. Most improved properties are residential. There is a market for acreage tracts in this area for residential and/or recreational use; however, prices and/or demand for acreage tracts have decreased over the last few years. Many area homes are second or vacation type properties.

### *Maximally Productive*

Based upon this analysis of the legally permissible, physically possible and financially feasible uses of the subject site as if vacant the maximally productive highest and best use of the subject site is considered to be for single family residential use or possible subdivision into 20 acre parcels for residential use.

## **AS IMPROVED**

### *Legally Permissible*

As discussed the subject property is not zoned. For this reason a wide variety of uses are legally permissible. The most recent use as a treatment facility/rehabilitation center is legally permissible.

The subject property was constructed as a minimum security prison. Based upon our research, this is a legally permissible use; however, it is unlikely. Area residents would likely protest such a use due to the history of the subject property. Additionally it is unlikely that the Montana Department of Natural Resources and Conservation would consider a use that was objectionable to the community.

### *Physically Possible*

The subject site has ample room for the subject improvements. The site area exceeds the acreage necessary for the current improvements.

The subject improvements were constructed as a minimum security prison. They were most recently utilized as a treatment facility/rehabilitation center. Based upon our research and analysis, the current configuration of the lodge building and the overall condition of all of the buildings are not marketable for use as a treatment center without some alteration and/or renovation.

*Financially Feasible*

Based upon our analysis, most general commercial uses are not financially feasible due to the location of the subject property. Based upon our analysis of sales of somewhat similar facilities, the property would likely appeal to market participants seeking ownership of a training facility, retreat, camp, outfitting headquarters, and/or religious facility. According to our research substantial renovation and retrofitting would be necessary for such uses.

*Maximally Productive*

Based upon this analysis of the legally permissible, physically possible and financially feasible uses of the subject property, the maximally productive highest and best use of the subject property as improved is use as a training facility, retreat, camp, outfitting headquarters, and/or religious facility.

## THE APPRAISAL PROCESS

In the foregoing sections of this report, we have examined and discussed the subject property. To arrive at an estimate of market value for the subject property, it is necessary to collect and analyze all available data in the market, which might tend to indicate the value of the subject property. The subject property must be compared to similar properties that can be constructed, purchased, or from which a similar monetary return may be received.

### APPROACHES IN THE VALUATION OF REAL PROPERTY

**The three recognized approaches in the valuation of real property are Sales Comparison, Cost Approach and Income Capitalization. According to The Appraisal of Real Estate - Thirteenth Edition by the Appraisal Institute, the approaches are defined as follows:**

#### **Cost Approach**

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

#### **Sales Comparison Approach**

The process of deriving a value conclusion for the subject property by comparing similar properties that have recently sold; identifying appropriate units of comparison and making adjustments to the sales prices (or unit prices) of the comparables based on the 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 comparables sales is available.

#### **Income Capitalization Approach**

An appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principal of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the Cost Approach.

The most credible method to value vacant land is the Sales Comparison Approach. Based upon our analysis there were sufficient sales of vacant land in the immediate and greater subject market area to prepare a credible Sales Comparison for the subject property as if vacant. The site valuation is incorporated with the Cost Approach for valuation of the subject property as improved.

The Cost Approach was the only approach developed to value the subject property as improved. The omission of the Sales Comparison and Income Approaches was considered necessary and does not affect the credibility of the appraisal report.

## **COST APPROACH**

The cost approach to value reflects the actions of market participants relative to cost. Older properties may exhibit physical and/or functional deficiencies that affect value. For this reason, the Cost Approach is most applicable with new or proposed construction. Even though the Cost Approach is most applicable with new or proposed construction, it can be the only applicable approach for “Special-Purpose” type properties. Based upon our research, the Cost Approach is considered to be the only applicable and credible approach to value the subject property.

The first step in the Cost Approach is to estimate the value of the subject site as if vacant. The next step is to estimate the cost new of the existing improvements. The final step is to determine depreciation for the subject improvements and to subtract the depreciation from the cost new.

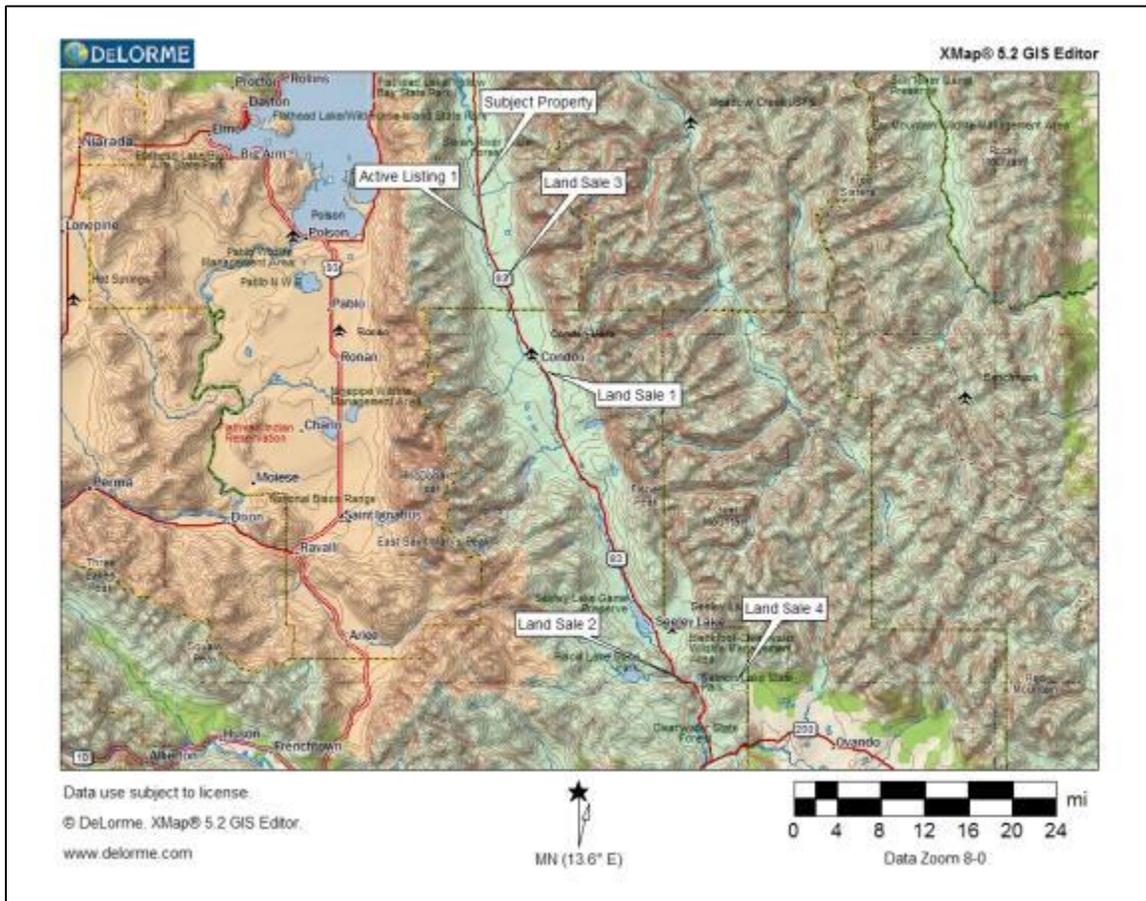
## LAND VALUE ESTIMATE

Due to the relatively low number of sales of similar sized tracts in the subject market area in recent years, it was necessary to utilize sales of tracts smaller than the subject property and one active listing. The comparables are described on the table below;

Land Comparables							
Comp #	Address	Area	Sale Date	Sales Price	List Price	Acres	Price/Acre
Sale 1	NHN Rumble Creek Rd	Sw an Valley	Jul-12	\$320,000		40.00	\$8,000
Sale 2	169 Placid Lake Rd	Seeley Lake	May-12	\$295,000		73.76	\$3,999
Sale 3	39486 Salmon Prairie Rd	Sw an Valley	Jul-11	\$90,000		33.00	\$2,727
Sale 4	NHN Cottonw ood Lakes Rd	Seeley Lake	Feb-13	\$259,000		40.00	\$6,475
Active 1	NHN MT Hw y 83 N	Condon	ACTIVE		\$369,000	71.16	\$5,185

*\*Sales and List Prices Adjusted Where Necessary - Refer to Land Sales Grid*

A complete description of each sale is included in the comparable land sale write-ups provided in this section of this report. A map depicting the locations of the subject and comparables is below;



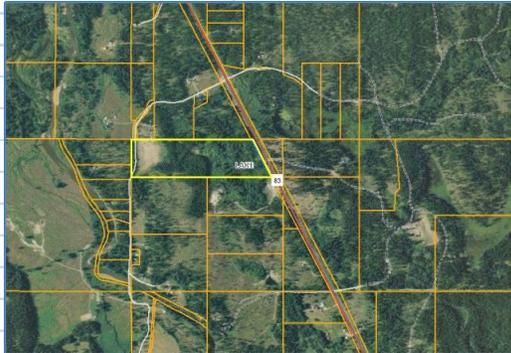
## LAND SALE 1

COMPARABLE SALE INFORMATION			
	<b>Location</b>		NHN Rumble Creek Road
	<b>City/State</b>		Swan Valley, MT
	<b>County</b>		Missoula
	<b>Assessor Number</b>		3103009
	<b>Zoning</b>		Unzoned Portion of Missoula Co.
	<b>Site Size: Acres</b>		40.00
	<b>Square Feet</b>		1,742,400
	<b>Date of Sale</b>		July 17, 2012
	<b>Sales Price</b>		\$320,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$320,000
	<b>MLS #</b>		308733
	ANALYSIS OF SALE		
<b>Price per Acre</b>	\$8,000	<b>Price per Square Foot</b>	\$0.18
		<b>Price per Front Foot</b>	N/A
TRANSFER INFORMATION			
<b>Grantor</b>	Michael Slominski & Janiece Slominski	<b>Grantee</b>	Lonny J. Maurer & Patricia A. Maurer
<b>Recording Data</b>	Warranty Deed #201213146	<b>Marketing Time</b>	322 Days on Market
<b>Financing/Conditions</b>	Cash	<b>Verified By</b>	Keven Wetherell, Listing Agent
<b>Legal Description</b>	NE1/4 NE1/4 of Section 7	<b>Intended Use</b>	Residential/Recreational
<b>Section/Township/Range</b>	7-20-16		
PROPERTY DETAILS			
<b>Topography</b>	Level/Rolling	<b>Lot Dimensions</b>	Approx 1320' x 1320'
<b>Flood Plain</b>	N/A	<b>Improvements</b>	None
<b>Water Frontage</b>	Small Creek on Property	<b>Value of Improvements*</b>	N/A
<b>View</b>	Mountains, Trees, Creek		
<b>Utilities</b>	Electricity & Telephone to Rd.	<b>Miscellaneous</b>	
*Appraisers Estimate			<b>Report File</b> 12-072ec

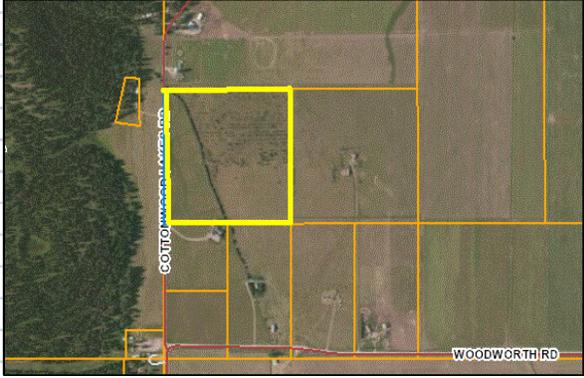
## LAND SALE 2

COMPARABLE SALE INFORMATION				
	<b>Location</b>		169 S. Placid Lake Rd.	
	<b>City/State</b>		Seeley Lake, MT	
	<b>County</b>		Missoula	
	<b>Assessor Number</b>		3628302	
	<b>Zoning</b>		Unzoned Portion of Missoula Co.	
	<b>Site Size: Acres</b>		73.76	
	<b>Square Feet</b>		3,212,986	
	<b>Date of Sale</b>		May 25, 2012	
	<b>Sales Price</b>		\$295,000	
	<b>Less Cost of Improvements*</b>		\$0	
	<b>Sales Price Adjusted</b>		\$295,000	
	<b>MLS #</b>		310980	
	ANALYSIS OF SALE			
	<b>Price per Acre</b>	\$3,999	<b>Price per Square Foot</b>	\$0.09
		<b>Price per Front Foot</b>	N/A	
TRANSFER INFORMATION				
<b>Grantor</b>	Duncan I. Cole & Phyllis J. Cole	<b>Grantee</b>	Todd E. Barker	
<b>Recording Data</b>	Warranty Deed #201209646	<b>Marketing Time</b>	939 Days on Market	
<b>Financing/Conditions</b>	Cash	<b>Verified By</b>	Keven Wetherell, Listing Agent	
<b>Legal Description</b>	Tract 2 of Riverlands	<b>Intended Use</b>	Residential/Recreational	
<b>Section/Township/Range</b>	25-16-15			
PROPERTY DETAILS				
<b>Topography</b>	Level/Rolling	<b>Lot Dimensions</b>	Irregular	
<b>Flood Plain</b>	Yes - Map #30063C1030D	<b>Improvements</b>	None	
<b>Water Frontage</b>	Clearwater River	<b>Value of Improvements*</b>	N/A	
<b>View</b>	Mountains, Trees, River			
<b>Utilities</b>	Electricity & Telephone to Rd.	<b>Miscellaneous</b>	According to the listing agent for the property, much of the parcel is wetlands. Appropriate building site is located near Highway 83.	
*Appraisers Estimate		<b>Report File</b>	12-072ec	

## LAND SALE 3

COMPARABLE SALE INFORMATION			
	<b>Location</b>		39846 Salmon Prairie Rd.
	<b>City/State</b>		Swan Valley, MT
	<b>County</b>		Lake
	<b>Assessor Number</b>		0026123
	<b>Zoning</b>		10 Acre/Unit Lake County Density Area
	<b>Site Size: Acres</b>		33.00
	<b>Square Feet</b>		1,437,480
	<b>Date of Sale</b>		July 18, 2011
	<b>Sales Price</b>		\$100,000
	<b>Less Cost of Improvements*</b>		-\$10,000
	<b>Sales Price Adjusted</b>		\$90,000
	<b>MLS #</b>		302013
	ANALYSIS OF SALE		
<b>Price per Acre</b>	\$2,727	<b>Price per Square Foot</b>	\$0.06
		<b>Price per Front Foot</b>	N/A
TRANSFER INFORMATION			
<b>Grantor</b>	Wesley D. Kesterson & Colleen J. Kesterson	<b>Grantee</b>	Alan Richardson & Nathan Richardson
<b>Recording Data</b>	Warranty Deed #515321	<b>Marketing Time</b>	259 Days on Market
<b>Financing/Conditions</b>	Cash	<b>Verified By</b>	Kay Lewis, Listing Agent
<b>Legal Description</b>	N2 N2 SE4 less a portion of land in the NE corner of the property which lies easterly and westerly of MT Hwy 83	<b>Intended Use</b>	Residential/Recreational
<b>Section/Township/Range</b>	28-22-17		
PROPERTY DETAILS			
<b>Topography</b>	Level/Rolling	<b>Lot Dimensions</b>	Irregular
<b>Flood Plain</b>	No	<b>Improvements</b>	Well, Septic, Shop Bldg
<b>Water Frontage</b>	N/A	<b>Value of Improvements*</b>	\$10,000
<b>View</b>	Mountains, Meadow		
<b>Utilities</b>	Electricity, Telephone, Well & Septic	<b>Miscellaneous</b>	According to the listing agent, the buyers also purchased the property to the south of the subject which was improved with a house. If the subject property sold individually it may have commanded a higher price.
<b>*Appraisers Estimate</b>		<b>Report File</b>	12-072ec

## LAND 4

COMPARABLE SALE INFORMATION			
	<b>Location</b>		NHN Cottonwood Lakes Road
	<b>City/State</b>		Seeley Lake
	<b>County</b>		Missoula
	<b>Assessor Number</b>		5852010
	<b>Zoning</b>		Unzoned Portion of Missoula Co.
	<b>Site Size: Acres</b>		40.00
	<b>Square Feet</b>		1,742,400
	<b>Date of Sale</b>		February 19, 2013
	<b>Sales Price</b>		\$259,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$259,000
	<b>MLS #</b>		20125691
ANALYSIS OF SALE			
<b>Price per Acre</b>		\$6,475	
		<b>Price per Square Foot</b>	\$0.15
		<b>Price per Front Foot</b>	N/A
TRANSFER INFORMATION			
<b>Grantor</b>	Joseph H. Hollander & Betty L. Hollander	<b>Grantee</b>	Andrew Chritton & Jody Chritton
<b>Recording Data</b>	Warranty Deed, Book 908, Page 928	<b>Marketing Time</b>	167 Days on Market
<b>Financing/Conditions</b>	Owner Financing/Market	<b>Verified By</b>	Scott Kennedy, Agent
<b>Legal Description</b>	NW1/4 SW1/4 of Section 25, Township 16 North, Range 14 West, Missoula County, Montana	<b>Intended Use</b>	Purchaser intends to build a house on this property in the future.
<b>Section/Township/Range</b>	25-25-14		
PROPERTY DETAILS			
<b>Topography</b>	Level/Rolling	<b>Lot Dimensions</b>	Unknown
<b>Flood Plain</b>	N/A	<b>Improvements</b>	None
<b>Water Frontage</b>	Small Creek on Property	<b>Value of Improvements*</b>	N/A
<b>View</b>	Mountains, Trees, Creek		
<b>Utilities</b>	Electricity & Telephone at Road	<b>Miscellaneous</b>	Borders state land to the west.
*Appraisers Estimate		<b>Report File</b>	13-061ec

## ACTIVE LISTING 1

COMPARABLE LISTING INFORMATION			
	<b>Location</b>		NHN MT Highway 83 North
	<b>City/State</b>		Condon
	<b>County</b>		Lake
	<b>Assessor Number</b>		0026090
	<b>Zoning</b>		10 Acres per Unit Development Density Area
	<b>Site Size: Acres</b>		71.16
	<b>Square Feet</b>		3,099,730
	<b>Date of Sale</b>		N/A - ACTIVE LISTING
	<b>Sales Price</b>		\$369,000
	<b>Less Cost of Improvements*</b>		\$0
	<b>Sales Price Adjusted</b>		\$369,000
<b>MLS #</b>		20135986	
ANALYSIS OF SALE			
<b>Price per Acre</b>		\$5,185	<b>Price per Square Foot</b> \$0.12
			<b>Price per Front Foot</b> N/A
TRANSFER INFORMATION			
<b>Grantor</b>	N/A - ACTIVE LISTING		<b>Grantee</b> N/A - ACTIVE LISTING
<b>Recording Data</b>	N/A - ACTIVE LISTING		<b>Marketing Time</b> List Date September 6, 2013
<b>Financing/Conditions</b>	N/A - ACTIVE LISTING		<b>Verified By</b> Scott Kennedy with Listing Agency
<b>Legal Description</b>	COS # 6952 in Section 5, Township 22 North, Range 17 West, Lake County, Montana		<b>Intended Use</b> This property is being marketed for residential/recreational use.
<b>Section/Township/Range</b>	5-22-17		
PROPERTY DETAILS			
<b>Topography</b>	Steep slope to River with Level Areas		<b>Lot Dimensions</b> Unknown
<b>Flood Plain</b>	Portions by River in Flood Plain		<b>Improvements</b> None
<b>Water Frontage</b>	1/2 Mile Frontage on Swan River		<b>Value of Improvements*</b> N/A
<b>View</b>	Mountains, Trees, River		
<b>Utilities</b>	Electricity & Telephone at Hwy		<b>Miscellaneous</b> Borders state land to the north and federal land is across highway.
<b>*Appraisers Estimate</b>		<b>Report File</b>	13-061ec

### Sales Comparison Analysis Grid for Subject Site

Based upon our analysis the appropriate unit of comparison is the price per square acre. This is the unit of comparison used by most market participants.

COMPARABLE SALES ANALYSIS FOR - SUBJECT SITE AS IF VACANT						
78.30 ACRE TRACT, MONTANA HIGHWAY 83, SWAN VALLEY, MONTANA						
DESCRIPTION	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	ACTIVE 1
IDENTIFICATION		NHN Rumble Creek Rd	69 S Placid Lake Rd	39646 Salmon Prairie Rd	NHN Cottonwood Lakes Rd	NHN MT Hwy 83
CITY		Swan Valley	Seeley Lake	Swan Valley	Seeley Lake	Condon
SALES PRICE		\$320,000	\$295,000	\$100,000	\$259,000	\$369,000
ADJUSTMENT FOR LIST PRICE						-\$36,900
ADJUSTMENT FOR IMPROVEMENTS				-\$10,000		
BUYER EXPENDITURES						
DEMOLITION						
ENVIRONMENTAL						
OTHER						
LEGAL/ZONING						
ADJUSTED PRICE		\$320,000	\$295,000	\$90,000	\$259,000	\$332,100
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
PROPERTY RIGHTS ADJUSTMENT						
ADJUSTED PRICE		\$320,000	\$295,000	\$90,000	\$259,000	\$332,100
FINANCING	Market	Market	Market	Market	Market	Market
FINANCING ADJUSTMENT						
ADJUSTED PRICE		\$320,000	\$295,000	\$90,000	\$259,000	\$332,100
CONDITIONS OF SALE ADJUSTMENT	Market	Market	Market	Market	Market	Market
ADJUSTMENT						
ADJUSTED PRICE		\$320,000	\$295,000	\$90,000	\$259,000	\$332,100
DATE OF SALE		07/17/12	05/25/12	07/18/11	02/19/13	ACTIVE
MARKET CONDITIONS FACTOR		1.00	1.00	1.00	1.00	1.00
ADJUSTED PRICE		\$320,000	\$295,000	\$90,000	\$259,000	\$332,100
<b>ZONING</b>	None	None	None	None	None	None
<b>SITE SIZE/SQUARE FEET</b>	78.30	40.00	73.76	33.00	40.00	71.16
<b>ADJUSTED SALES PRICE PER ACRE</b>		\$8,000	\$3,999	\$2,727	\$6,475	\$4,667
RATING FOR:						
LOCATION		1.00	1.00	1.00	1.00	1.00
ACCESS/FRONTAGE		1.00	1.00	1.00	1.00	1.00
SHAPE		1.00	1.00	1.00	1.00	1.00
TOPOGRAPHY		1.00	1.00	1.00	1.00	1.00
ZONING		1.00	1.00	1.00	1.00	1.00
UTILITIES		1.00	1.00	1.00	1.00	1.00
SIZE		0.80	1.00	0.80	0.80	1.00
OVERALL ADJUSTMENT		0.80	1.00	0.80	0.80	1.00
<b>INDICATED PRICE PER ACRE</b>		<b>\$6,400</b>	<b>\$3,999</b>	<b>\$2,182</b>	<b>\$5,180</b>	<b>\$4,667</b>

## Discussion of Adjustments

*Adjustment for List Price:* Active Listing 1 is not a closed sale. Sales of similar sized parcels have closed for an average of approximately 90% of list price over the past decade. Based upon our analysis of market conditions, a downward adjustment of 10% of the list price was considered reasonable and necessary for the list price of Active Listing 1.

*Adjustment of Improvements:* Land Sale 3 included a well, a septic system and a shop building. Based upon discussions with the listing agent for this sale a downward adjustment of \$10,000 is considered appropriate and necessary in this category.

*Property Rights:* The ownership interest in this report for the subject property and for all of the land comparables was the fee simple interest consequently no adjustments were necessary in this category.

*Financing:* According to our research, all sales were cash or cash equivalent; therefore, no adjustments were necessary in this category.

*Conditions of Sale:* No adjustment was considered necessary to any of the comparables in this category.

*Market Conditions:* The closed comparables sold in 2011, 2012 or 2013. The market conditions at the time of closings were similar to those as of the effective date of this report. No adjustment is necessary in this category.

*Location:* The locations of the subject and all of the comparables are similar enough that no adjustment was necessary.

*Access/Frontage:* The subject has access from and frontage along Montana Highway 83. All the comparables are along Montana Highway 83 or have easy access to the highway. No adjustment was necessary in this category.

*Shape:* The subject and all of the comparables have appropriate shapes for improvements. No adjustments were necessary in this category.

*Topography:* The topographies of the subject and most of the comparables are similar enough that no adjustment was necessary. Land Sale 2 and Active Listing 1 include wetland areas which restrict potential building locations. Both of these comparables include frontage along area rivers. It is our opinion that the topography of these comparables offsets any downward adjustment necessary for river frontage. For this reason no adjustments were considered necessary in this category for Land Sale 2 or Active Listing 1.

*Zoning/Covenants:* The subject parcels and comparables are in areas with no zoning. The subject property, Land Sale 3 and Active Listing 1 are in development density areas. Based upon our analysis no adjustments were necessary in this category.

*Utilities:* The subject parcels and comparables all have similar access to all necessary utilities. No adjustment is necessary in this category.

*Size:* Based upon our analysis of the available market data, the price per acre varies relative to total parcel size. There was little relevant market data on which to base adjustments in this category. Land Sales 1, 3 and 4 vary sufficiently in size from the subject that some adjustment was considered necessary. Downward adjustments of 20% were made to Land Sales 1, 3 and 4. This percentage is considered reasonable and appropriate. No other adjustments were considered necessary in this category.

### **Reconciliation of Sales Comparison Approach**

Most weight is accorded Land Sales 1 and 4. These sales are the most recently transferred parcels with similar utility and topography compared to the subject property. These sales provide indications of \$6,400 and \$5,180 per acre respectively. The approximate average of these indications is \$6,000. Consequently;

78.30 Acres @ \$6,000/Acre	\$469,800
<b>Rounded to</b>	<b>\$470,000</b>

## **COST ESTIMATE FOR IMPROVEMENTS**

### **INTRODUCTION**

The next step in the Cost Approach is to estimate the cost new of the improvements minus depreciation and add the estimated land value. The cost is based on estimates using the Marshall Valuation Service, a recognized national cost estimating service. The comparative-unit method (utilizing the calculator method) is used to estimate the replacement cost for the subject improvements. All applicable depreciation must be calculated and subtracted from the cost new.

The subject buildings vary significantly in design and it was necessary to estimate separate base costs for each building. When required adjustments were made to the indicated base costs for eave height, perimeter and current and local cost differences.

### **DEPRECIATION**

There are three general types of depreciation in the appraisal of real estate. These are discussed in the following paragraphs.

**Physical Depreciation:** The subject facility was constructed in the 1960's and has been vacant since 2006. There was physical depreciation (from age and deferred maintenance) present in the subject improvements as of the effective date of this report. The age/life method of estimation of depreciation indicates approximately depreciation in this category for most of the subject buildings at 67% (30 years effective age/45 economic life).

**Functional Obsolescence:** The subject property is best described as a "Special-Purpose" property. There is typically functional obsolescence associated with special purpose properties. Based upon our observation there is functional obsolescence associated with the subject improvements. Based upon our analysis, the open dormitory style of the sleeping quarters and the large common bathroom in the lodge building are examples of functional obsolescence.

**External Obsolescence:** Based upon our analysis there may be external obsolescence associated with the subject property due to current market conditions. Based upon our analysis the national and regional economic conditions have negatively affected real estate prices in the subject market area.

### **Depreciation Conclusion**

Based upon our analysis of the most similar sales located, older "Special-Purpose" facilities in remote locations like the subject are significantly depreciated. Some of the purchasers for the sales located (included in the Subject Market Analysis portion of this report) attributed little or no value to the structures on the property. Most market participants intended some immediate renovation and/or alteration prior to occupancy.

The sales vary significantly enough from the subject that it was not possible to prepare a credibly develop a market extracted indication of depreciation. An overall depreciation from all sources of 90% is considered reasonable and appropriate for the subject improvements.

The Cost Analysis is presented on the following pages of this report.

**BASE COST ESTIMATES FOR BUILDINGS**

**LODGE MAIN FLOOR**

AVERAGE, CLASS "D", LODGE, SECTION 12, PAGE 14

BASE COST	\$89.11
EAVE HGT. MULT.	1.00
PERIMETER MULT.	0.94
CURRENT COST	1.06
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$88.79</u>

**LODGE BASEMENT LEVEL**

FINISHED BASEMENT, SECTION 12, PAGE 9

BASE COST	\$45.87
EAVE HGT. MULT.	1.00
PERIMETER MULT.	1.00
CURRENT COST	1.06
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$48.62</u>

**GYMNASIUMS**

LOW COST, CLASS "D", GYMNASIUM SECTION 18, PAGE 25

BASE COST	\$61.73
EAVE HGT. MULT.	1.00
PERIMETER MULT.	1.00
CURRENT COST	1.03
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$63.58</u>

**BASE COST ESTIMATES FOR BUILDINGS**

**ADMINISTRATION BUILDING**

AVERAGE, CLASS "D", ADMINISTRATION BUILDING, SECTION 18, PAGE 32

BASE COST	\$107.38
EAVE HGT. MULT.	1.00
PERIMETER MULT.	1.05
CURRENT COST	1.03
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$116.13</u>

**KITCHEN BUILDING**

AVERAGE, CLASS "D", MULTIPURPOSE BUILDING, SECTION 18, PAGE 17

BASE COST	\$109.55
EAVE HGT. MULT.	1.00
PERIMETER MULT.	1.04
CURRENT COST	1.03
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$117.35</u>

**SHOP BUILDING**

AVERAGE, CLASS "D", STORAGE WAREHOUSE BUILDING, SECTION 14, PAGE 26

BASE COST	\$34.11
EAVE HGT. MULT.	1.09
PERIMETER MULT.	0.97
CURRENT COST	1.09
LOCAL COST	1.00
ADJUSTED BASE COST	<u>\$39.31</u>

### **Cost Estimate for Sewer and Waste Water System**

We located information relative to a sewer and waste water system proposed for a large commercial and residential property in the general subject area. This property will consist of a 50 person lodge and 42 (four bedroom) homes and a swimming pool upon completion. This system was designed based upon current Montana Department of Environmental Quality specifications. This system is to include a 4" sewer service pipe, an 8" gravity sewer main, a 6" sewer force main, a duplex sewage lift station, site piping, 36 manholes, a power transformer and level 2 type anaerobic treatment facilities. The cost for this entire system was estimated by an engineering firm in 2006 to be approximately \$1,291,700. The waste water treatment portion of this system is on a remote site and the costs include pumping the waste to this remote site.

This system was to be constructed to accommodate an estimate peak demand of 19,200 gallons per day. The lodge portion of the subject improvements requires a system with a capacity of 3,000 gallons per day. This is approximately 16% of the total requirements of this other area development. The subject property would likely have a sewage disposal and treatment requirement similar to the lodge portion of this proposed development. We have rounded this indication up to 20% and prorated 20% of the cost indicated for the sewage system for this development as more likely indication of the cost for an adequate sewage system for the subject property. This equates to an indicated cost of approximately \$258,000 ( $\$1,291,700 \times 20\% = \$258,340$ ) for an appropriate system for the subject property. **The appraisers are not experts at estimating costs for sewage disposal and treatment facilities. Additionally any system for the subject improvements must be approved by the Montana Department of Environmental Quality.**

We were provided with an appraisal report of the subject property prepared in 1998. According to the 1998 appraisal of the subject property the time trended actual cost for the subject sewer system was \$775,000. We have trended this cost to 2012 by using the comparative cost multiplier of 1.698 from July 1998 for Class "D" buildings from the Marshall and Swift cost manual. Based upon this information, the trended cost for the subject sewer system is indicated to be approximately \$1,315,950. The relatively high cost of this system in comparison to the proposed, much higher capacity, system further supports the conclusion that the existing system is a super adequacy which is a form of functional obsolescence. There is also physical depreciation present with this site improvement.

We have utilized the estimated cost from the cost comparable located as it is considered more representative of current costs and does not require additional adjustment for the depreciation due to super adequacy.

**COST ANALYSIS FOR SWAN VALLEY RETREAT  
MONTANA HIGHWAY 83, SWAN VALLEY, MONTANA**

LODGE MAIN FLOOR	9,606 @ \$88.79/SF	.....	\$852,917
LODGE BASEMENT LEVEL	6,053 @ \$48.62/SF	.....	\$294,297
GYMNASIUM	5,858 @ \$63.58/SF	.....	\$372,452
<b>SUBTOTAL LODGE</b>			<b>\$1,519,665</b>
ADMINISTRATION BUILDING	3,651 @ \$116.13/SF	.....	\$423,991
<b>SUBTOTAL ADMINISTRATION BUILDING</b>			<b>\$423,991</b>
KITCHEN BUILDING	3,280 @ \$117.35/SF	.....	\$384,908
ADD FOR KITCHEN (NOT INCLUDED IN MULTIPURPOSE COST)	LUMP SUM	.....	\$30,000
<b>SUBTOTAL KITCHEN BUILDING</b>			<b>\$414,908</b>
SHOP BUILDING	6,000 @ \$39.91/SF	.....	\$239,460
POLE BARN	651 @ \$17.25/SF	.....	\$11,230
MISCELLANEOUS STORAGE BUILDINGS (APPROX. \$25/SF)	LUMP SUM	.....	27,800
6 FUEL VAULTS (ALL ESTIMATED AT 1,500 GALLON CAPACITY)	6 @ \$15,500/EA	.....	\$93,000
8 MOBILE HOME PAD	8 @ \$5,965/EA	.....	\$47,720
SIDEWALKS/ LANDSCAPING/FENCING/SIGNAGE	LUMP SUM	.....	\$150,000
WELLS (ESTIMATING 3 WELLS)	LUMP SUM	.....	\$150,000
SEWAGE TREATMENT (SEE COMMENTS IN NARRATIVE)	LUMP SUM	.....	\$258,000
<b>SUBTOTAL MICELLANEOUS STRUCTURES &amp; SITE IMPROVEMENTS</b>			<b>\$977,210</b>
TOTAL ESTIMATED IMPROVEMENT COST		.....	<b>\$3,335,774</b>
LESS OBSERVED DEPRECIATION			
DEPRECIATION FROM ALL SOURCES (90%)		.....	(\$3,002,196)
TOTAL DEPRECIATION			(\$3,002,196)
DEPRECIATED COST ESTIMATE			\$333,577
LAND VALUE		.....	\$470,000
INDICATED COST VALUE		.....	\$803,577
ROUNDED TO		.....	<b>\$800,000</b>

**COST APPROACH CONCLUSION**

The value indication from the Cost Approach is below;

Cost Approach Indication	\$803,577
<b>Rounded To</b>	<b>\$800,000</b>

## RECONCILIATION OF VALUE INDICATIONS

The value indications for the Fee Simple interest in the subject property are indicated below;

	Fee Simple Interest
<b>Cost Approach</b>	\$800,000
<b>Sales Comparison Approach</b>	Not Developed
<b>Income Capitalization Approach</b>	Not Developed

### **Cost Approach**

The Cost Approach was the only approach developed in this report and is accorded all weight.

### **Sales Comparison Approach**

There were not sufficient comparable sales to develop a credible Sales Comparison Approach.

### **Income Approach**

There was not sufficient market data available to estimate an appropriate lease rate for the subject property. For this reason, the Income Approach was not developed in this report.

### **Conclusion**

The Cost Approach was the only approach developed to value the subject property and is accorded all weight. After carefully considering all the factors influencing the subject property, it is our conclusion that the value of the fee simple interest in the subject real property, based upon the **Hypothetical Conditions** and **Extraordinary Assumptions** noted in the Scope of the Appraisal, as of October 11, 2013 is:

**\$800,000**

# QUALIFICATIONS OF THE APPRAISERS

## ELLIOTT (ELLIE) M. CLARK, MAI

### **PROFESSIONAL DESIGNATIONS**

MAI – Member Appraisal Institute (2004)

### **FORMAL EDUCATION**

College of Charleston, Charleston, SC  
Bachelor of Science – Geology (1985)

### **REAL ESTATE EDUCATION**

#### **Appraisal Institute**

1990 - Basic Valuation Procedures  
1990 - Real Estate Principles  
1992 - Capitalization Theory and Technique  
1994 - Advanced Income Capitalization  
2001 - Highest and Best Use and Market Analysis  
2001 - Advanced Sales Comparison and Cost Approaches  
2002 - Standards of Professional Practice, Part A  
2002 - Standards of Professional Practice, Part B  
2002 - Report Writing and Valuation Analysis  
2002 - Advanced Applications  
2003 - Comprehensive Exam  
2003 - Separating Real & Personal Property from Intangible Business Assets  
2004 - Demonstration Appraisal  
2006 - 7 Hour National USPAP Update Course  
2006 - Business Practices and Ethics  
2008 - 7 Hour National USPAP Update Course  
2010 - 7 Hour National USPAP Update Course  
2012 – 7 House National USPAP Update Course  
2012 – Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets  
2012 – Valuation of Conservation Easements

#### **Institute of Financial Education**

1985 - Real Estate Law I  
1986 - Real Estate Law II

#### **IAAO**

1991 - Standards of Practice and Professional Ethics

#### **Citadel Evening College**

1993 - Residential Appraisal Reports Using URAR Form

#### **William H. Sharp & Associates**

1995 - The Home Inspection

**Trident Technical College**

1997 - Uniform Standards of Appraisal

**Historic Preservation Consulting**

1998 - Appraising Historic Property

**The Beckman Company**

2004 - The Technical Inspection of Real Estate

**WORK EXPERIENCE**

2003 - Present Clark Real Estate Appraisal – Owner/Commercial Real Estate Appraiser  
1995 - 2003 Sass, Herrin & Associates, Inc. – Commercial Real Estate Appraiser  
1990 - 1995 Charleston County Assessor’s Office – Sr. Staff Real Estate Appraiser  
1986 - 1989 First Sun Capital Corporation - Mortgage Loan Officer  
1985 - 1986 First National Bank of Atlanta - Mortgage Loan Processor  
1984 - 1985 South Carolina Federal Savings Bank - Mortgage Loan Processor

**STATE LICENSES/CERTIFICATIONS**

Montana State Certified General Real Estate Appraiser - REA-RAG-LIC-683

**APPRAISAL SEMINARS ATTENDED**

2000 – JT&T Seminars: Financial Calculator HP-12C  
2000 – Appraisal Institute: Highest and Best Use Applications  
2004 – Appraisal Institute: Evaluating Commercial Construction  
2005 – Appraisal Institute: Scope of Work: Expanding Your Range of Services  
2006 – Appraisal Institute: Subdivision Valuation  
2006 – Appraisal Institute: Appraising from Blueprints and Specifications  
2006 – Appraisal Institute: Uniform Appraisal Standards for Federal Land Acquisitions  
2007 – Appraisal Institute: Analyzing Commercial Lease Clauses  
2007 – Appraisal Institute: Condominiums, Co-ops, and PUDs  
2008 – Appraisal Institute: Spotlight on USPAP  
2008 – Appraisal Institute: Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans  
2008 – Appraisal Institute: Office Building Valuation: A Contemporary Perspective  
2009 – Appraisal Institute: Appraisal Curriculum Overview (2-Day General)  
2010 – Appraisal Institute: Hotel Appraising – New Techniques for Today’s Uncertain Times  
2010 – Appraisal Institute: The Discounted Cash Flow Model: Concepts, Issues & Applications  
2011 – Appraisal Institute: Understanding & Using Investor Surveys Effectively  
2011 – Appraisal Institute: Advanced Spreadsheet Modeling for Valuation Applications  
2012 – Appraisal Institute – Appraisal the Appraisal: Appraisal Review-General

**PARTIAL LIST OF CLIENTS**

Glacier Bank  
Rocky Mountain Bank  
US Bank  
State of Montana Department of Natural Resources  
Montana Department of Transportation  
United States Department of Interior

# CHRISTOPHER D. CLARK

## **FORMAL EDUCATION**

Millikin University, Decatur, Illinois  
Bachelor of Arts in Political Science

## **REAL ESTATE EDUCATION**

### **Appraisal Institute**

Course 110 – Appraisal Principles, 2005  
Course 120 – Appraisal Procedures, 2005  
Course 410 – 15- Hour National USPAP Course, 2005  
Course 203R – Residential Report Writing & Case Studies, 2006  
Course REA070513 – Analyzing Commercial Lease Clauses, 2007  
Course 06RE0638 – Condominiums, Co-ops, PUD's, 2007  
Course REA071154 –Hypothetical Conditions, Extraordinary Assumptions, 2008  
Course 07RE0734 – 7-Hour National USPAP Update, 2008  
Course 06RE0641 – Quality Assurance in Residential Appraisals, 2008  
Course 06RE1286 – Office Building Valuation, 2008  
Course 430ADM 0 Appraisal Curriculum Overview – 2009  
Course I400 - 7-Hour National USPAP Update – 2010  
Course OL-202R – Online Residential Sales Comparison and Income Approach – 2011  
Course OL-200R - Online Residential Market Analysis and Highest & Best Use – 2011  
Course OL-201R – Online Residential Site Valuation & Cost Approach - 2011  
Course I400 – 7 House National USPAP Update Course - 2012

## **WORK EXPERIENCE**

2005 - Present      Clark Real Estate Appraisal, Inc. – Real Estate Appraiser Trainee  
2003 - 2005        IKON Office Solutions – Technology Marketing  
2002 - 2003        Relational Technology Services – Technology Marketing  
1998 - 2003        IKON Office Solutions – Technology Marketing  
1988 – 1998        CMS Automation (Formerly Entré Computer Center) – Technology  
Marketing

## **STATE LICENSES/CERTIFICATIONS**

Montana Licensed Real Estate Appraiser # 841

## APPRAISERS LICENSES

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>CERTIFIED GENERAL APPRAISER</b>
<b>License #:</b>	<b>REA-RAG-LIC-683</b>	<b>Endorsement:</b> Real Estate Appraiser Mentor
<b>Status:</b>	<b>Active</b>	
<b>Expiration Date:</b>	<b>3/31/2014</b>	
<b>ELLIOTT M CLARK</b> CLARK REAL ESTATE APPRAISAL 6477 US HWY 93 S STE 509 WHITEFISH, MT 59937		 RENEW OR VERIFY YOUR LICENSE AT: <a href="https://ebiz.mt.gov/pol/">https://ebiz.mt.gov/pol/</a>

	State of Montana Business Standards Division Board of Real Estate Appraisers	This certificate verifies licensure as: <b>LICENSED APPRAISER</b>
<b>License #:</b>	<b>REA-RAL-LIC-841</b>	
<b>Status:</b>	<b>Active</b>	
<b>Expiration Date:</b>	<b>3/31/2014</b>	
<b>CHRISTOPHER D CLARK</b> CLARK REAL ESTATE APPRAISAL 6477 US HIGHWAY 93 S STE 509 WHITEFISH, MT 59937		 RENEW OR VERIFY YOUR LICENSE AT: <a href="https://ebiz.mt.gov/pol/">https://ebiz.mt.gov/pol/</a>

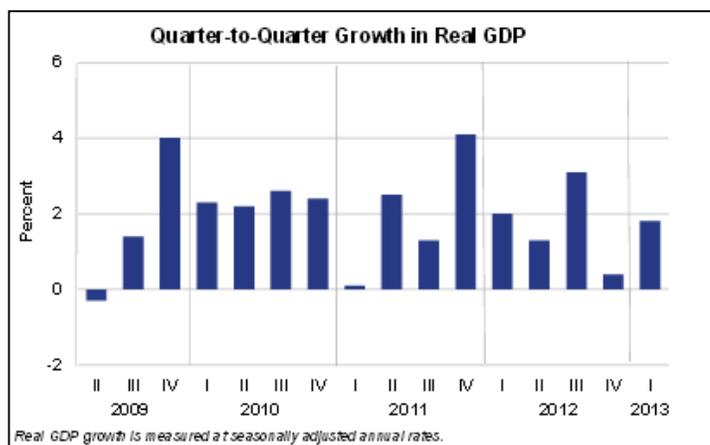
## **ADDENDUM**

## NATIONAL ECONOMIC DATA

The National Bureau of Economic Research or NBER (a private group of leading economists charged with dating the start and end of national economic downturns) announced September 20, 2010 that the recession ended in June of 2009. This decision was based upon analyses of changes in real Gross Domestic Product (GDP) and Gross Domestic Income (GDI).

Real GDP increased 1.8% in the first quarter of 2013 after increasing 0.4% in the fourth quarter of 2012 according to the estimate released by the Bureau of Economic Analysis of the US

Department of Commerce. Also according to the Bureau of Economic Analysis; “Inventory investment turned up notably, more than accounting for the acceleration in the first quarter GDP, the manufacturing and farm industries were the leading contributors to the upturn. Also, federal defense spending declined less in the first quarter than in the fourth quarter, and consumer spending on services, mainly for household utilities, picked up. In contrast, business investment slowed as investment in structures turned down and investment in equipment and software slowed. Imports declined less in the fourth quarter.”



The national unemployment rate remains relatively high; however, the general economy in the nation appears to be slowly improving.

## STATE ECONOMIC DATA

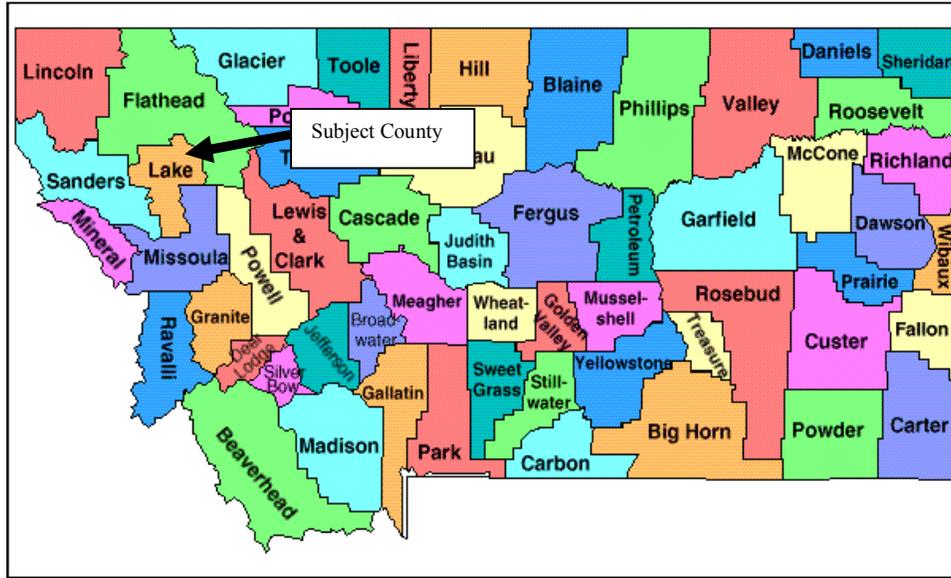
Montana is the 44<sup>th</sup> most populous state in the US. 2010 US Census data estimated a population of 989,415 indicating a growth in population of 9.7% from 2000 to 2010. On January 3, 2012, marking a major milestone, Governor Brian Schweitzer’s Office announced that Montana Census and Economic Information Center officials believe the state passed the million-person mark sometime between November and December of 2011.

The state economy is diverse with a wide variety of industries such as; agriculture, mining, manufacturing, healthcare, recreation and tourism. According the University of Montana Bureau of Economic Research estimates, the state economy grew by about 2.7 percent, as measured by inflation-adjusted nonfarm earnings, in 2012. This estimate exceeded the 2011 forecast made by the University of Montana Bureau of Economic Research made for 2012.

The long term outlook for Montana is for continued growth as economic activity accelerates in most areas of the state.

## LAKE COUNTY DATA

The subject property is in Lake County. Lake County is in the northwest portion of Montana. The county is bordered by Flathead County to the north and east, Sanders County to the west and Missoula County to the east and south. A map of Montana with counties identified is below.



The county seat is the city of Polson and other cities and towns include; Arlee, Big Arm, Charlo, Dayton, Elmo, Moiese, Pablo, Ravalli, Ronan, St. Ignatius and Swan Lake.

### Geographical Information

Lake County is 4,283 square miles in size. There is 3,869 square miles of land area and 414 square miles or approximately 9.6% of water area. Flathead Lake is a significant geographical feature of the Lake County. It is the largest natural freshwater lake west of the Mississippi River. The Flathead River flows south from Flathead Lake near Polson. The northern portion of Lake County is part of the Flathead Valley and the southern portion is part of the Mission Valley. A large portion of Lake County is within the Flathead Indian Reservation. Additional features of Lake County include the Kerr Dam, National Bison Range (the subject property), the Mission Mountain Range and part of the Bob Marshall Wilderness. There are many area lakes and rivers that provide an abundance of year round recreation for area residents and visitors.

### Population

According to current estimates from the US Census, Lake County is the ninth most populous county in the state. Based on the 2000 Census, the population of the county was 26,507 residents. The population was estimated to be 28,746 in 2010 indicating an increase in population from 2000 to 2010 of approximately 8.45%. A large portion of Lake County is located in the Flathead Indian Reservation. The reservation is home to the Confederated Salish and Kootenai Tribes. According to the 2010 Census, approximately 22% of the population of Lake County was American Indian or Alaskan Native.

## Income

According ESRI forecasts the median annual household income in 2011 for Lake County was \$34,059 which is lower than the median household income for Montana in 2010 of \$40,785. According to the American Community Survey data in 2009, the most recent year for which data is available, 20.2% of the Lake County population was below the poverty line. This is more than the estimated 14.1% poverty rate for the State of Montana.

## Employment

According to ESRI there were an estimated 11,791 people over 16 years of age in the workforce in Lake County in 2009. Educational, health and social services represent approximately 21% of the employment in Lake County. Approximately 12% of the workforce is employed in either the retail trade and manufacturing industries. Some of the largest private employers in Lake County include; Jore Corporation, S & K Electronics, Community Bank, Wal-Mart, Safeway, Super 1 Foods, St Joseph Hospital and St. Luke Community Hospital.

## Unemployment

Based on the Montana Department of Labor and Industry data, the preliminary monthly unemployment rate (non-seasonally adjusted) for Lake County in September of 2012 was 7.6%. Based on the Bureau of Labor Statistics data, the unemployment rate for Lake County, non-seasonally adjusted, has ranged from 8.3% to 11.2% with an average of 9.5% from July 2011 through August 2012. Historical annual unemployment rates for Lake County are included on the table below;

Lake County Montana	
Historical Unemployment Data	
Year	Unemployment Rate
2010	10.1%
2009	8.5%
2008	6.7%
2007	5.1%
2006	4.5%
2005	4.9%
Source: USDA	

Plum Creek Manufacturing announced the closing of the sawmill facility in Pablo in late May 2009 with the layoff of approximately 125 employees. Additionally, there have been numerous real estate related jobs lost in Lake County since 2008. These include jobs relating to real estate sales, mortgage financing and construction.

## Education & Healthcare

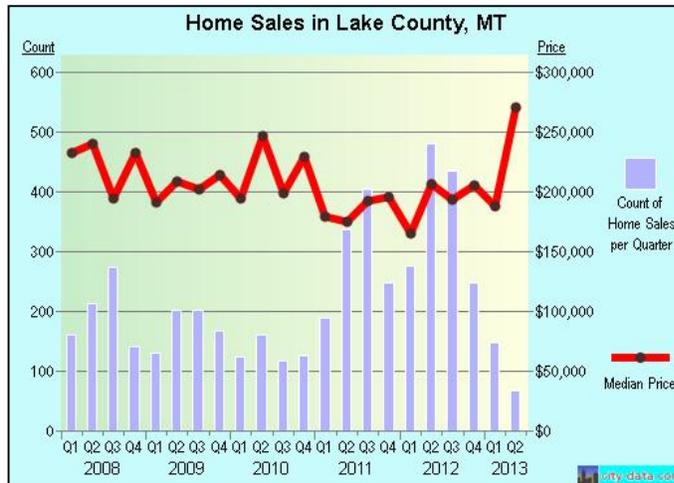
There are elementary, middle and high schools servicing various areas of Lake County. Salish Kootenai College is located on US Highway 93 in Pablo. The college offers associate and baccalaureate degrees.

There are two critical access hospitals located in Lake County. St. Joseph Hospital in Polson is a 22 bed hospital and St. Luke Community Hospital is a 25 bed hospital located in Ronan.

## Real Estate

According to the ESRI forecasts there were 14,145 housing units in Lake County in 2009. Of the total housing units, 76.2% were occupied. Of the occupied homes, 68.6% or 7,396 were owner occupied, 23.9% were rented and 7.5% were vacant. According to the American Community Survey data from 2005-2009, approximately 77.5% of the homes in Lake County were single family detached; approximately 11.6% were mobile homes and the remainder were multi-family homes.

**Montana is a nondisclosure state which means that property sales prices are not public record.** There are few succinct sources of realty transfer data available. Historical data on home sales volume and median price for Lake County from city-data.com is included on the table below;



Historical data on home sales volume and median price for Lake County from city-data.com is included on the table below;

The city-data.com chart to the left indicates that in the most recent quarter, the median home price for Lake County is approximately \$275,000. This represents the highest price in the study period. At \$275,000 the median home price is unaffordable for a family with a county median family income of \$34,059.

## Linkages & Transportation

US Highway 93 is considered the most significant highway in Lake County. This highway provides access to the west Shore of Flathead Lake as it travels north to Kalispell, Whitefish and the Canadian Border. US Highway 93 extends south and connects with Interstate 90 near the city of Missoula. MT Highway 35 is located along the east Shore of Flathead Lake and connects with US Highway 2 which provides access to Bigfork, Columbia Falls and Glacier National Park. Montana Highway 83 extends north and south through the eastern side of Lake County and into Missoula County. The cities of Kalispell and Missoula are within a one hour drive from most areas in Lake County.

The Canadian border is within a two to three hour drive from most portions of Lake County. There is a port of entry just north of Flathead County in Eureka, Montana and another border crossing at the line dividing Glacier National Park of the United States and Waterton National Park of Canada. There are international airports located in Kalispell and Missoula serviced by a variety of national airline carriers.

## Recreation

Lake County provides outdoor enthusiasts with an abundance of nature and recreational activities. Flathead Lake is a significant attraction for tourists and Montana residents. Water activities on Flathead Lake include; fishing, cruises, sailing, boating, and water sports. The Flathead River is known for fly fishing, whitewater rafting and kayaking. Kerr Dam and the National Bison Range (subject property) are popular attractions in Lake County. Nearby mountains provide opportunities for hiking, camping, biking, snowmobiling and snow skiing. Wilderness areas

located nearby include the Swan Wilderness, Jewel Basin and Bob Marshall Wilderness which offer many recreational opportunities. There are ski resorts located in nearby Flathead and Missoula Counties offering winter activities including snowboarding, downhill and cross country skiing. There are several golf courses located in Lake County.

### **Flathead Reservation**

The Flathead Reservation is the fourth largest reservation in Montana and includes acreage in Lake County as well as three additional counties in northwest Montana. There are approximately 4,500 Confederated Salish and Kootenai tribal members residing on the reservation. CSKT provides employment opportunities to over 1,000 tribal members through tribal owned and privately owned non member industries in Lake County.

### **Lake County Economic Data Conclusion**

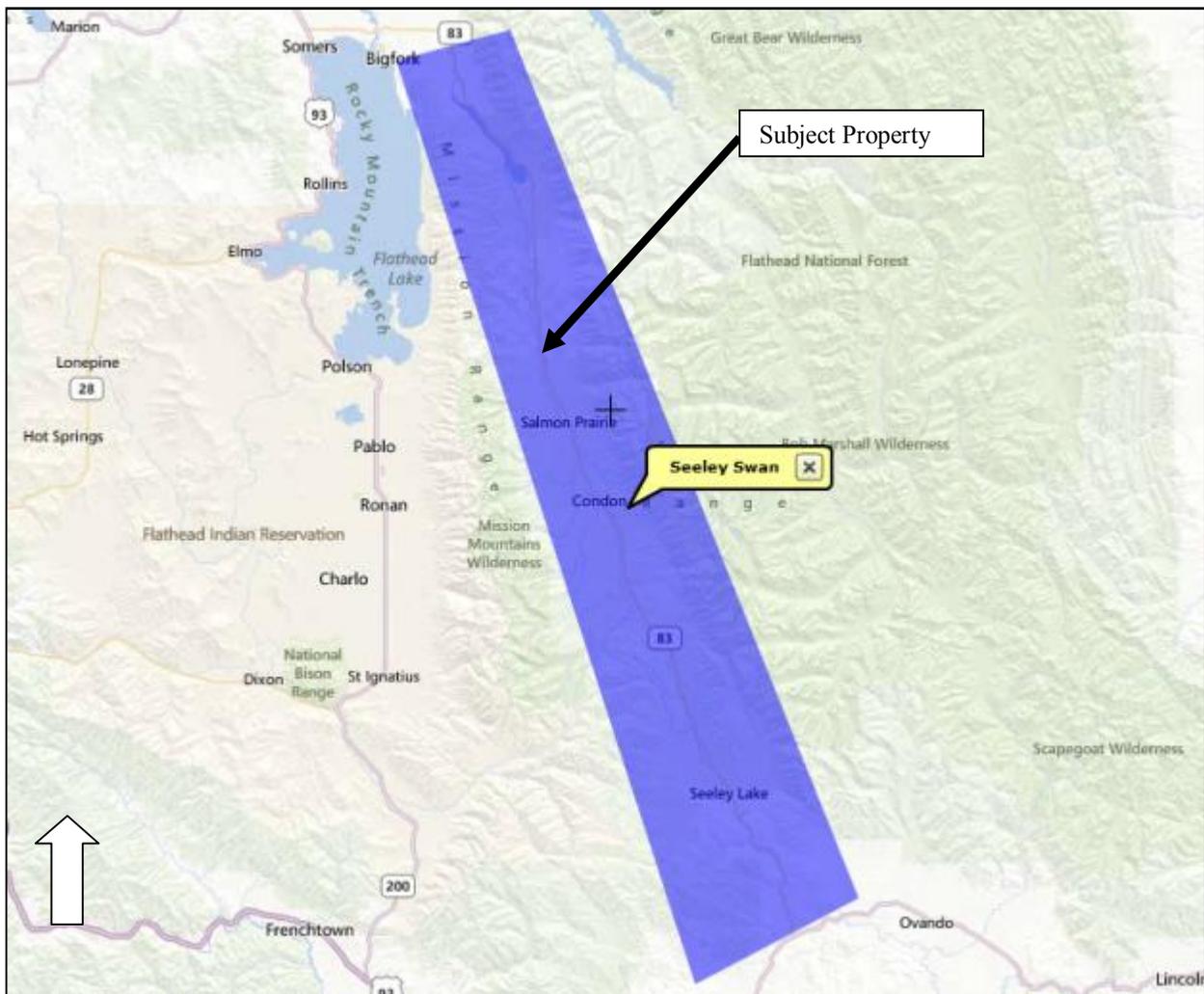
As stated, there is an abundance of recreational opportunities in northwest Montana. Attractions such as Flathead Lake, the National Bison Range, the Mission Mountains and the Bob Marshall Wilderness will likely continue to be a draw for second home buyers, nonresident travelers and Montana residents to Lake County. The short term outlook for the area is guarded due to the uncertainty of the local, state and national economic conditions. The long term outlook for the area is positive due to the abundance of natural resources and the potential to diversify the employment.

## SEELEY-SWAN VALLEY DATA

### General Information

The subject property is located in a relatively remote, rural area known as the “Seeley-Swan Valley”. There is relatively little privately owned land in the area.

For report purposes the neighborhood boundaries consist of properties between Bigfork to the north and Montana Highway 200 to the south. Montana Highway 83 runs north to south through the entire area. The Mission Mountain Range forms the west side neighborhood boundary and the Swan Mountain Range forms the east side neighborhood boundary. The subject neighborhood is approximately an hour drive from Kalispell and approximately an hour and a half drive from Missoula. A map depicting approximately neighborhood boundaries is below;



Much of the land in the subject market area is protected. A recent cooperative project that involved a large amount of acreage in the area is known as “The Montana Legacy Project.” It is a cooperative project of The Nature Conservancy, The Trust for Public Land and state, federal and private partners. The Nature Conservancy and The Trust for Public Land have acquired

approximately 310,000 acres of land formerly owned by Plum Creek since 2009. The land will eventually be conveyed to a mix of public and private owners. Under this partnership, actual land ownership and management responsibilities rest with The Nature Conservancy.

### **Geography**

The subject area is generally bounded by the Swan Mountains on the east and the Mission Mountains on the west. Area mountain peaks extend as high as 9,000 feet. Portions of two national forests are in this area. They are the Lolo and Flathead National Forests. There are number of lakes, rivers and creeks in the area. Swan Lake is the nearest relatively large lake to the subject property.

### **Population**

According to 2010 US Census data the population of the subject neighborhood was 5,248. According to ESRI forecasts the population is expected to increase to 5,445 by 2017. This equates to an increase of approximately 0.54% per year.

### **Economy**

There is no major employment in the area. Major employment is located in Kalispell or Missoula which are both over an hour drive away. According to ESRI, the 2012 median household income for the neighborhood was indicated to be \$46,550. This is substantially higher than the median household indicated for the 2010 at \$40,784.

### **Housing & Real Estate**

According to the ESRI there were 4,690 housing units in the identified subject neighborhood in 2012. Approximately 42.2% of the housing units were identified as owner occupied, approximately 10.0% were identified as renter occupied, and approximately 47.7% were identified as vacant. The relatively high percentage of vacant housing units is likely due to the remote nature of the subject area. Many of these properties are utilized only a portion of the year and are second or vacation homes. The population density increases along the area lakes, rivers and creeks and is less dense further from these amenities. Prices for real estate in the area typically increase substantially with water frontage.

According to ESRI forecasts the median home value for the neighborhood in 2012 was \$165,438. The home value is expected to increase to \$180,154 or approximately 8.9% by 2017.

There are commercial properties located mostly along the highway. These primarily consist of service type businesses to provide for the area residents. There are some lodging facilities; however, they are mostly oriented to or based upon proximity to an area natural amenity or a particular activity.

### **Recreation**

There are a large number of camp grounds and hiking trails in the subject area. The Bob Marshall Wilderness is located near (to the east) of this area. It is a popular destination for hikers and hunters. The numerous lakes, rivers and creeks provide many recreational opportunities. Area winter activities include snowmobiling, cross country skiing and snowshoeing.

**Conclusion**

The immediate subject neighborhood is a remote area comprised of rural properties that are mostly residential in nature. There is little employment in the area. There is relatively little privately owned land in the area. The area is very attractive for recreation. Recreational opportunities include hiking, mountain biking, Nordic skiing, snowmobiling, hunting, and fishing.

**ENGAGEMENT LETTER**  
(Page 1 of 14)

<b>FOR DNRC USE ONLY</b>			<p style="text-align: center;">Approved</p> <p>No. <u>147008</u> Division <u>J-61</u> Legal <u>THE</u> F.S.O. <u>CSA</u></p> 
Maximum amount under this agreement: <u>\$2,000.00</u>			
<b>Source of Funds</b>			
<b>Fund Name</b> Trust Administration Account	<b>Fund No.</b> 02938		
<b>Subclass</b> 555HA	<b>Org. No.</b> 6044DR-01	<b>Percent</b> 100%	

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
TRUST LAND MANAGEMENT DIVISION

UPDATE APPRAISAL OF POTENTIAL LAND BANKING SALE OF THE SWAN VALLEY RETREAT  
PROPERTY IN LAKE COUNTY

**THIS CONTRACT** is entered into by and between the State of Montana/Department of Natural Resources and Conservation, (State/DNRC), whose address and phone number are P.O. Box 201601, 1625 11<sup>th</sup> Avenue, Helena, MT 59620-1601, (406) 444-4165, and Ellie Clark, Clark Real Estate Appraisal, (hereinafter referred to as the "Contractor"), whose address and phone number are 6477 US Hwy. 93 S. #509, Whitefish, MT 59937 and (406)862-8151.

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

**1.1 Contract Term.** This contract shall take effect upon contract execution and terminate on November 30, 2012, unless terminated earlier in accordance with the terms of this contract. (Section 18-4-313, MCA) **The appraisal report is to be completed and forwarded to Montana DNRC, John Grimm; P.O. Box 201601, Helena, MT 59620-1601 by October 14, 2012.**

**2. SERVICES AND/OR SUPPLIES**

The Contractor shall administer all activities provided for in this Agreement on behalf of the DNRC. The Contractor shall be responsible for providing a credible update appraisal, in a self-contained report format, conducted and prepared in compliance with the current Uniform Standards of Professional Appraisal Practice, for Sale # 686, 78.3 acres; Tract in E½, Section 18, T23N-R17W, in Lake County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions.

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

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

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

The DNRC will provide whatever information it knows of about the subject property, however as the property is privately held, it is the responsibility of the contractor, (appraiser), to obtain any and all information necessary in order to provide a credible appraisal report as required.

**3. CONSIDERATION/PAYMENT**

**3.1 Payment Schedule.** In consideration of the appraisal report to be provided, together with all the tasks and services described herein above, the State shall pay Contractor **Two Thousand Dollars (\$2,000.00)**. Upon the successful completion of all tasks and services described herein above, the Contractor shall submit an invoice with the submission of the final appraisal report to the DNRC for payment for services rendered. The Contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made. Payment shall be made within 30 days of the Contractor's submission of an invoice to DNRC. In any instance, the DNRC's total cumulative payments to the Contractor under this contract shall not exceed Two Thousand Dollars (\$2,000.00).

**3.2 Payment Terms.** Unless otherwise noted in the solicitation document, the State has 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.

**3.3 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.

**4. ACCESS AND RETENTION OF RECORDS**

**4.1 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.)

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

**5. 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.

**6. HOLD HARMLESS/INDEMNIFICATION**

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the State, its elected and appointed officials, officers, agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of Contractor's negligent acts, errors, or omissions in work or services performed under this Contract, including but not limited to, the negligent acts, errors, or omissions of any Subcontractor or anyone directly or indirectly employed by any Subcontractor for whose acts Subcontractor may be liable.

**7. REQUIRED INSURANCE**

**7.1 General Requirements.** Contractor shall maintain for the duration of this contract, at its sole 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.

**7.2 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.

**7.3 Specific Requirements for Automobile Liability.** Contractor shall purchase and maintain coverage with split limits of \$50,000 per person (personal injury), \$100,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$100,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

**7.4 Specific Requirements for Professional Liability.** Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of **\$300,000** 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.

**7.5 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 Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. 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.

**7.6 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.

**7.7 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

Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. 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.

**8. 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 Department of Natural Resources and Conservation PO Box 201601, Helena, MT 59620-1601.

**9. COMPLIANCE WITH LAWS**

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. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. 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 without 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.

**10. 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.

**11. 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>.

**12. 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.

**12.1 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.

**12.2 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 herein 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.

**13. CONTRACT TERMINATION**

**13.1 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.

**13.2 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.

**14. EVENT OF BREACH – REMEDIES**

**14.1 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 and breaching Section 27.1 obligations; or
- voluntary or involuntary bankruptcy or receivership.

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

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

- terminate this contract under section 21; 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 after giving the State 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; 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.

**15. 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.

**16. 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.

**17. CONFORMANCE WITH CONTRACT**

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department of Natural Resources and Conservation 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.

**18. LIAISONS AND SERVICE OF NOTICES**

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

John Grimm, Real Estate Management Bureau Chief, is the State's liaison.  
(Address): 1625 11<sup>th</sup> Ave., P.O. Box 201601  
(City, State, ZIP): Helena, MT 59620-1601  
Telephone: (406) 444-3844  
Cell Phone:  
Fax: (406) 444-2684  
E-mail: [jgrimm@mt.gov](mailto:jgrimm@mt.gov)

Ellie Clark, Clark Real Estate Appraisal, is Contractor's liaison.  
(Address): 6477 US Hwy. 93 S. #509  
(City, State, ZIP): Whitefish, MT 59937  
Telephone: (406)862-8151  
Cell Phone:  
Fax:  
E-mail: [ECClark@clarkappraisal.us](mailto:ECClark@clarkappraisal.us)

**18.2 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.

**19. MEETINGS**

**19.1 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 days 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.

**20. TRANSITION ASSISTANCE**

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide all reasonable transition assistance requested by the State, 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, for a reasonable period of time after the expiration or termination of this project or contract. Such transition assistance will be deemed by the parties to be 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 the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

**21. 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.)

**22. TAX EXEMPTION**

The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

**23. AUTHORITY**

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

**24. 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.

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

**25.1 Contract.** This contract consists of eight numbered pages, Attachment A - Scope of Work and Attachment B - Supplemental Appraisal Instructions, pages 9-14. In the event of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same order as this contract.

**25.2 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.

**26. 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.

**27. EXECUTION**

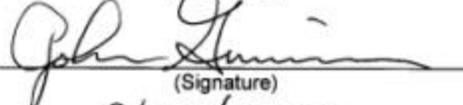
The parties through their authorized agents have executed this contract on the dates set out below.

STATE OF MONTANA  
Dept. of Natural Resources & Conservation  
Trust Land Management Division  
P.O. Box 201601  
Helena, MT 59620-1601

Clark Real Estate Appraisal  
6477 US Hwy. 93 S. #509  
Whitefish, MT 59937  
FEDERAL ID #: 20-0641228

BY: John Grimm, Chief - Real Estate Mgt Bureau  
(Name/Title)

BY: Elliott (Ellie) M. Clark - Appraiser  
(Name/Title)

  
(Signature)

  
(Signature)

DATE: 9/23/2013

DATE: 9/16/2013

Attachment A

**Scope of Work for Update Appraisal of Potential Property Sale through the Land Banking Program**

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

The clients and intended users are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). 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. (MCA 70-30-313)** Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

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

**PROPERTY RIGHTS APPRAISED:**

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

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

The update appraisal will be completed under the Extraordinary Assumption that the overall condition of the facility has not changed significantly since the subject property was viewed by the appraiser in 2012. The appraisal report date will be the effective date of the valuation.

**SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

**ASSIGNMENT CONDITIONS:**

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

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

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

Legally accessible state lands are appraised as accessible only.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject property. Comparables sales used should preferably have sales dates within one year of the appraisal and should not be over three years old. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county.

**Extraordinary Assumption for Update Appraisal:**

The update appraisal will be completed under the Extraordinary Assumption that the overall condition of the facility has not changed significantly since the subject property was viewed by the appraiser in 2012.

**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 Lake County):**

Sale # 686, 78.3 acres; Tract in E½, Section 18, T23N-R17W  
(See maps below) aka: Swan Valley Retreat

**Location:** 50 miles to Kalispell and 97 miles to Missoula; Directly across from the DNRC, Swan River Unit Office off Hwy 83

**Buildings and Improvements:** Main lodge, administration building, full gymnasium, dormitory, classrooms, conference rooms, complete shower and bathroom facilities. Dining hall with complete kitchen: gas stove, and industrial dish washer, a serving grill for a cafeteria style line; walk in cooler and freezer, ample storage for bulk foods and supplies. Trailer court. Community water treatment system, electric power, maintenance building. (See site plan below)

**Area Office Contact Information:**

Steve Frye - Northwestern Land Office Area Manager  
655 Timberwolf Parkway, Suite 1  
Kalispell, MT 59901-1215  
Phone: 406/751-2240  
Fax: 406/751-2287  
Direct Line: 406/751-2252  
Or:  
Dan Roberson – Unit Manager  
34925, Highway 83  
Swan Lake, Montana 59911  
Direct Line: (406) 754-2301

**Lessees:**

No Lessee

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***The following will be located in the body of the contract:***

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

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

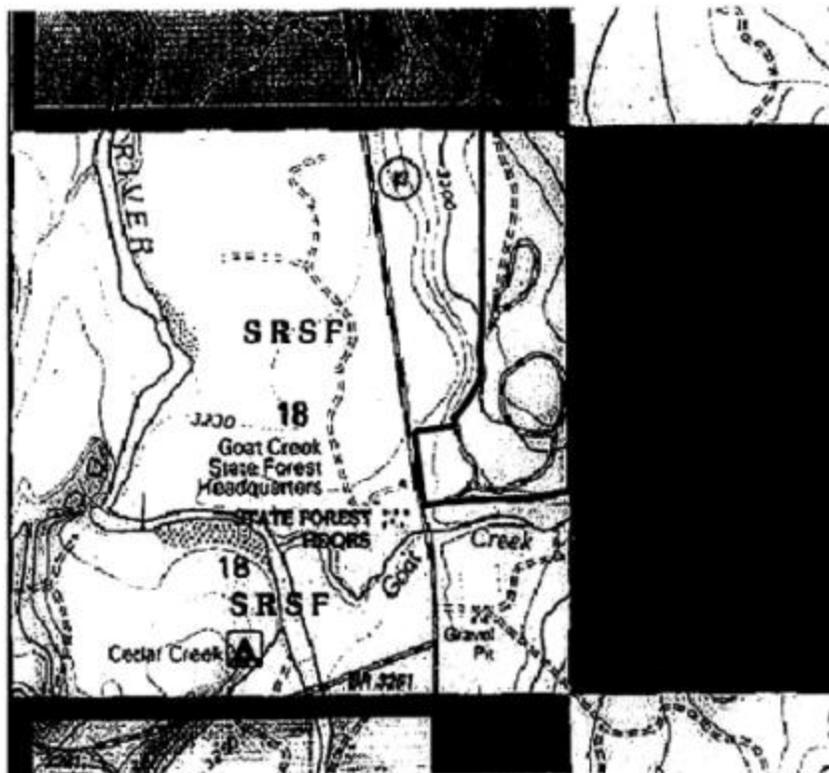
The DNRC will provide access to the state parcel record, as maintained by the land office, including but not limited to aerial photos, land improvements, current lease data, property issues, surveys (if any), and

production history. The local land office will provide the contact information to the appraiser in order for the appraiser to obtain access to the property.

Sale # 686 Location Map



Sale # 686 Topo Map



Sale #686 outlined in purple

