

**AN APPRAISAL OF 31.9 ACRES OF UNSURVEYER LAND LOCATED IN THE  
NW1/4 OF SECTION 33, TOWNSHIP 6 NORTH, RANGE 4 WEST,  
BOULDER, JEFFERSON COUNTY, MONTANA**

**DATE OF VALUATION**

January 31, 2020

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**FOR**

**MONTANA DEPARTMENT OF NATURAL RESOURCES AND  
CONSERVATION TRUST LAND MANAGEMENT DIVISION  
1539 ELEVENTH AVENUE, HELENA, MT 59620**

**ELKHORN APPRAISAL SERVICES  
P.O. BOX 448  
HELENA, MONTANA 59624**

**ELKHORN APPRAISAL SERVICES**

P.O. BOX 448  
HELENA, MONTANA 59624  
PHONE (406) 439-6598

3/17/2020

Montana DNRC  
Trust Land Management Division  
P.O. Box 201601  
Helena, MT 59620-1601

RE: Appraisal of an ±31.9 acres of un-surveyed land in NW1/4 of Section 33, T6N, R4W, Boulder, Jefferson County, Montana

In accordance with the contract with the Department of Natural Resources and Conservation, Trust Land Management Division, I have made the necessary inspection and analysis to appraise the above referenced property. The attached report provides the essential data, and detailed reasoning employed in my final value estimate.

This report replaces a prior report with a report date 3/16/2020.

I have appraised the property as a whole, owned in fee simple and unencumbered. I assume no responsibility for matters that are legal in nature nor do I render any opinion as to title. The property is appraised as though vacant.

The property being appraised consists ±31.9 acres of un-surveyed land located along the east side of E. 4<sup>th</sup> Avenue, Boulder, Jefferson County, Montana.

The value reported is qualified by certain definitions, assumptions and limiting conditions, hypothetical condition and certification, which are set forth within the attached report. This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice and State of Montana, DNRC reporting requirements.

Based on my analysis, the market value of the subject property, as set forth, documented and qualified in the attached report under conditions prevailing on January 31, 2020 was:

***\$325,000\****

\* Subject to hypothetical condition on page 8.

I direct your attention to the data, discussions and conclusions which follow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. Thornquist', with a small '87' written below the first part of the signature.

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Gregory A. Thornquist  
Montana State Certified  
General Real Estate Appraiser  
License # REA-RAG-LIC-867  
3/17/2020

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## Addenda

- Contract
- Appraisers Qualifications
- Appraisal License

*SUBJECT PROPERTY PHOTOGRAPH*

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**Aerial Photos  
Trust Land Parcel**



Above photo illustrates the approximate location of the subject  
(Not to scale)

## *SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS*

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<i>PURPORTED OWNER:</i>	State of Montana
<i>PROPERTY TYPE:</i>	Vacant land
<i>LOCATION OF PROPERTY:</i>	The property is located at the southeast portion of Boulder, along the south side of E. 2 <sup>nd</sup> Ave.
<i>SITE:</i>	±31.9 of acres
<i>PROPERTY RIGHTS APPRAISED:</i>	Fee Simple
<i>ZONING:</i>	Commercial
<i>PRESENT USE:</i>	Department of Corrections
<i>HIGHEST AND BEST USE:</i>	Potential for subdivision development
<i>DATE OF VALUATION:</i>	January 31, 2020
<i>DATE OF REPORT:</i>	March 17, 2020
<i>VALUE:</i>	\$325,000*

\* Subject to hypothetical condition on page 8.

## *ASSUMPTIONS AND LIMITING CONDITIONS*

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This is to certify that the appraiser, in submitting this statement and opinion of value of subject property, acted in accordance with and was bound by the following principles, limiting conditions and assumptions. Unauthorized use of this report is set forth below.

- No responsibility is assumed for matters that are legal in nature nor is any opinion rendered on title of property appraised.
- Unless otherwise noted, the property has been appraised as though free and clear of all encumbrances.
- All maps, areas, plans, specifications, and other data furnished your appraiser were assumed to be correct. No survey of the property was made by this firm. Furthermore, all numerical references to linear measurements, area, volume or angular measurements should be assumed to be "more or less" (+/-) and are accurate to a degree consistent with their use for valuation purposes.
- This appraisal considers only surface rights to the property with consideration of current zoning and land use controls. The estimate of **highest and best** use will form the basis for the value estimate. This appraisal does not consider mineral, gas, oil or other natural resource rights that may be inherent in the ownership of the property.
- In this appraisal assignment, any potentially hazardous material found on the land or used in the construction of the buildings, such as urea formaldehyde foam insulation, petroleum residue, asbestos and/or existence of toxic waste or gases, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. Any interested party is urged to retain an expert in this field if there is any question regarding such potentially hazardous material. If such material or substance is present it could adversely affect the value reported herein.
- The appraiser is not a seismologist. This appraisal should not be relied upon as to whether a seismic problem exists or does not actually exist on the property. The property which is the subject of this appraisal is within a geographic area where earthquakes and other seismic disturbances have previously occurred and where they may occur again. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the appraiser concerning the geologic and/or seismic condition of the property. The appraiser assumes no responsibility for the possible effect on subject property on seismic activity and/or earthquakes. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed seismic requirements by the City or County. It is possible that a survey of the property could reveal that the property does not meet the required seismic requirements. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance requirements in estimating the value of the property.
- All data contained in this report and in the appraiser's files, as obtained from other sources, upon which to any degree the opinions and conclusions were based, are considered reliable and believed to be true and correct. However, the appraiser does not assume responsibility for the accuracy of such items that were obtained from other parties.
- There shall be no obligation to give testimony or attendance in court by reason of this appraisal with reference to the property in question unless arrangements have been previously made and at an additional fee.
- Neither all nor any part of the contents of this report, especially the conclusions to value, the identity of the appraiser or the firm with which he is connected shall be disseminated to the public through advertising media, news media, public relations media, sales media, or any other public means of communication without the prior

written consent of the appraiser.

- Gregory A. Thornquist does not authorize the out-of-context quoting from, or partial reprinting of this appraisal report.
- The liability of Gregory A. Thornquist is limited to the client and to the fee collected. Further, there is no accountability, obligations or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, or of a legal nature.
- The fee for this appraisal report is for the service rendered and not for time spent on the physical report or for the physical report itself.
- This appraisal report is prepared for the sole and exclusive use of the client, State of Montana, Montana DNRC Trust Land Management Division. No third parties are authorized to rely upon this report without the expressed written consent of the appraiser.
- This Appraisal Report complies with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analysis is contained in the appraiser's files.

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### *HYPOTHETICAL CONDITION*

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- The subject of this appraisal is improved with multiple structures. The appraisal conditions is to appraise the property as though vacant.

## *SCOPE OF THE APPRAISAL*

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I initially spoke with John Grimm, Real Estate Section Supervisor, with the Montana DNRC Trust Land Management Division. The DNRC retained Elkhorn Appraisal Service to appraise the subject property. I was provided the following information:

- Scope of work
- Parcel description
- Contact information for inspecting the subject property

At the meeting with Mr. Grimm, it was conveyed the amount of acreage to be transferred is undermined. Therefore, in this analysis, I have established a value on a price per acre basis.

On January 31, 2020, I met with Mark Harvel, DNRC Lands Section Supervisor at the subject site. This is the date of value as well as the date the photographs were taken.

The appraisal condition is the property is to be appraised as though vacant.

This appraisal is considered to be a “market value” appraisal and as such is based upon the highest and best use of the subject property. Fundamental within the highest and best use analysis is the consideration of the subject’s use, timing of that use, and the most probable buyer and user. This is discussed further in the highest and best use section of this report.

There are five distinct buyer types in a given real estate market; each is identified below:

- Owner-User: Acquires real estate mostly for its use; vacancy and investment yield are not primary criteria. Property suitability is the major objective.
- Passive Investor: Seeks an established income stream; usually does not change the property in any meaningful way; generally prefers long-term ownership.
- Developer: Acquires real estate to physically or legally change it in some significant fashion; accepts substantial risk so expects major reward; short-to-medium holding period.
- Speculative Investor: Buys real estate solely as an investment with most of the reward at termination; property use is not a primary consideration; medium-to-long term holding period; usually buys during weak market conditions, so accepts huge risk. Mantra: Buy low, sell high.
- Pure Speculator: Buys real estate as an investment with most of the reward at termination; property use is usually not a major consideration; buys during conditions of rapidly appreciating prices; shorts-to-medium ownership period.

The potential buyers for the subject would consist of a developer, speculative investor, or pure speculator.

The neighborhood and surrounding competitive market areas were researched to find comparable market data. Real Estate agents, property owners, and real estate appraisers in Helena were interviewed in an attempt to find

relevant market data. This market data has been confirmed by personal contact with the buyer, seller, broker, and/or property owner.

All of the comparable sales described in the body of the report are shown in detail on the summary sheets in a separate document. Therefore, this appraisal contains limited data with respect to identifying the comparables for confidentially reasons. I did not physically inspect each of the comparable sales but did discuss the sales with someone with knowledge to the transactions.

***Effective Date:***

The effective date of this appraisal report is January 31, 2020. This is the date of valuation and was the actual date of the property inspection. This appraisal report was completed March 17, 2020.

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***DEFINITION OF MARKET VALUE***

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Market value as used in this report was provided by the client and is defined as follows:

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

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

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***PURPOSE OF THE APPRAISAL***

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The purpose of the appraisal is to provide the client with a credible opinion of current fair market value of the appraised subject property.

## *INTENDED USE OF THE APPRAISAL AND CLIENT*

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The intended use of this appraisal is for the decision-making process concerning the potential land swap between State agencies. The client Department of Natural Resources and intended users are the State of Montana, the Montana Board of Land Commissioners, Department of Natural Resources and Conservation (DNRC) and Department of Corrections.

## *PERSONAL PROPERTY*

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None

## *PROPERTY RIGHTS APPRAISED*

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This appraisal is made with the understanding and assumption that present ownership of the subject property includes all rights that may be lawfully owned, and is therefore, titled in fee simple as of January 31, 2020. A fee simple estate is subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

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**.

## *IDENTIFICATION OF PROPERTY AND LEGAL DESCRIPTION*

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The property which is the subject matter of this report consists of an undetermined number of acres of un-surveyed land located south of Boulder, Jefferson County, Montana along U.S. Highway 69. The legal description as provided by the client is:

NW1/4 Section 33, T6N, R4W, Boulder, Jefferson County, Montana

## *PURPORTED OWNER*

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The subject parcel is owned by the State of Montana.

## *SALES HISTORY OF THE PROPERTY*

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The subject parcel has been owned by the State of Montana for a number of years. It was reported the subject will remain in the ownership of the State of Montana but will be exchanged from Trust Lands to Department of Corrections.

## *EXPOSURE TIME*

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The definition of market value includes a condition that a reasonable time is allowed in the open market. The length of time that a property is exposed in the market impacts the number of potential buyers for the property. Longer exposure typically results in more potential buyers, and shorter exposure to the market typically results in fewer potential buyers. Logically, the number of potential buyers who are aware of a property's availability can influence the sale price.

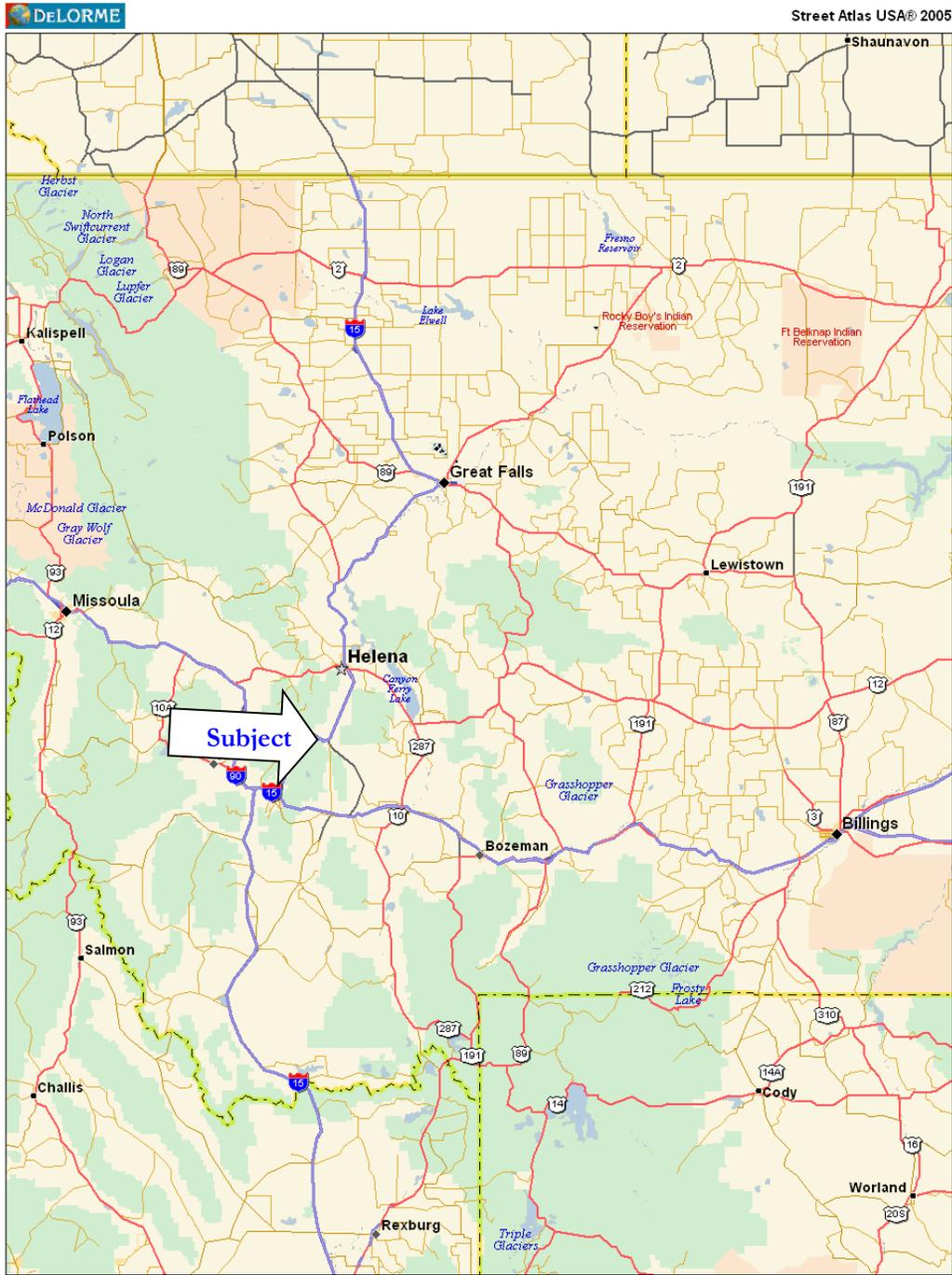
A search of vacant land sales in Boulder revealed very little market activity for residential or commercial.

As residential values in Helena and N. Jefferson County continue to increase, it has the potential to make area further from Helena more affordable. This is currently happening around Three Forks as a result of residential prices in Bozeman and Belgrade.

I spoke with Tom Harrington, with a local development group, indicated there is on-going discussions with the Federal Government with regard to utilizing a portion of the improvements on the subject for Veterans programs, pain management and education. He noted, if these programs are brought to Boulder, there would be a need for single-family and multi-family housing. As of the date of value, these potential projects are only in the discussion phase.

Based upon analyzing the sales, listings, and discussions with various real estate professionals, it is my opinion a reasonable exposure time for the subject is less than twelve months.

# REGIONAL MAP



Data use subject to license.  
© 2004 DeLorme. Street Atlas USA® 2005.  
www.delorme.com

★  
↑  
MN (0.0° W)

0 16 32 48 64 80 mi  
Data Zoom 8-2

## *REGIONAL ANALYSIS & NEIGHBORHOOD DATA/TRENDS*

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The subject property is located approximately just south of Boulder, along the northeast side of U.S. Highway 69.

Boulder is the county seat for Jefferson County. Jefferson County is quite large and extends almost from the city limits of Butte ( $\pm 60$  miles to the south) to nearly the Helena city limits. North Jefferson County has seen significant growth in the past 10 years and specifically those areas lying adjacent to Helena and the Lewis and Clark County line. For the remainder of Jefferson County much of the economy is based on the mining and agricultural industry as well as state and federal employment opportunities.

Commercial development in North Jefferson County is primarily limited to the immediate areas surrounding the Interstate 15 interchanges. Known mostly for its rural residential settings, residential sites range in size from one acre to nearly an entire section, and agricultural land is still abundant.

The State of Montana, Department of Public Health and Human Services and Corrections has an appreciable presence in Boulder.

The subject is located south of Helena which is the county seat of Lewis and Clark County and the State Capital. Helena's economy has been experiencing moderate growth in recent years. The general area population is approximately 67,000 which consist of Lewis and Clark County, North Jefferson County and West Broadwater County.

The three communities, Montana City, Clancy and Jefferson City are each considered to be bedroom communities to Helena.

There is good highway and interstate access provided throughout the area with Interstate 15, Highway 12 East and West, and Highway 518 in the immediate vicinity. There are several airlines, railway, bus lines and motor freight carriers also providing good transportation throughout the area.

This general area attracts many tourists due to its central location in the State of Montana. There are a number of outdoor recreational opportunities with numerous rivers, lakes and mountain ranges in the immediate area. Overall, the State of Montana has become very popular over the past decade with tourism seeing a more significant role each year.

Northwestern Energy provides electrical service and natural gas throughout the area. Telephone and television service are also available throughout the area and both well and septic systems are commonly used.

## *REAL ESTATE TAXES*

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The Montana State Department of Revenue, working through each county courthouse, appraises all taxable real estate, presumably at market value. State law has prescribed that a re-evaluation plan be completed periodically.

The subject property is currently owned by the State of Montana and therefore is exempt from taxation. If the property were to transfer to private ownership the property would become subject to taxation pursuant to Montana Code and Administrative Rules.

The geo-code for the property is 51-1490-33-2-28-01-0000.

## *PROPERTY DESCRIPTION*

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### ***Site***

<i>Size:</i>	The subject parcel consists of an undetermined number of un-surveyed acres. In this analysis, I have utilized $\pm$ 31.9 acres, which was determined by the client.
<i>Shape:</i>	The subject parcel is irregular in shape.
<i>Topography:</i>	The topography of the subject is level.
<i>Soil Conditions:</i>	Soil conditions are unknown, but based upon existing development, conditions appear sound
<i>Easements:</i>	A title policy should be used for the final determination of easements and encroachments.
<i>Access:</i>	Access to the subject site is from E. 4 <sup>th</sup> Ave.
<i>Utilities:</i>	City services available
<i>Functional Adequacy:</i>	The immediate consists of the Department of Corrections facility, residential, school, multi-family and vacant land.

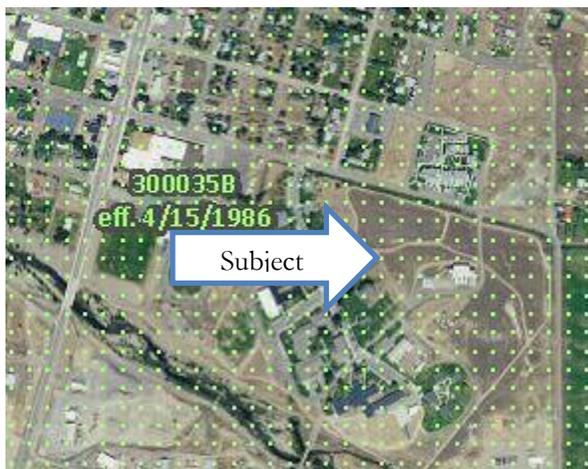
*Flood Plain:*

The following map illustrates the subject is in an unmapped area. This is noted on the following panel.

Areas of the subject have experienced flooding in previous years.

*Nuisances or Hazards:*

None of the surrounding uses appear to adversely impact the subject.



*SUBJECT PHOTOGRAPHS*

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Looking south at the entrance



Looking east

*SUBJECT PHOTOGRAPHS*

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Looking southwest



Looking southeast along the south boundary

*SUBJECT PHOTOGRAPHS*

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Looking southeast along the south boundary



Looking north

*SUBJECT PHOTOGRAPHS*

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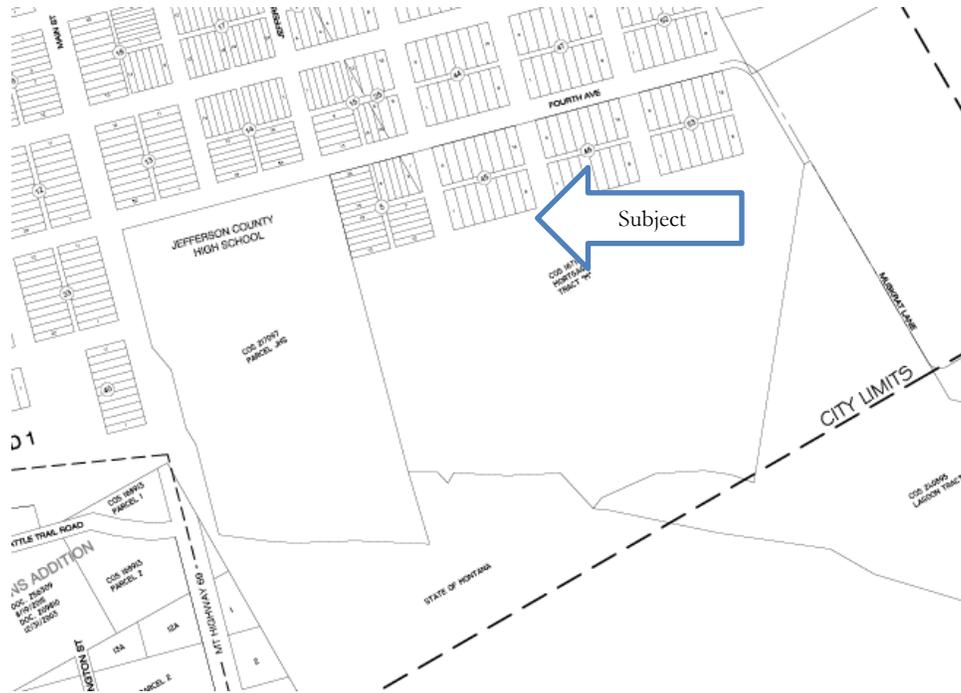
Looking north along the east boundary



Looking west along the north boundary

## ZONING

I contacted the Boulder Planning and it was conveyed the subject is zoned commercial.



## HIGHEST AND BEST USE

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in the highest value. Alternatively, the probable use of land or improved property – specific with respect to user and timing of the use – that is adequately supported and results in the highest present value.”<sup>1</sup>

The definition above applies to the highest and best use of vacant land or improved property. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Quite often in estimating the highest and best use of land, the appraiser is controlled by governmental regulations. These controls are generally zoning ordinance, parking requirements and building codes. Also, in the estimate of highest and best use, one must recognize the attitude of typical investors in the marketplace.

<sup>1</sup> *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> Ed. (Chicago: Appraisal Institute, 2010), s.v. “highest and best use.”

Real estate will usually fall into certain definite development patterns, and their uses can be classified as: residential, agricultural, recreational, industrial, commercial or public use. In valuing the highest and best use of the land both as if vacant and improved, the following criteria must be met:

- 1) Legally permissible
- 2) Physically possible
- 3) Financially feasible
- 4) Maximally productive

## *HIGHEST AND BEST USE AS VACANT*

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### ***Legally Permissible***

I spoke with Ellen Harne, City Planner, and she sent me Boulders preliminary zoning map. She indicated the underlying zoning for the subject is commercial.

### ***Physically Possible***

The subject is irregular in shape with level topography. Access to the subject is from E. 4<sup>th</sup> Avenue, and the property also has frontage along Muskrat Lane.

The subject is within an un-mapped FEMA zone.

The subject has city services, sewer and water. In addition, electrical and natural gas is available.

### ***Financially Feasible***

The real estate market in Boulder has been overall slow for an extended period of time. In 2019 the Multiple Listing Service converted to a new system and much of the historical data was not transferred to the new system.

I searched on the multiple listing service as far back as the new system would allow. The information is sales for intown residential and commercial land sales.

Commercial				Residential			
Sale Date	Sale Price	Size (SF)	\$/SF	Sale Date	Sale Price	Size (SF)	\$/SF
3/29/2018	\$59,900	22,500 SF	\$2.66/SF	3/3/2017	\$8,000	7,010 SF	\$1.14/SF
2/13/2020	\$22,500	6,534 SF	\$3.44/SF	9/28/2018	\$19,000	10,019 SF	\$1.90/SF
Active*	\$160,000	\$9,000 SF	\$17.78/SF	11/22/2020	\$14,000	8,060 SF	\$1.74/SF

As of the date of value, there is little to no demand for commercial development. The subject is situated adjacent and behind Jefferson County School and there is no reported interest by the school district.

The following table illustrates the number of sales of residential dwellings sold in the Boulder city limits over the past three years:

	1/31/2017 – 1/30/2018	1/31/2018 – 1/30/2019	1/31/2019 – 1/30/2020
Number of Sales*	19	20	10
* Included in the sales are a number of personal property manufactured dwellings on city lots.			

Some of the more stable residential activity is rural residential lot sales.

The function of the highest and best use is to determine just that and once that is established, the comparable sales are identified.

The underlying zoning of the subject is commercial, and there is no apparent need for commercial development as of the date of the appraisal. I spoke with real estate professionals familiar with Boulder residential, single-family and multi-family, and there is no demand for subdivision development. In fact, multi-family rents in Boulder do not support construction costs.

As previously noted, there is on-going discussions with regard to utilizing the subject as improved for Veteran services. This projected use is very preliminary. If and when this use occurs, there may demand for residential development in Boulder. But as of the date of this appraisal, there is no measurable or apparent demand.

In the land value section, I identified sales of various property types that are deemed to be the most comparable to the subject. It was necessary to expand the market well beyond Boulder and Jefferson County. This is further discussed in land value section.

### ***Maximally Productive***

The subject is ±31.9 acres that has been valued as though vacant. As previously noted, there is little to no demand for the subject as though vacant. In the future there may be potential, if the Veterans service move forward. The most financially feasible use is for future speculative development.

## ***PROPERTY VALUATION***

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### ***Methods and/or Techniques Employed:***

Whenever possible, all three basic approaches to value, cost, sales and income, are utilized. The resulting indications of value are then correlated into a final estimate of market value. In the course of investigating the marketplace where this valuation will be made, sufficient data was found to employ the sales comparison approach.

## *DEFINITIONS*

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

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison and making adjustments to the sales price of the comparable properties based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant.<sup>2</sup>

The reliability of this technique is depended upon (A) the availability of comparable sales data, (B) the verification of sales data, (C) the degree of comparability or extent of adjustment necessary for time differences, and (D) the absence of non-typical conditions affecting the sales price.

## *SITE VALUATION*

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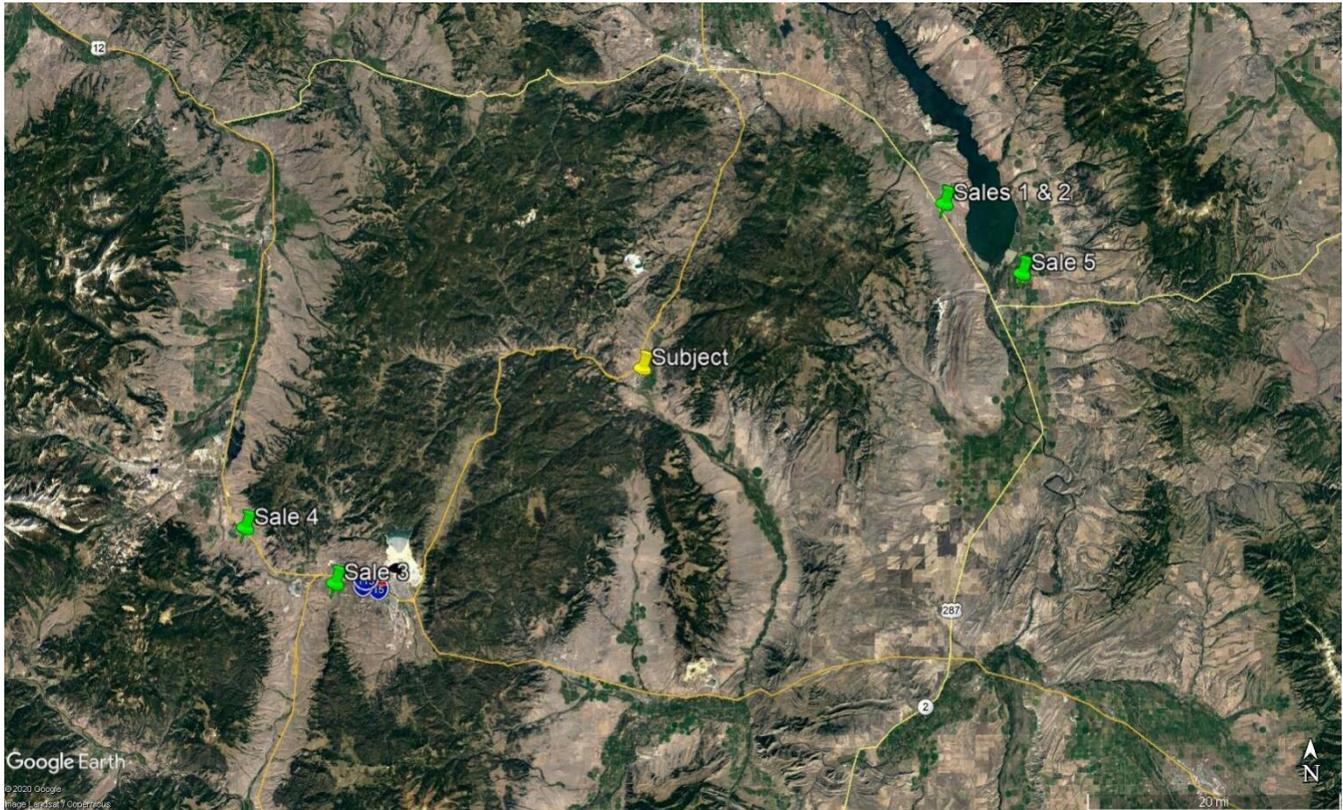
The method employed to value the site as if vacant and available for sale is the Sales Comparison Approach. The sales utilized in this report are the best identified. Montana is a non-disclosure State, which means sale prices of real estate is not public information.

Descriptive data of the sales utilized in this analysis follow.

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<sup>2</sup>The Appraisal of Real Estate, 14th Edition, Page 47, 2013, sponsored by the Appraisal Institute.

## LAND SALE MAP



City services are available to the subject, whereas, the sales utilized in this appraisal lack city services. The following are lots sales located in Three Forks with city services along with sales north of Three Forks that the buyer of the lot was responsible to install a well and septic system.

Location	Without Services	Location	With Services	Percent of Change
Lot 127 Village at Elk Park	\$14,145	TBD Front St.	\$37,000	162%
Lot 127 Village at Elk Park	\$14,145	TBD Adams St.	\$23,000	63%
Lot 127 Village at Elk Park	\$14,145	TBD Jefferson St.	\$23,000	63%
Lot 74 Village at Elk Park	\$14,445	TBD Front St.	\$37,000	156%
Lot 74 Village at Elk Park	\$14,445	TBD Adams St.	\$23,000	59%
Lot 74 Village at Elk Park	\$14,445	TBD Jefferson St.	\$23,000	59%
Lot 206 Village at Elk Park	\$17,300	TBD Front St.	\$37,000	114%
Lot 206 Village at Elk Park	\$17,300	TBD Adams St.	\$23,000	33%
Lot 206 Village at Elk Park	\$17,300	TBD Jefferson St.	\$23,000	33%
<b>Mean</b>				<b>82%</b>

In this analysis, I have concluded to an upward adjustment for city services of 82%.

## LAND SALE GRID

Sale	Subject	#1	#2	#3	#4	#5
Sale Date	NA	2/28/2020	7/26/2019	5/23/2019	2/15/2019	4/30/2018
Location	Boulder, Jefferson County	Hwy 287, Broadwater County	Valley Dr., Broadwater County	Rocker Rd., Silver Bow County	Cara Ln., Silver Bow County	Delger Rd., Broadwater County
Price	NA	\$296,000	\$115,000	\$47,000	\$69,000	\$400,000
Size (acres)	±31.9	40.05	20.55	10	22.42	86
<b>\$/acre</b>	<b>NA</b>	<b>\$6,717</b>	<b>\$5,596</b>	<b>4,700</b>	<b>3,078</b>	<b>\$4,651</b>
City Services Adjustment		82%	82%	82%	82%	82%
<b>Adjusted Price</b>		<b>\$12,225</b>	<b>\$10,185</b>	<b>\$8,554</b>	<b>\$5,602</b>	<b>\$8,465</b>
Location	Jefferson County	Hwy 287, Broadwater County Superior	Valley Dr., Broadwater County Similar	Rocker Rd., Silver Bow County Inferior	Cara Ln., Silver Bow County Inferior	Delger Rd., Broadwater County Similar
Size (acres)	±31.9	40.05	20.55	10	22.42	86
Comparison		Similar	Similar	Superior	Similar	Inferior

The subject consists of 31.9 acres of un-surveyed land. The appraisal condition assumes the hypothetical condition the land is vacant. The city of Boulder has recently modified city zoning, and the planning office indicated the underlying zoning for the subject is commercial.

I spoke with various real estate professionals and it was noted the overall market in Boulder is stagnant to say the least. This is supported by the lack of market activity. The following sales are the best identified from the market.

**Sale No. 1 (\$12,225/ adjusted per acre)** is the sale of 40.05 acres located north of Townsend, along the west side of US Highway 287. These were two separate transactions, but each sold on the same date, for the same amount and the sizes are similar. The immediate area consists of some commercial but is predominately residential. The future use was not disclosed.

This sale is superior to the subject with regard to location and similar with regard to size. Overall, this sale is superior to the subject.

**Sale No. 2 (\$10,185/adjusted per acre)** is the sale of 20.55 acres located north of Townsend and just north of US Highway 287. The immediate area is improved with residential and some commercial along the highway.

This sale is considered similar to the subject with regard to location and size. Overall, this sale is similar to the subject.

**Sale No. 3 (\$8,554/adjusted per acre)** is the sale of 10 acres located approximately 2 miles south of the I-90/Rocker off-ramp. The immediate area is improved residential properties.

This sale is considered superior to the subject with regard to size, but inferior with regard to location. Overall, this sale is inferior to the subject.

**Sale No. 4 (\$5,602/adjusted per acre)** is the sale of 22.42 acres located approximately 1 mile west of the I-90/Fairmont off-ramp. The immediate area is improved residential properties.

This sale is considered similar to the subject with regard to size, but inferior with regard to location. Overall, this sale is inferior to the subject.

**Sale No. 5 (\$8,465/acre)** is the sale of 86 acres located approximately 1-mile northeast of Townsend. The property is currently utilized as agricultural, and it was reported residential subdivision is being pursued.

This sale is similar to the subject with regard to location, but inferior with regard to size. Overall, this sale is inferior to the subject.

<b>Sale No.</b>	<b>\$/Acre Adjusted</b>	<b>Overall Comparability</b>
No. 4	\$5,602/ac.	Inferior
No. 5	\$8,465/ac.	Inferior
No. 3	\$8,554/ac	Inferior
No. 2	\$10,185/ac.	Similar
No. 1	\$12,225/ac	Superior

Considering the aforementioned, coupled with discussions with various real estate professionals, it is my opinion a reasonable estimate of value for the subject \$10,200 per acre or \$325,380 (31.9 acres x \$10,200/acre).

**\$325,000 Rounded**

The following are data sheets that further describe the sales utilized.

**Sale No. 1**

**Property Description**

Property Type                    Agricultural with a potential for a use change  
Property Location                Broadwater County  
Address                            TBD Highway 287  
Geo-Code/Tax ID                 43-1590-03-1-02-18-0000 & 43-1590-03-1-02-22-0000  
Legal Description                Tracts 2 & 3, Section 3, T7N, R1E, Broadwater County, Montana

**Photo Data**

Taken By    Cadastral



**Site Data**

Land Size                         40.05 acres  
Zoning                             Covenants  
Topography                       Generally level  
Utilities                           Electricity  
Shape                              Irregular  
Flood Information                Not within a flood zone  
Current Use                       Vacant

**Sale Data**

Grantor                            J-Bar, LLC  
Grantee                             Unknown  
Sale Price                         \$296,000  
Instrument                        Notice of Purchasers Interest  
Recorded                          2/28/2020  
Recording Info                    Unknown  
Financing                         Contract for Deed  
Access                             US Highway 287  
Confirmation                      MLS  
Confirmation Date                3/15/2020

**Sale Indications**

Price per acre                      \$296,000 ÷ 40.05 acres = \$6,717/acre

Additional Comments              This sale consists of 40.05 acres located along the west side of US Highway 287, approximately 5 miles northwest of Townsend. Each of the transactions were separate, but occurred on the same date, with the same price.

The lots were separately listed for \$150,000 and were on the market for 234 days.

**Sale No. 2**

**Property Description**

Property Type Residential  
Property Location Broadwater County  
Address TBD Valley Drive  
Geo-Code/Tax ID 43-1590-03-2-01-38-0000  
Legal Description Parcel 24, COS 1-143, Section 3, T7N, R1E, Broadwater County, Montana

**Photo Data**

Taken By Cadastral



**Site Data**

Land Size 20.55 acres  
Zoning Covenants  
Topography Generally level  
Utilities Electricity  
Shape Irregular  
Flood Information Not within a flood zone  
Current Use Vacant

**Sale Data**

Grantor SMILOVIC  
Grantee Christine L. Wade  
Sale Price \$115,000  
Instrument Warranty Deed  
Recorded 7/26/2019  
Recording Info 183246  
Financing Cash to the seller  
Access US Highway 287  
Confirmation MLS  
Confirmation Date 3/15/2020

**Sale Indications**

Price per acre                      \$115,000 ÷ 20.55 acres = \$5,596/acre

Additional Comments              This sale consists of 22.55 acres located along the west side of US Highway 287, approximately 5 miles northwest of Townsend.

The property was listed for \$115,000 and was on the market for 51 days.

**Sale No. 3**

**Property Description**

Property Type	Residential
Property Location	Silver Bow County
Address	17 S. Rocker Rd., Silver Bow County
Geo-Code/Tax ID	01-1197-29-1-01-11-0000
Legal Description	Tract 5, POR NE4, Section 29, T3N, R8W, Silver Bow County

**Photo Data**

Taken By Cadastral



**Site Data**

Land Size	10 acres
Zoning	Covenants
Topography	Generally level
Utilities	Electricity
Shape	Slightly irregular
Flood Information	Not within a flood zone
Current Use	Residential

**Sale Data**

Grantor	Sullivan
Grantee	Victoria Strong
Sale Price	\$47,000
Instrument	Warranty Deed
Recorded	5/23/2019
Recording Info	698346
Financing	Cash to the seller
Access	S. Rocker Rd.
Confirmation	MLS
Confirmation Date	3/15/2020

**Sale Indications**

Price per acre                      \$47,000 ÷ 10 acres = \$4,700/acre

Additional Comments              This sale is located approximately 2 miles south of I-90/Rocker off-ramp.

The property was listed for \$55,000 and was on the market for 472 days.

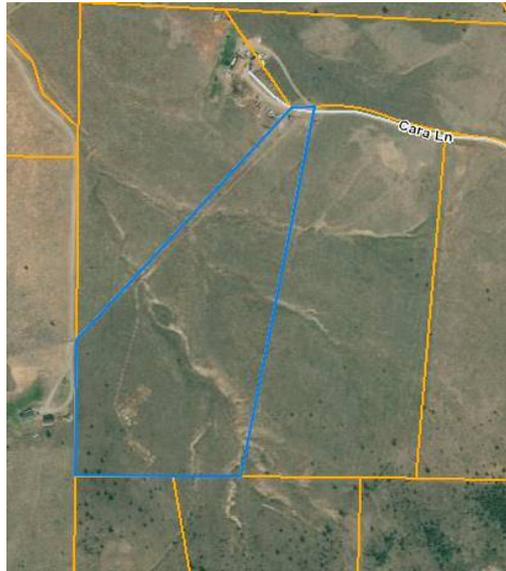
**Sale No. 4**

**Property Description**

Property Type	Residential
Property Location	Silver Bow County
Address	280 Cara Lane, Silver Bow County
Geo-Code/Tax ID	01-1196-06-1-01-50-0000
Legal Description	Tract 68, Section 6, T3N, R9W, Silver Bow County

**Photo Data**

Taken By Cadastral



**Site Data**

Land Size	22.42 acres
Zoning	Covenants
Topography	Generally level
Utilities	Electricity
Shape	Irregular
Flood Information	Not within a flood zone
Current Use	Residential

**Sale Data**

Grantor	Christians
Grantee	Charles & Eldora Easterday
Sale Price	\$69,000
Instrument	Warranty Deed
Recorded	2/15/2019
Recording Info	696935
Financing	Cash to the seller
Access	Cara Lane
Confirmation	MLS
Confirmation Date	3/15/2020

**Sale Indications**

Price per acre                      \$69,000 ÷ 22.42 acres = \$3,078/acre

Additional Comments              This sale is located approximately 1 mile southwest of the of I-90/Fairmont off-ramp.

The property was listed for \$89,000 and was on the market for 204 days.

**Sale No. 5**

**Property Description**

Property Type	Agricultural with the potential of a use change
Property Location	Broadwater County
Address	TBD Delger
Geo-Code/Tax ID	43-1591-21-3-02-01-0000
Legal Description	S21, T07 N, R02 E, ACRES 86, NESW;SESW;E2SWSW LYING E OF MONTANA DITCH, Broadwater County, Montana

**Photo Data**

Taken By Cadastral



**Site Data**

Land Size	86 acres
Zoning	None
Topography	Generally level
Utilities	Electricity
Shape	Slightly irregular
Flood Information	Not within a flood zone
Current Use	Agricultural

**Sale Data**

Grantor	McDonnell
Grantee	Leonard & Pamela Lambott
Sale Price	\$400,000
Instrument	Warranty Deed
Recorded	4/30/2018
Recording Info	180019
Financing	Cash to the seller
Access	Delger Lane
Confirmation	MLS
Confirmation Date	3/15/2020

**Sale Indications**

Price per acre                      \$400,000 ÷ 86 acres = \$4,651/acre

Additional Comments              This sale is located approximately 1-mile northeast of Townsend. It was reported the property is in the process of transitioning from agricultural to residential subdivision.

The property was listed for \$430,000 and was on the market for 90 days.

## *RECONCILIATION AND CONCLUSION*

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Within this analysis I have established an indication of value for the site by means of land sales. The sales utilized are the best identified and extracted from the market.

Considering each of the indications, it is my opinion the market value of the subject property on January 31, 2020, was:

***\$325,000***

## *VALUE ESTIMATE AND CERTIFICATION*

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The undersigned does hereby certify that, to the best of his knowledge and belief, except as otherwise noted in this appraisal report:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and/or those found in the letter of engagement or appraisal consultation contract authorizing this report and is my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting a predetermined value.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. This appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
- My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with The Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- I have made a personal inspection of the subject property.
- No one provided significant appraisal assistance with required signing the report.
- I have not appraised, reviewed, or offered consulting with respect to the subject property within three years of the date of acceptance to appraise the property.
- Gregory A. Thornquist is currently licensed in the State of Montana (Certificate #867) as a Certified General Real Estate Appraiser. Regarding the Competency Provision of USPAP, I further attest I've had substantial approved education and experience in the appraisal of various property types.

Based upon all the elements of which I am aware, and which could reasonably affect value, I have estimated market value of the subject, as of January 31, 2020 was:

***\$325,000***



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Gregory A. Thornquist  
Montana State Certified  
General Real Estate Appraiser  
License # REA-RAG-LIC-867  
3/17/2020

# ***ADDENDA***