

# HELMBRECHT APPRAISING, LLC

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June 27, 2008

Mr. Tom Konency, Appraiser  
Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, MT 59620-1601

Subject: State of Montana  
Agricultural Property  
Hill County, MT

Dear Mr. Konency,

After inspection of the above property and based upon facts contained in the attached report it is the conclusion of the undersigned that the market value of the subject property, as of June 25, 2008 is indicated at:

<b>Sale #191 = \$40,000</b>	<b>Sale #454 = \$ 5,800</b>
<b>Sale #448 = \$10,000</b>	<b>Sale #455 = \$ 5,700</b>
<b>Sale #449 = \$10,000</b>	<b>Sale #456 = \$ 6,400</b>
<b>Sale #450 = \$ 5,800</b>	<b>Sale #458 = \$ 5,800</b>
<b>Sale #451 = \$20,000</b>	<b>Sale #512 = \$ 6,500</b>
<b>Sale #452 = \$10,000</b>	<b>Sale #536 = \$ 5,800</b>
<b><u>Sale #453 = \$17,800</u></b>	
<b>Total</b>	<b>= \$149,600</b>

This Summary Appraisal Report is based upon the assumptions and limiting conditions within the report. Liens and encumbrances, if any, have been disregarded. I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct. Employment in and compensation for making this report are in no way contingent upon the value reported. Material pertinent to the process of valuation of this property is contained in the files of the appraiser.

I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property.

Thank you for the privilege of serving you.

Sincerely,

---

John C. Helmbrecht  
Montana Certified General Appraiser

# TABLE OF CONTENTS

## Letter of Transmittal

Letter of Transmittal . . . . .	1
Table of Contents. . . . .	2
Summary of Salient Facts. . . . .	3
Purpose of the Appraisal . . . . .	5
Distribution of Market Value. . . . .	5
Certification. . . . .	6
Statement of Assumptions & Limiting Conditions. . . . .	7
Highest and Best Use . . . . .	9
The Appraisal Process. . . . .	11
Scope of the Appraisal . . . . .	12
Intended Use of the Appraisal . . . . .	12
Intended User of the Appraisal. . . . .	12
Owner of Record and Legal Description . . . . .	13
General Area Data and Physical Characteristics. . . . .	15
Area Map	
Location Map	
Property Description. . . . .	17
Location and Description	
Utilities	
Hazardous Materials and Toxic Waste	
Prior Sales History	
Flood Plain	
Predominant Soils	
Archaeological, Historical or Tribal Sacred Sites	
Marketing Period	
Fuel Tanks and Garbage Dumps	
Hazards and Detriments	
Zoning, Mineral Rights and Easements	
Comparable Sales Approach. . . . .	23
Income Approach. . . . .	35
Cost Approach. . . . .	37
Final Conclusion and Reconciliation. . . . .	38
Photos . . . . .	40
Appraisers Credentials . . . . .	53
Minimal Appraisal Standards . . . . .	64
Addenda	
Statement of Work	

## **SUMMARY OF SALIENT FACTS**

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	June 25, 2008
DATE OF REPORT:	June 27, 2008
APPRAISAL FORMAT:	Summary Appraisal Report
INTENDED USERS:	The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) only.
INTENDED USE:	Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential sale of said subject property only.
PROPERTY RIGHTS APPRAISED:	Property rights appraised are fee simple ownership rights, subject to outstanding reservation for rights-of-way or other recorded exclusions. Sub-surface mineral rights are not appraised nor has title to such rights been researched.
HIGHEST & BEST USE:	Highest and best use of the property is its current use as native pasture for the grazing of livestock.

## **SUMMARY OF SALIENT FACTS (continued)**

**LOCATION OF PROPERTY:** The property consists of thirteen separate non contiguous parcels of native range pasture in Hill County, Montana:

**Sale #191** is 18 miles southwest of Havre, MT . Location is approximately 18 miles southwest of Havre via paved highway #87, then 3 miles west and one mile north via gravel road, then ½ mile east on gravel and trail.

**Sale #448** is 8 miles southeast of Havre. Location is 8 miles southeast of Havre via gravel Clear Creek Road 6 miles, then 1½ miles east on gravel, then ½ mile north on trail.

**Sale #449** is 10 miles west-northwest of Havre, MT . Location is approximately 10 miles west of Havre via gravel River Road and private roads to the property.

**Sale #450** is 18 miles northwest of Havre. Location is 18 miles northwest of Havre via paved Wild Horse Road 15 miles northwest, then west 3.75 miles on section road and trail.

**Sale #451** is ten miles northwest of Havre. Location is approximately 10 miles northwest of Havre via paved Wildhorse Road, then 3 miles north via gravel Amos Trail to the subject.

**Sale #452** is thirty three miles northwest of Havre. Location is approximately 33 miles northwest of Havre via paved Highway #2 thirty miles west, then 17 miles north via gravel Gildford Road, then 1 mile east via Cottonwood Road to the subject.

**Sale #453** is sixteen miles north of Havre. Location is approximately 10 miles northwest of Havre via paved Wildhorse Road, then 6 miles north via gravel Amos Trail, then 1 mile east on section trail to the subject.

**Sale #454** is forty eight miles northwest of Havre. Location is approximately 48 miles northwest of Havre via paved Highway #2 west 46 miles, then 19 miles north via gravel Inverness Road, then 1¼ mile east via gravel road, then ¼ mile north on trail to the property.

**Sale #455** is thirty five miles northwest of Havre. Location is approximately 33 miles northwest of Havre via paved Highway #2 thirty miles west, then 25 miles north via gravel Gildford Road, then .75 mile east via section line trail to the subject.

**Sales #456, #512, #536 and #458** are approximately 50 miles northwest of Havre. Location is approximately 50 miles northwest of Havre via paved Highway #2 west 40 miles, then 29 miles north via gravel Rudyard Road, then 1.75 miles east to within .75 miles south of Sale #458 and 3 miles north and ¼ mile east to Sale #536 and Sale #512 and then 1 mile further east to Sale #456.



## SUMMARY OF SALIENT FACTS (continued)

LOCATION OF PROPERTY: Some of the parcels have legal access. Others do not. All are appraised with legal access by hypothetical condition due to the fact that no market data was available at the time of the appraisal to support any consideration of this issue. Accessibility to the parcels was considered in the valuation process when and if it was deemed necessary.

IMPROVEMENTS: There are no improvements on the subject property other than partial perimeter fencing.

REAL ESTATE TAXES: Not Taxed

PROPERTY DESCRIPTION: The subject consists of Sale #191 which is 160 acres of native pasture, Sale #448 which is 40 acres of native pasture, Sale #449 which is 40 acres of native pasture, Sale #450 which is 40 acres of native pasture, Sale #451 which is 80 acres of native pasture, Sale #452 which is 40 acres of native pasture, Sale #453 which is 71.29 acres of native pasture, Sale #454 which is 40 acres of native pasture, Sale #455 which is 39.57 acres of native pasture, Sale #456 which is 44.34 acres of native pasture, Sale #458 which is 40 acres of native pasture, Sale #512 which is 44.79 acres of native pasture, Sale #536 which is 40 acres of native pasture all in non contiguous parcels in Hill County, MT

OPINION OF VALUE:	Comparable Sales Approach. .	\$149,600
	Income Approach. . . . .	\$153,900
	Cost Approach. . . . .	\$149,600

### FINAL OPINION OF VALUE:

<b>Sale #191 = \$40,000</b>	<b>Sale #454 = \$ 5,800</b>
<b>Sale #448 = \$10,000</b>	<b>Sale #455 = \$ 5,700</b>
<b>Sale #449 = \$10,000</b>	<b>Sale #456 = \$ 6,400</b>
<b>Sale #450 = \$ 5,800</b>	<b>Sale #458 = \$ 5,800</b>
<b>Sale #451 = \$20,000</b>	<b>Sale #512 = \$ 6,500</b>
<b>Sale #452 = \$10,000</b>	<b>Sale #536 = \$ 5,800</b>
<b><u>Sale #453 = \$17,800</u></b>	
<b>Total</b>	<b>= \$149,600</b>

## **PURPOSE OF THE APPRAISAL AND SUMMATION OF THE APPRAISAL PROBLEMS**

This appraisal is being made to estimate Market Value, as is, of the rights of fee simple interest of surface rights of the subject property, excluding mineral rights and subject to liens and encumbrances, of the above described property in its entirety, as it exists on the date of the appraisal.

### *Market Value Defined:*

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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised and each acting in what he considers his own best interest; 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.

### *The Appraisal Problem Consists of:*

1. Estimate Highest and Best Use
2. Estimate Market Value consistent with Highest and Best Use.

## **DISTRIBUTION OF MARKET VALUE**

Value, as assigned in this report, applies to the real estate as described and is based on unencumbered value. It does not consider the value of growing crops or personal property. As noted herein, a separate contributory value analysis of any existing mineral rights, timber rights or water rights is not made. These property rights are considered as part of the overall values as assigned the real estate, and their values are reflected by the land values exhibited in the market. In other words, water rights and mineral rights, whether existing or not, are a part of the assigned land values overall.

Inherent in the land values assigned is basic land improvements such as roadways, fences, ditches, irrigation structures and field preparation. Irrigation equipment is considered appurtenant to the land. Structural improvements may be assigned specific contributory value within the cost approach as evidenced by the market; however, these values apply only under the existing highest and best use assigned, unless otherwise noted, and may be subject to market correction in the final reconciliation of value.

### **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 in to 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.

## USPAP CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, .
8. I have made a personal inspection of the property that is the subject of this report.
9. No one made significant real property appraisal assistance to the person signing this report.

---

John C. Helmbrecht  
Montana Certified General Appraiser

## **STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

*CONTINGENT AND LIMITING CONDITIONS:* The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereof.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are not hidden or non-apparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

## **STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (continued)**

7. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organization, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee is paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the District of Columbia without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising public relation, news, sales, or the media, without the written consent and approval of the Appraiser.
8. ENVIRONMENTAL DISCLAIMER: The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. It is possible that tests and environmental experts would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.
9. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
10. The appraiser reserves the right to revise this appraisal in view of changing market conditions and any other circumstances which would affect the Market Value. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
11. Employment in and compensation for making this report are in no way contingent upon the value reported. I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property.

## HIGHEST AND BEST USE

Real Estate is appraised on the basis of its Highest and Best Use.

Following is a definition of Highest and Best Use from "Appraiser's Terminology and Handbook".

### "HIGHEST AND BEST USE"

The most profitable likely use to which a property can be put. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. However, elements affecting value which depend upon events or a combination of occurrences which, while within the realm of possibility, are not fairly shown to be reasonably probable, should be excluded from consideration. Also, if the intended use is dependent on an uncertain act of another person, the intention cannot be considered.

That use of land which may reasonably be expected to produce the greatest net return to land over a given period of time. That legal use which will yield to land the highest present value. Sometimes called optimum use."

"Highest and Best Use" is further described as follows:

The determination of market value includes consideration of the highest and best use for which the appraised property is clearly adapted.

Highest and Best Use is the legal and probable use that supports the highest present value, as defined, of vacant land or improved property, as of the date of the appraisal.

It is that use found to be:

1. legally permissible
2. physically possible
3. financially feasible
4. maximally productive

## **HIGHEST AND BEST USE (continued)**

Consideration is given to trends on recent land sales, economic factors, and strength of the local market. An analysis of the highest and best use of the property forms a basis for the valuation of the property. Highest and best use serves as a guide in the selection of comparable sales to be used in the analysis of the subject property.

The definition applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from 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. These definitions imply a recognition of the contribution of existing specific uses to the community environment or to community development goals in addition to increasing the wealth of individual property owners.

The final determination of the highest and best use is a result of appraiser's judgement and analytical skills. The use determined from analysis represents an opinion, not a determination of fact. Consideration has to be given to that range of uses which fit the appraised property and to alternative uses, as well as existing use.

It is the opinion of the appraiser that the highest and best use of the subject property that is legal, possible, feasible and maximally productive is its current use as native pasture for the grazing of livestock. Sale #452 includes portions that could be broken for dry crop land but is being valued as pasture do to extensive costs to change the land from pasture to dry crop. Sale #449 is in an area of some development , but has no current legal access to be considered developable.

Use of the subject property as agricultural land is legally permissible, as the property is classified as agricultural land. This use is also physically possible. The use is both financially feasible and maximally productive.

## THE APPRAISAL PROCESS

There are three approaches that may be used by appraisers in the estimation of Market Value. The approaches provide data from the market for three different sources when all are available. These three approaches are the Comparable Sales Approach, or Market Data Approach; the Income Approach (investment property); and the Cost Approach.

The Market Data Approach has as its premise the comparison of the subject property with others of a similar design, utility and use that have sold in the recent past. To indicate a value for the property, adjustments are made to the comparable for differences with the subject.

The Income Approach, as used for investment properties, has as its premise the estimation of the amount of the net income, which, when capitalized in a manner that is commensurate with the risk and the life expectancy of the improvements, will indicate the present value of the income stream.

The Cost Approach has as its premise the valuation of the site by comparison with other sites in the area or comparable sites in competitive areas that have sold in the recent past, making adjustments for differences to indicate a site value estimate. To this tract the cost approach (summation) considers the contributory value of the land in individual uses.

Normally, these three approaches will each indicate a different value. After all the factors in each of the approaches have been carefully weighed, the indications of value derived from each of the approaches are correlated to arrive at a final value estimate.

When possible, the appraiser will normally utilize each approach.



## **SCOPE OF THE APPRAISAL**

The property was inspected by John C. Helmbrecht on June 17 - 25, 2008. All accessible areas of the property were inspected.

This appraisal, summary report is considered a summary report due to any unintended deletion of items that would make it fully self-contained. The Comparable Sales Approach, Income Approach and Cost Approach are completed.

Soils information has been considered and comparable qualities of land and other aspects of the property are a part of this appraisal report. All back up material pertaining to the final opinion of market value is contained in the files of Helmbrecht Appraising.

Information has been gathered from State Cadastral website, DNRC offices, local realtors and appraisers.

This appraisal report is based on the hypothetical conditions that the property is deeded private land, no current leases are considered and that all parcels have legal access.

## **INTENDED USE OF THE APPRAISAL**

Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential acquisition of the said subject property only.

## **INTENDED USER OF THE APPRAISAL**

The intended users of this appraisal report are The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation only.

This electronic copy is not to be used by any other users or use than is stated above without written release by Helmbrecht Appraising LLC.

## **OWNERS OF RECORD AND LEGAL DESCRIPTION**

## OWNERS OF RECORD

State of Montana  
P.O. Box 201601  
Helena MT 59620-1601

## LEGAL DESCRIPTION

### **Sale #191**

Township 31 North, Range 14 East, M.P.M.

Section 30: NE $\frac{1}{4}$

Containing: 160 acres

### **Sale #448**

Township 32 North, Range 17 East, M.P.M.

Section 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

### **Sale #449**

Township 33 North, Range 14 East, M.P.M.

Section 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

### **Sale #450**

Township 34 North, Range 13 East, M.P.M.

Section 12: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

### **Sale #451**

Township 34 North, Range 14 East, M.P.M.

Section 1: S $\frac{1}{2}$ NW $\frac{1}{4}$

Containing: 80 acres

### **Sale #452**

Township 35 North, Range 11 East, M.P.M.

Section 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

### **Sale #453**

Township 35 North, Range 15 East, M.P.M.

Section 19: Lot 1 and Lot 2

Containing: 71.29 acres

### **Sale #454**

Township 36 North, Range 8 East, M.P.M.

Section 35: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

### **Sale #455**

Township 36 North, Range 11 East, M.P.M.

Section 5: Lot 1

Containing: 39.57 acres

## LEGAL DESCRIPTION CONTINUED

**Sale #456**

Township 37 North, Range 9 East, M.P.M.

Section 4: Lot 9, Lot 10 and Lot 11

Containing: 44.34 acres

**Sale #458**

Township 37 North, Range 9 East, M.P.M.

Section 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

**Sale #512**

Township 37 North, Range 9 East, M.P.M.

Section 5: Lot 8, Lot 9 and Lot 10

Containing: 44.79 acres

**Sale #536**

Township 37 North, Range 9 East, M.P.M.

Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

**Totaling 719.99 total deeded acres in Hill County, Montana.**

**HILL COUNTY GENERAL AREA DATA**

Hill County is located in north-central Montana bordering the Canadian Provinces of Alberta and Saskatchewan on the north, Liberty County on the west, Chouteau County on the south and Blaine County on the east.

Over 61% of the land in Hill County is cropland with most being non-irrigated dry cropland. Approximately 546,500 acres are normally seeded to either spring or winter wheat, 114,600 acres are seeded to barley and 11,600 acres are seeded to oats. The remainder of the 1,200,000 acres of dry cropland in the county are fallow. There is 442,000 acres of native pasture, 2595 acres of irrigated cropland and 3140 acres in wild hay. The recent Conservation Reserve Program has seen 147,000 acres of highly erodible land seeded to grass for 10 year periods.

Havre is the county seat of Hill County, and the major trade center along U.S. Highway #2, the "hi-line", north of Great Falls, Montana. Havre's beginning was due to the arrival of the railroad, specifically James J. Hill and the Great Northern Railway. The first locomotive rolled into Havre, (then named Bull Hook Bottoms), in October, 1887, to link north central Montana with Minot, North Dakota on the east; and also to provide a better method of supplying the military at Fort Assiniboine, which was and still stands six miles southwest of Havre. Many early settlers in the area were disappointed in their quest for furs, buffalo, silver and gold, and were forced to turn to the land for their livelihood. Prior to 1910, the area was devoted primarily to raising cattle, sheep and horses. Today, the ranches are in lesser numbers with the farms now producing some of the world's greatest spring and winter wheat crops. Havre is located approximately 111 miles northeast of Great Falls, Montana and 40 miles south of the Canadian Border.

The current population of Havre approximates 11,000 and for Hill County 17,000. Havre's economy is reasonably stable and has had recent commercial growth including Wal Mart and 2 Motels. Today, over 500 businesses and professional firms are located in Havre and Hill County. Havre has been identified as a sub-regional service center, which provides an excellent retail sector, including the twelve block Central Business District, a Holiday Village Shopping Center with a capacity for 38+/- stores, and the "Atrium Mall" a 46,000 square foot renovated downtown building with 20 +/- retail / service and professional firms.

## **HILL COUNTY GENERAL AREA DATA (continued)**

High energy prices have spurred a large growth in natural gas exploration recently. Additionally, Havre is fortunate to have excellent medical facilities, including the Havre Clinic, and Northern Montana Hospital, an accredited 120 bed hospital which opened in 1975, several independent physicians and two long term care facilities.

The city of Havre has an excellent system of public and private schools, including one high school, one middle school, and four elementary schools, in addition to St. Jude's elementary parochial school. Montana State University- Northern is also located in Havre. The youngest college in the Montana University System offers all modern facilities. Montana State University is fully accredited in the University of Montana System.

The Burlington Northern Santa Fe Railroad continues to be a major factor in Havre's employment base. Employment opportunities with Burlington Northern Santa Fe Railroad have expanded greatly in the past 5 years with a steady increase in rail traffic.

Area for residential development is available in most areas of the city. The central business district appears to have reached an equilibrium. Recreational opportunities in the area are excellent. Approximately nine miles south of the city lies the 9,280 acre Beaver Creek Park. This is the largest county park in the United States, offering visitor recreation and nature at its best. In season, the park offers fishing on Bear Paw Lake or the numerous streams, with swimming, backpacking, camping, cross county skiing, snowmobiling and downhill skiing in the Bears Paw Ski Bowl located in the Bear Paw Mountains. Just a few minutes west of Havre is Fresno Reservoir, with fishing, boating, water-skiing and picnicking.

## **PROPERTY DESCRIPTION**

## LOCATION AND DESCRIPTION

The subject property consists of thirteen separate non contiguous parcels of native range pasture in Hill County, Montana.

**Sale #191** is 18 miles southwest of Havre, MT . Location is approximately 18 miles southwest of Havre via paved highway #87, then 3 miles west and one mile north via gravel road, then ½ mile east on gravel and trail.

**Sale #448** is 8 miles southeast of Havre. Location is 8 miles southwest of Havre via gravel Clear Creek Road 6 miles, then 1½ miles east on gravel, then ½ mile north on trail.

**Sale #449** is 10 miles west-northwest of Havre, MT . Location is approximately 10 miles west of Havre via gravel River Road and private roads to the property.

**Sale #450** is 18 miles northwest of Havre. Location is 18 miles northwest of Havre via paved Wild Horse Road 15 miles northwest, then west 3.75 miles on section road and trail.

**Sale #451** is ten miles northwest of Havre. Location is approximately 10 miles northwest of Havre via paved Wildhorse Road, then 3 miles north via gravel Amos Trail to the subject.

**Sale #452** is thirty three miles northwest of Havre. Location is approximately 33 miles northwest of Havre via paved Highway #2 thirty miles west, then 17 miles north via gravel Gildford Road, then 1 mile east via Cottonwood Road to the subject.

**Sale #453** is sixteen miles north of Havre. Location is approximately 10 miles northwest of Havre via paved Wildhorse Road, then 6 miles north via gravel Amos Trail, then 1 mile east on section trail to the subject.

**Sale #454** is forty eight miles north of Havre. Location is approximately 48 miles northwest of Havre via paved Highway #2 west 46 miles, then 19 miles north via gravel Inverness Road, then 1¼ mile east via gravel road, then ¼ mile north on trail to the property.

**Sale #455** is thirty five miles northwest of Havre. Location is approximately 33 miles northwest of Havre via paved Highway #2 thirty miles west, then 25 miles north via gravel Gildford Road, then .75 mile east via section line trail to the subject.

**Sales #456, #512, #536 and #458** are approximately 50 miles northwest of Havre. Location is approximately 50 miles northwest of Havre via paved Highway #2 west 40 miles, then 29 miles north via gravel Rudyard Road, then 1.75 miles east to within .75 miles south of Sale #458 and 3 miles north and ¼ mile east to Sale #536 and Sale #512 and then 1 mile further east to Sale #456.

## LOCATION AND DESCRIPTION CONTINUED

**Sale #191**

Small tract with moderately steep rolling native rangeland. No legal public access. There is no stock water on the tract. There is perimeter fencing in unusable condition. The parcel appeared productive with a good stand of grass after recent rains.

**Sale #448**

Small tract with moderately steep rolling native rangeland. Terrain ranges from undulating to hilly with steep slopes. There is no stock water on the tract. There is no perimeter fencing on the tract. Not accessible to the public as the parcel is surrounded by private land. Large steep drainage traverses parcel.

**Sale #449**

Small tract with moderately steep and nearly level rangeland. Terrain ranges from nearly level to hilly with steep slopes. There is no stock water on the parcel. There is perimeter fencing on the subject in useable condition. Apparent teepee rings were observed on the tract. Not accessible to the public as the parcel is surrounded by private land and was accessed through multiple private ownerships. There is some development in the area with a new structure being built adjacent to the parcel. Legal access would be difficult to obtain to this parcel.

**Sale #450**

Grazing tracts with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There was no water on inspection. There is partial perimeter fencing in unusable condition. Not accessible to the public as the parcel is surrounded by private land.

**Sale #451**

Small tract with moderately steep rolling native rangeland. Terrain ranges from undulating to hilly with steep slopes. No water was visible at the time of inspection. There is partial perimeter fencing on the tract in good condition. The parcel appeared productive with a good stand of grass after recent rains.

**Sale #452**

Small tract with moderately rolling native rangeland. There is no stock water on the parcel although a small drainage traverses the parcel. There is perimeter fencing. Accessible to the public on section line road. Sale #452 includes portions that could be broken for dry crop land but is being valued as pasture do to extensive costs to change the land from pasture to dry crop.

**LOCATION AND DESCRIPTION CONTINUED**

**Sale #453**

Small tract with moderately steep rolling native rangeland. Terrain ranges from undulating

to hilly with steep slopes. There was no water on inspection. There is partial perimeter fencing in unusable condition. Not accessible to the public as the parcel is surrounded by private land. The parcel appeared productive with a good stand of grass after recent rains.

**Sale #454**

Grazing tract with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from hilly to nearly level. No water was visible at the time of inspection. There is partial fencing on the tract in good condition although it is part of a larger pasture unit. Not accessible to the public as the parcel is surrounded by private land. A majority of the parcel is encompassed by a large flat area of poor soils and sparse vegetation.

**Sale #455**

Grazing tracts with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There is no stock water on the parcel. There is no fencing. Not accessible to the public as the parcel is surrounded by private land. Marginally useful with steep coulee encompassing a majority of the parcel with poor soil types. Not currently being used for grazing.

**Sale #456**

Grazing tract with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There was no water on inspection. There is no perimeter fencing. Not accessible to the public as the parcel is surrounded by private land. Although the parcel contains useable areas, most of this parcel is steep and unusable.

**Sale #458**

Grazing tract with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There was no water on inspection. There is no perimeter fencing. Not accessible to the public as the parcel is surrounded by private land. Although the parcel contains useable areas, most of this parcel is steep and unusable.

**Sale #512**

Grazing tract with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There was no water on inspection. There is no perimeter fencing. Not accessible to the public as the parcel is surrounded by private land. Although the parcel contains useable areas, most of this parcel is steep and unusable.

**Sale #536**

Grazing tract with steep rolling native rangeland, dominated by breaks/badlands with many of the acres classified as unsuitable range capabilities. Terrain ranges from undulating to hilly with steep slopes. There was no water on inspection. There is no perimeter fencing. Not accessible to the public as the parcel is surrounded by private land. Although the parcel contains useable areas, most of this parcel is steep and unusable.

## **PROPERTY DESCRIPTION CONTINUED**



Average annual precipitation is 10-12 inches. Productivity is estimated at about 5-10 acres per AUM on the pasture portions.

### *UTILITIES*

Public electrical and telephone are not on the subject but are available on nearby tracts and along the county roads.

### *HAZARDOUS MATERIAL AND TOXIC WASTE*

No suspected hazardous materials or toxic waste were observed during the inspection. It is assumed that the subject property is in full compliance with all applicable federal, state and local environmental regulations and laws, however, the appraiser is not an environmental expert and has no expertise or training in this field. It is possible that tests and environmental experts would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value. The client is encouraged to contact an expert in this field if there are any concerns.

### *PRIOR SALES HISTORY*

No sales of the subject property have occurred in the past 3 years.

### *FLOOD PLAIN*

No areas of the subject are located in a flood zone.

### *PREDOMINANT SOILS*

224E	Hillon-Joplin Loams, 8-25% slopes, Capability Class 4E, Forage potential 1000-1800 lb/acre. Silty Range Site.
22F	Hillon Loam, 25-60% slopes, Capability Class 7E, Forage potential 850-1450 lb/acre. Thin Silty Range Site.
421C	Joplin-Hillon Clay Loams, 2-8% slopes, Capability Class 3E, Forage potential 1000-1800 lb/acre. Silty Range Site.
38B	Ethridge Silty Clay Loam, 0-4% slopes, Capability Class 4E, Clayey range site, Forage potential 900-1800 lb/acre.
441C	Kevin-Hillon Clay Loams, slopes, Capability Class 3E, 4E, Silty range site, Forage potential 1000-1800 lb/acre.
98B	Kremlin Loam, 0-4% slopes, Capability Class 3E, Forage potential 900-1700lb/acre. Silty Range Site.
311B	Furd-Creed-Gerdrum Complex, 0-4% slopes, Capability Class 3E-4S-6S, Forage potential 500-1800lb/acre. Silty, ClayPan Range Site.
503B	Telstad-Joplin Loam, 0-4% slopes, Capability Class 3E, Forage potential 1000-1800lb/acre. Silty Range Site
200F	Badland , No forage potential given.

## **PROPERTY DESCRIPTION (continued)**

795C	Yamacall- Benz Clay Loams, 2-8% slopes, Forage potential 200-1800 lb/acre. Silty Range Site.
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78A	Lost River, 0-4% slopes, Forage potential 100-250 lb/acre. Saline Upland Range Site.
331B	Phillips Elloam Complex, 0-4% slopes, Capability Class 3E-6S, Forage potential 200-1800 lb/acre. Silty Range Site.
974F	Neldore –Hillon Complex, 2-8% slopes, Shallow Clay and Thin Silty Range Site. Forage potential 300-1450 lb/acre.
801B	Williams Vida Clay Loams, 0-4% slopes, Silty Range Site. Forage potential 1500-2500 lb/acre. Silty Range Site.
561B	Scobey-Kevin Clay Loams, 0-4% slopes, Capability Class 3E, Forage potential 900-1800 lb/acre. Silty Range Site.

Growing season in the subject area is 105-125 days. Pasture land productivity on the subject is estimated at 5 acres per AUM for the overall for the purpose of this analysis. Soils on the subject property have fair to good productivity as agricultural land. Soils on the subject are well drained. Erosion hazards are moderate. All soils types require careful management to obtain optimal production. Soils map and legend summary is found on the following pages.

#### *MARKETING PERIOD*

Marketing period for the subject property is estimated to be six months to one year, which is a reasonable time, determined by sales in the area.

#### *CURRENT MARKETING CONDITIONS AND TRENDS*

Marketing conditions indicate that there are qualified buyers willing and able to be active in the market. Market value of land in the area shows increase in the last two year period.

#### *FUEL TANKS AND GARBAGE DUMPS*

No above ground or below ground fuel tanks were observed on the property. No garbage dumps were observed.

#### *HAZARDS AND DETRIMENTS*

The main hazard of the subject area consists of extreme climate problems such as severe winters, hot summers, high velocity winds, drought and natural phenomena inherent in northern Montana. These hazards affect local areas in varying degrees.

#### *ZONING, MINERAL RIGHTS AND EASEMENTS*

The subject property is classified as agricultural land. A title search was not conducted. No apparent easements are noted. Mineral rights, if any, are not within the scope of this appraisal.

## COMPARABLE SALES APPROACH

A search of the market was made to find recent sales that are similar to the subject property. The area in Hill County near the subject parcels primarily consists of large acreage tightly held family farm and ranch properties. These properties seldom become available on the open market. Some of the sellers appear to be out of state land owners who have acquired the land in an estate. No small tract grazing parcel sales were found. The Sales used are the most comparable and closest in proximity to the subject property that are available to the appraiser. Information on sales data from comparable sales is adjusted to arrive at an opinion of market value for the subject property. Information is gathered from sources deemed reliable, however it is not guaranteed.

### SALE # 1

Seller:

Buyer:

Sale Price: \$421,750

Sale Date: 12/06 and 4/07

Terms: Cash to Seller

Document:

County: Hill

Confirmed: Appraiser

1279.00 Acres Native Range	@ \$250/acre	= \$319,750
300.00 Acres Improved Grass	@ \$340/acre	= \$102,000
<u>2.29 Acres Waste</u>	<u>@ \$-0-/acre</u>	<u>= -0-</u>
1581.29 Total Deeded Acres		\$421,750

### **Legal Description:**

Located 21 miles north of Havre, Hill County Montana north of Fresno Reservoir. County Road access. Current and past use is native range pasture. Moderately rolling terrain that is perimeter and cross fenced. Reservoir , well in Section with waterline. No building improvements. Sold to current Seller in December, 2003 for \$232,000, a 44.99% increase in 3 years. This sale is the only pure pasture sale found in the reasonably near area of the subject parcels.

## COMPARABLE SALES APPROACH (continued)

### SALE # 2

Seller:  
Buyer:  
Sale Price: \$615,000  
Sale Date: 4/06  
Terms: Cash to Seller  
Document:  
County: Liberty County  
Confirmed: Buyer  
HBU: Agricultural

1115.60 acres C. R. P.	@ \$410/acre = \$457,396
910.40 acres Pasture	@ \$171/acre = \$155,678
<u>5.00 acres Farmstead</u>	<u>@ \$410/acre = \$ 2,050</u>
2031.00 Total Deeded Acres	\$615,214

### Legal Description:

This sale is located about 25 miles north of Joplin, Liberty County Montana. This sale has utilities available. The topography on this sale is rolling hills to ravines. Access to this sale is by county road. This sale is located in an agricultural area. The vegetation on this sale is some dry cropland currently in CRP with the remainder in native grass. The buyers were looking for deeded pasture closer to home. They had been renting pasture near Harlem at \$20+ an aum. Modest home, garage and grain storage, etc. given no value in sale.

## COMPARABLE SALES APPROACH (continued)

### SALE # 3

Seller:  
Buyer:  
Sale Price: \$32,500  
Sale Date: 1/08  
Terms: Cash to Seller  
Document: Liberty County  
Confirmed: Selling Agent  
HBU: Agricultural  
Document:

83 Acres Dry Cropland @ \$350/acre =	\$29,050
<u>41 Acres Native Pasture @ \$ 145/acre=</u>	<u>\$3,450</u>
124	\$32,500

### Legal Description:

This sale is located about 14 miles south of Chester. This sale has power available via overhead lines at the paved road that traverses the parcel. This sale has gently undulating topography. Access to this sale is from a from a paved road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grasses.

Long time lessee purchased property. It appeared obvious that this had an influence on the sale price at below market price. Pasture appeared to be fenced with lessee's bordering pasture. Small residual pasture of the crop land.

## COMPARABLE SALES APPROACH (continued)

### SALE # 4

Seller:  
Buyer:  
Sale Price: \$71,000  
Sale Date: 5/1/08  
Terms: Cash to Seller  
County: Liberty County  
Confirmed: Selling Agent  
HBU: Agricultural  
Document:

36 Acres Dry Cropland	@ \$450/acre =	\$16,200
<u>103.26 Acres Native Pasture</u>	<u>@ \$270/acre =</u>	<u>\$27,880</u>
139.26 Total Deeded Acres		\$44,080

Improvements	<u>\$26,920</u>
	\$71,000

### Legal Description:

Sale property is located about 2 miles southeast of Chester. Consists of two non contiguous parcels. This sale has power available via overhead lines. The sale has gently undulating topography. Access to this sale is from a gravel road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grass. Listed at \$80,000 on 3/26/08.

## COMPARABLE SALES APPROACH (continued)

### SALE # 5

Seller:

Buyer:

Sale Price: \$361,122

Sale Date: 2/06

Terms: Cash

County: Liberty

HBU: Agricultural

Document:

658.5 Acres Dry Crop @ \$415/acre	=	\$273,278
177.6 Acres CRP @ \$415/acre	=	\$ 73,704
96.1 Acres Pasture @ \$147/acre	=	\$ 14,127
<u>27.8 Waste @ \$ -0-/acre</u>	=	<u>\$ -0-</u>
960.0 Total Deeded Acres		\$361,108

No Improvements.

Legal Description:

Sale located 3 miles south of Chester. Access by paved highway, county roads and section lines. This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. Motivation for this sale was agricultural use.

## COMPARABLE SALES APPROACH (continued)

### SALE # 6

Seller:

Buyer:

Sale Price: \$320,000

Sale Date: 5/23/07

Terms: Cash to seller

County: Hill

HBU: Agricultural

Deed

Reference: Buyer

447.28 Acres Dry Crop Land	@ \$500/acre	=	\$ 223,640
125.00 Acres Breakable Grass	@ \$500/acre	=	\$ 62,500
<u>66.97 Acres Native Grass, Farmstead</u>	<u>@ \$500/acre</u>	<u>=</u>	<u>\$ 33,485</u>
<b>639.25 Total Deeded Acres</b>	<b>@ \$500/acre</b>	<b>=</b>	<b>\$ 319,625</b>

No Improvements of Value

**639.25 Total Deeded Acres @ \$500/acre = \$320,000**

Legal Description:

Sale is located approximately 8 miles north of Havre, MT. Topography is gently rolling. Access is by gravel road 2½ mile off paved road. The breakable grass was broken shortly after purchase. Currently in use as dry cropland. Sale was advertised and exposed to open market in the Havre newspaper. Buyer stated and was adamant that the sale was \$500/acre straight across on all acres, including waste, breakable grass, native grass and old farmstead.



## COMPARABLE SALES APPROACH (continued)

### SALE # 7

Seller:

Buyer:

Sale Price: \$1,095,000

Sale Date: 12/07

Terms: Cash to seller

County: Hill

HBU: Agricultural

Deed

Reference: Selling Agent

71.9 Acres Dry Crop Land	@ \$708/acre	= \$ 50,905
950.2 Acres C.R.P.	@ \$708/acre	= \$ 672,742
524.63 Acres Native Grass,	@ \$708/acre	= \$ 371,438
<b>1546.73 Total Deeded Acres</b>	<b>@ \$708/acre</b>	<b>= \$ 1,095,085</b>

No Improvements of Value

**639.25 Total Deeded Acres @ \$708/acre = \$ 1,095,000**

Legal Description:

Sale is located approximately 14 miles north of Inverness, MT. Topography is gently rolling. Access is by gravel county road. Rolling with Little Sage drainage. Intermittent stock water in drainage.

## COMPARABLE SALES APPROACH (continued)

## SALE # 8

Seller:

Buyer:

Sale Price: \$725,000

Sale Date: 2/07

Terms: Cash to seller

County: Hill

HBU: Agricultural

Deed

Reference: Selling Agent

257.00	Acres Dry Crop Land	@ \$726/acre =	\$ 186,582
729.28	Acres Native Range	@ \$726/acre =	\$ 529,457
12.00	Acres Wild Hay	@ \$726/acre	\$ 8,712
1.00	Acres Farmstead	@ -0- /acre =	\$ -0-
<b>998.28 Total Deeded Acres</b>		<b>@ \$726/acre =</b>	<b>\$ 724,751</b>

No Improvements of Value

**998.28 Total Deeded Acres @ \$726/acre = \$ 725,000**

Legal Description:

Sale is located approximately 7 miles southwest of Havre, Hill County Montana. Topography is rolling native range. Access is by gravel county road. Stock water in Beaver Creek and springs. Main portion is south of MSU Ag Experiment Station. 120 acres bordered park and was resold at \$2000/acre.

## **COMPARABLE SALES APPROACH (continued)**

### SALE # 9

Seller:  
 Buyer: .  
 Sale Price: \$2,100,000  
 Sale Date: 5/07  
 Terms: Cash to seller  
 County: Hill  
 HBU: Agricultural  
 Deed  
 Reference: Buyer

529.9 Acres Dry Crop Land	@ \$600/acre	= \$ 317,940
2845.76 Acres Native Range	@ \$475/acre	= \$1,351,736
14.00 Acres Farmstead	@ \$600/acre	= \$ 8,400
1.00 Acres Farmstead	@ \$10000 /acre	= \$ 10,000
<b>3390.66 Total Deeded Acres</b>	<b>@ \$498/acre</b>	<b>= \$ 1,688,076</b>

Improvements		= \$ 234,000
Cows/ Calfs 130 head	@ \$1100/head	= \$143,000
Equipment/ Machinery		= \$ 30,000
<b>Total</b>		<b>= \$2,095,076</b>

Legal Description:

## COMPARABLE SALES APPROACH (continued)

SALE # 10

Seller:  
 Buyer:  
 Sale Price: \$1,600,000  
 Sale Date: 1/08  
 Terms: Cash  
 County: Hill

1518.40 Acres Dry Crop Land	@ \$720/acre	=	\$1,093,248
315.60 Acres Improved Grass	@ \$540/acre	=	\$ 170,424
61.10 Acres Native Range	@ \$300/acre	=	\$ 18,330
<u>10.00 Acres Farmstead</u>	<u>@ \$720/acre</u>	<u>=</u>	<u>\$ 720</u>
<b>1905.10 Total Deeded Acres</b>			<b>\$1,289,202</b>

Improvements (dwelling, labor houses, 5 grain bins, 2 quonsets, shop and barn)	\$ 114,000
State Lease Crop land 159.10 acres @ \$150/acre	\$ 23,865
Growing Crop	\$ 147,933
Equipment	<u>\$ 25,000</u>
	<b>\$1,599,820</b>

**Legal Description:**

Location of sale is north of Box Elder. Access is by US Hwy #87 which traverses the property. Buyers looking to expand. Moderately rolling topography. Eleven wells and a reservoir.

**COMPARABLE SALES APPROACH (continued)**

Sale	Sale Price	Total Acres	Per Acre	Loca- tion	Lease	Imps	Cows	Equip	Crop	Mix	Per /Acre
#1	\$421,750	1581	\$267	----	----	----	----	----	----	-17	\$250
#2	\$615,214	2031	\$303	----	----	----	---	----	----	-132	\$171
#3	\$32,500	124	\$304	----	----	----	----	----	----	-159	\$145

#4	\$71,000	139	\$511	----	----	-193	----	----	----	- 47	\$270
#5	\$361,108	960	\$376	----	----	----	----	----	----	-183	\$147
#6	\$320,000	639	\$500	----	----	----	----	----	----	-0-	\$500
#9	\$1,688,076	3391	\$618	----	----	-69	-42	-9	----	-19	\$475
#10	\$1,599,820	1905	\$840	----	-13	-60	----	-13	-78	-377	\$300

**OPINION OF VALUE FROM COMPARABLE SALES APPROACH**  
**719.99 acres @ \$ 207.78/acre = \$149,600**

*Reconciliation of Comparable Sales Approach*

Adjusted sales values range from \$145/acre to \$500/acre. No small tract native pasture sales were found in the market area. The opinion of value of the subject property is \$207.78/acre. **Sale #452** is nearly surrounded by dry crop land and the majority appears to be breakable but is being valued at the more productive pasture value of \$250/acre due to extensive costs to change the land from pasture to dry crop. **Sales #454, #455, #456, #458, #512 & #536** are very remote, marginally useable, steep and very remote. However they also contain useable areas. The opinion of value of **Sales #454, #455, #456, #458, #512 & #536** is \$145/acre, which is the lowest recent pasture value found in the area. **Sale #449** is close to Comp. Sale #1 in location and is being given higher value as it borders Dry Crop land and there is some development in the area with a new structure being built adjacent to it. The opinion of value of **Sale #449** is \$250/acre. **Sales #450** is very remote, marginally useable, and steep. However it also contains useable areas. The opinion of value of **Sales #450** is \$145/acre, which is the lowest recent pasture value found in the area. **Sales #451 and #453** are close to Comp. Sale #1 in location and production. The parcels are fenced and appeared productive. The opinion of value of **Sales #451 and Sales #453** is \$250/acre. **Sales #191 and #448** are close to Havre in location. Both sales are in areas of good rainfall and production. Sale #191 is fenced and both parcels appeared productive. The opinion of value of **Sales #191 and Sales #448** is \$250/acre.

Adjustments were made on the following basis:

IMPROVEMENTS: The per acre difference in value considering the improvement values of the sales compared to the subject.

MIX: The per acre difference in value considering the mix of land types.

(Cropland, CRP, Pasture, Recreational, etc.) comparing the subject to the sales.

**COMPARABLE SALES APPROACH (continued)**

## **OPINION OF MARKET VALUE FROM COMPARABLE SALES APPROACH**

<b>Sale #191</b>	<u>160</u> Acres Pasture	@ \$250/acre = <b>\$40,000</b>
<b>Sale #448</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #449</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #450</b>	<u>40</u> Acres Pasture	@ \$145/acre = <b>\$ 5,800</b>
<b>Sale #451</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #452</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #453</b>	<u>71.29</u> Acres Pasture	@ \$250/acre = <b>\$17,800</b>
<b>Sale #454</b>	<u>40</u> Acres Pasture	@ \$145/acre = <b>\$ 5,800</b>
<b>Sale #455</b>	<u>39.57</u> Acres Pasture	@ \$145/acre = <b>\$ 5,700</b>
<b>Sale #456</b>	<u>44.34</u> Acres Pasture	@ \$145/acre = <b>\$ 6,400</b>
<b>Sale #458</b>	<u>40</u> Acres Pasture	@ \$145/acre = <b>\$ 5,800</b>
<b>Sale #512</b>	<u>44.79</u> Acres Pasture	@ \$145/acre = <b>\$ 6,500</b>
<b>Sale #536</b>	<u>40</u> Acres Pasture	@ \$145/acre = <b>\$ 5,800</b>

**Total     719.99 Acres Pasture @ \$207.78/acre = \$149,600**

## **INCOME APPROACH**

The income approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop share lease arrangement is projected, and income is projected on the subjects production capability. The landowners typical expenses are estimated. The net income is then divided by the capitalization rate to arrive at the earnings value.

Income for dry crop is estimated 50% crop rotation at 30 bu/acre for wheat, and \$9.00/bushel. Land owner's share is 1/3. Income for pasture land is estimated at 7 ac/aum at \$20/aum. Land owner's share is 100%. CRP income \$35/acre minus \$2.50/acre for maintenance. Improved Grass estimated at 3 ac/aum at \$20/aum. Land owner's share is 50%. Management fee is estimated at 5% of gross income. Real estate taxes are not considered.

All figures in the income approach chart are rounded up from .50 and down from .49.

## INCOME APPROACH DATA CAPITALIZATION RATE

	Date	Sales	Total	Dry	Native	CRP/	Gross	Net	Cap.
Sale	of Sale	Price	Acres	Crop	Grass	ImpGrass	Income	Income	Rate
#1	4/07	\$421,750	1581	----	1279	300	\$5,654	\$5,371	1.27%
#4	5/08	\$ 71,000	139	36	103	----	\$1,914	\$1,818	2.56%

## *Income from Land Resources*

Crop	Acres	Yield /Acre	Amount	Price /Unit	Gross Income	Owner Share	Value
Pasture	<b>719.99</b>	7ac/aum	102.85aum	\$20.00	\$2,057	100%	<u>\$2,057</u>
	<b>719.99</b>	<b>TOTAL DEEDED ACRES</b>			<b>GROSS INCOME</b>		<b>\$2,057</b>

### *Expense*

Management Fee	(5%)	\$ 103
	<b>TOTAL EXPENSE</b>	<b>\$ 103</b>

NET INCOME -\$ 103  
**\$ 1,954**

Capitalization Rate 1.27%

Capitalization Value = Net Income \$ 1,954 ÷ Cap Rate .0127 = \$ 153,858

## **OPINION OF VALUE FROM INCOME APPROACH ROUNDED \$ 153,900**

The capitalization rate of 1.27% is used based on the pure pasture income of Sale #1, the only representation of pure pasture income from the comparable sales.

The capitalization rate of 1.27% cannot be projected into perpetuity due to variation in weather, yields, market values, government payments, etc.

The opinion of value from the Income approach supports the value derived from the Sales Comparison Approach within 2.87%.

## **COST APPROACH (SUMMATION)**

The cost approach (summation) considers the contributory value of the land in individual uses. Data abstracted from the comparable sales was used to determine abstracted values for the cost approach.

## **VALUATION OF LAND SEPARATED BY PARCEL**



**Sale #191** 160 Acres Pasture @ \$250/acre = **\$40,000**  
**Sale #448** 40 Acres Pasture @ \$250/acre = **\$10,000**  
**Sale #449** 40 Acres Pasture @ \$250/acre = **\$10,000**  
**Sale #450** 40 Acres Pasture @ \$145/acre = **\$ 5,800**  
**Sale #451** 80 Acres Pasture @ \$250/acre = **\$20,000**  
**Sale #452** 40 Acres Pasture @ \$250/acre = **\$10,000**  
**Sale #453** 71.29 Acres Pasture @ \$250/acre = **\$17,800**  
**Sale #454** 40 Acres Pasture @ \$145/acre = **\$ 5,800**  
**Sale #455** 39.57 Acres Pasture @ \$145/acre = **\$ 5,700**  
**Sale #456** 44.34 Acres Pasture @ \$145/acre = **\$ 6,400**  
**Sale #458** 40 Acres Pasture @ \$145/acre = **\$ 5,800**  
**Sale #512** 44.79 Acres Pasture @ \$145/acre = **\$ 6,500**  
**Sale #536** 40 Acres Pasture @ \$145/acre = **\$ 5,800**

**Total    719.99 Acres Pasture @ \$ 207.78 /acre = \$149,600**

## **OPINION OF VALUE FROM COST APPROACH**

**\$ 149,600**

The opinion of value from the Cost approach supports the value derived from the Sales Comparison Approach.

## FINAL CONCLUSION TO VALUE

It is concluded after consideration of all available data that the final estimate of value from the three approaches are:

Comparable Sales Approach	\$ 149,600
Income Approach	\$ 153,900
Cost Approach	\$ 149,600

### *RECONCILIATION AND OPINION OF VALUE*

The three value indicators for the subject property are relatively similar.

The Income Approach relies on the income producing potential of the subject as the basis for its value and supports the opinion of value by Comparable Sales Approach. The capitalization rate of the subject would not be attractive to a long term investor, without an increase in land value. The most likely purchaser would be an owner-operator or a government entity. Thus, less credence is given to the Income Approach in arriving at a final value opinion.

A search of the market was made for similar sales within a reasonable distance from the subject property. Although the sales used for the Comparable Sales Approach are not as similar to the subject as they could ideally be, they are an indicator of the value of pasture land in the area. It is concluded that the Comparable Sales Approach has the most credence.

Based on the foregoing, the final opinion of market value for the subject property as of 6/25/08 is **\$149,600**.

## FINAL CONCLUSION TO VALUE CONTINUED

The undersigned hereby certifies that to the best of his knowledge and belief, the statements contained in the appraisal report are correct. The opinions stated herein are based on a careful inspection of the property and assembly of all pertinent facts. The undersigned has neither present nor contemplated interest in the appraised property.

The appraisal assignment was not based on a requested minimum valuation, specific valuation, or the approval of a loan.

After weighing all the factors herein reported, to the best of his knowledge and belief, it is the appraisers opinion that the present market value of the subject property, as of 6/25/08, described in the foregoing appraisal is as follows.

### Opinion of Market Value

<b>Sale #191</b>	<b>160</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$40,000</b>
<b>Sale #448</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$10,000</b>
<b>Sale #449</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$10,000</b>
<b>Sale #450</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 5,800</b>
<b>Sale #451</b>	<b>80</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$20,000</b>
<b>Sale #452</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$10,000</b>
<b>Sale #453</b>	<b>71.29</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$17,800</b>
<b>Sale #454</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 5,800</b>
<b>Sale #455</b>	<b>39.57</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 5,700</b>
<b>Sale #456</b>	<b>44.34</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 6,400</b>
<b>Sale #458</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 5,800</b>
<b>Sale #512</b>	<b>44.79</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 6,500</b>
<b>Sale #536</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$145/acre = \$ 5,800</b>

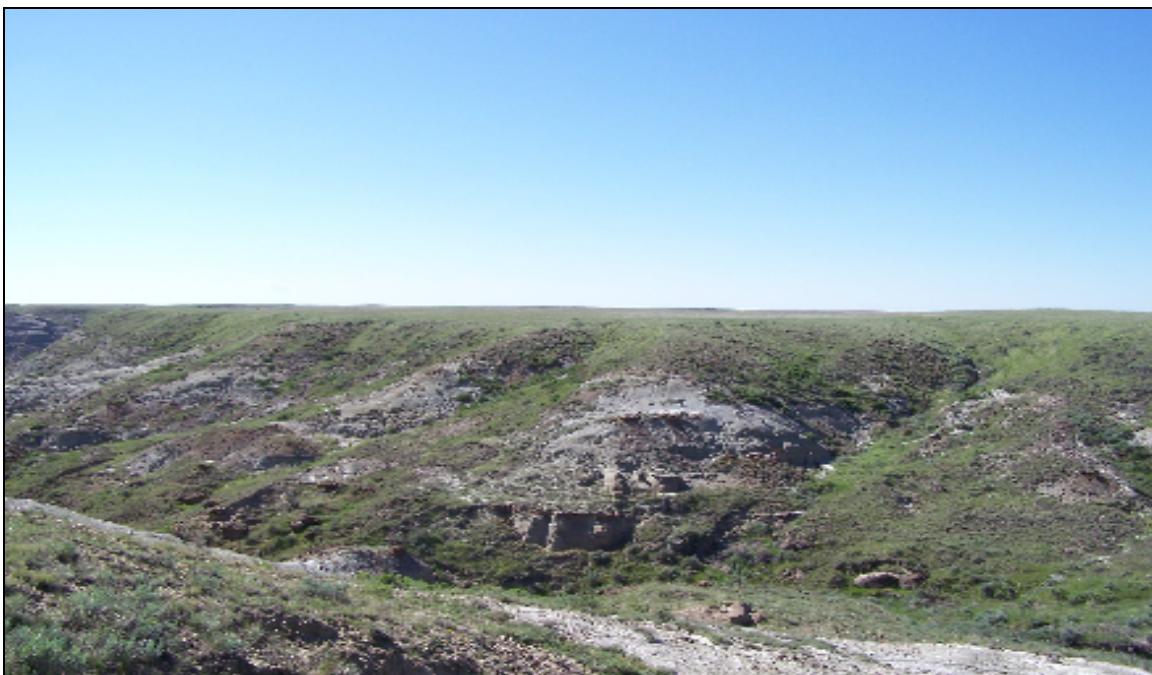
**TOTAL = \$149,600**

Respectfully submitted,

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John C. Helmbrecht  
Montana Certified General Appraiser

**SUBJECT PHOTO**



Sale #455 Looking southeast into steep area.



Sale #455 Looking east at useable portion of subject from northwest corner.

## **SUBJECT PHOTOS**





Sale #452 From Northwest corner looking south with bordering dry crop in the background.



Sale #452 From north fence looking southeast with shallow drainage in background.

## **SUBJECT PHOTOS**



Sale #536 Looking southeast through useable area.



Sale #536 Breaks area.

## **SUBJECT PHOTOS**





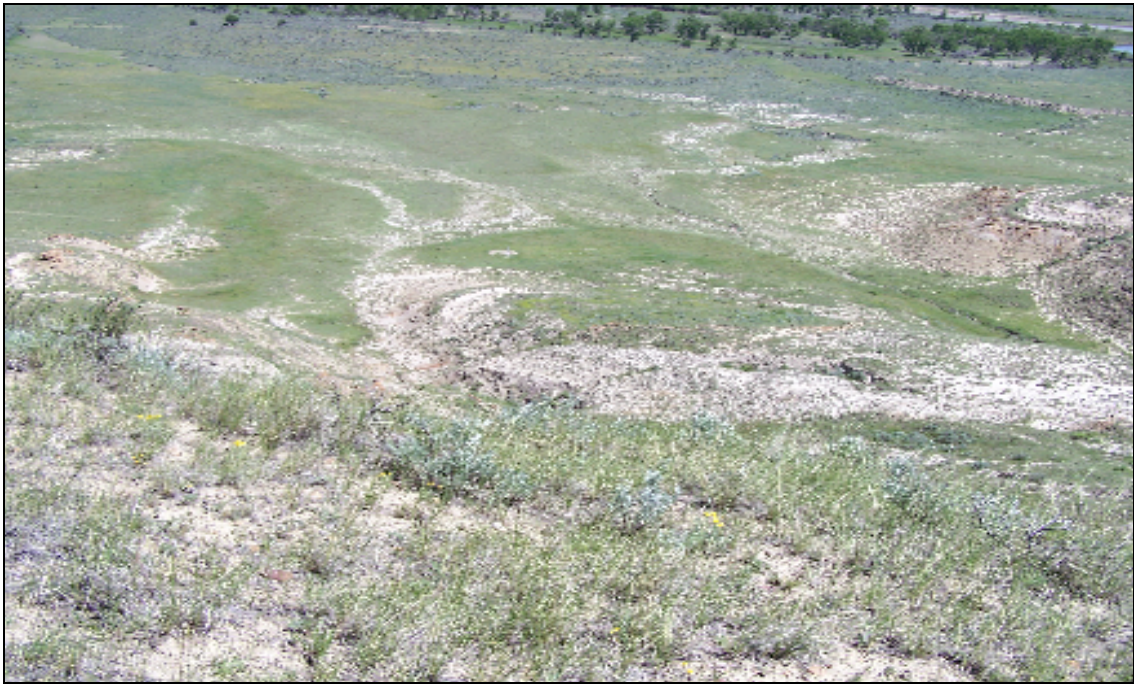
Sale #512 Looking west through breaks area.



Sale #512 Useable area.

## **SUBJECT PHOTOS**





Sale #456 Looking north through breaks area into Canada.



Sale #456 Useable area.

## **SUBJECT PHOTOS**





Sale #458 Looking northeast from ¼ mile away.



Sale #458 Breaks area.

## **SUBJECT PHOTOS**



Sale #449 Looking north toward farmstead that borders parcel.



Sale #449 Looking west through steep area.

## **SUBJECT PHOTOS**





Sale #450 Looking west on useable portion of parcel.



Sale #450 Looking north though breaks portion of parcel.

## **SUBJECT PHOTOS**





Sale #451 Looking east from gravel road.



Sale #451 Looking north along road.

## **SUBJECT PHOTOS**



Sale #453 Looking south from north border.



Sale #453 Looking southwest from north border.

## **SUBJECT PHOTOS**





Sale #454 Sparse vegetation in bottom area.



Sale #454 Looking north from northeast corner.

## **SUBJECT PHOTOS**



Sale #448 Looking west from east fence.



Sale #448 Looking south from east fence.

## **SUBJECT PHOTOS**





Sale #191 Looking north through coulee area.



Sale #191 Looking southwest at bordering dry crop.

Helmbrecht Appraising,LLC.



C.J. "Speck" Helmbrecht  
John C. Helmbrecht  
Shelley A. Shelden  
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## **CHARLES J. HELMBRECHT**

### **MEMBERSHIP**

American Society of Farm Mgrs. And Rural Appraisers 1986-1999  
National Association of Real Estate Appraisers 1990-1996 CREA  
Montana Real Estate Broker/Owner  
Montana Certified General Appraiser # 125  
National Assoc. of Master Appraisers, MSA

### **EDUCATION**

Northern Montana College: 2 year General Business  
How to Establish the Market Value of Agricultural Land Course.  
October 1978 test passed, sponsored by Farm & Land Institute of  
National Realtors Assoc.

#### Residential Appraisal Seminar

Test passed May 1979

Presented by the American Institute of Real Estate Appraisers of the  
National Association of Realtors.

#### Courses Presented by the American Society of Farm Managers and Rural Appraisers:

- 1) Cost Approach to Value, Functions of the Dollar, Eminent Domain and  
Report Writing. St. Louis, MO.  
January 19-23, 1987. Successfully completed.
- 2) Fundamentals of Rural Appraising, Omaha, NE.  
February 9-13, 1987. Successfully completed.
- 3) Standards & Ethics, Bozeman, MT.  
October 24-26, 1990. Successfully completed.
- 4) General Certification, Bozeman, MT.  
October 30 - November 1, 1991. Successfully completed.
- 5) Standard & Ethics, Billings, MT.  
March 7-9, 1994. Successfully completed.
- 6) Environmental Seminar, Helena, MT  
June 25, 1994. Continuing education.
- 7) Income Capitalization (Part I), Unleveraged, Billings, MT  
September 25-28, 1996. Continuing education.
- 8) Yellow Book-Uniform Appraisal standards for Federal Land  
Acquisitions  
June 12, 2002. Continuing education.

## **EDUCATION (continued)**

### Courses Presented by the National Association of Independent

#### Fee Appraisers:

- 1) Market Data Analysis of Residential Real Estate Appraising, Helena, MT. March 11-14, 1992. Successfully completed.
- 2) Standard & Ethics, USPAP, Helena, MT February 7-8, 1997. Successfully completed.
- 3) Alternative Appraisal Report Forms, Polson, MT June 5, 1999. Continuing education.
- 4) 1.5C Small Income Property Appraisals February 28, 2003, Helena, MT. Continuing education.

### Course Presented by McKissock Data Systems Appraisal Schools

- 1) Introduction to Environmental Considerations, Helena, MT February 5, 1998. Continuing education.
- 2) USPAP, Billings, MT February 16-17, 2000. Successfully completed.
- 3) Factory Built Housing, Billings, MT February 18, 2000. Continuing education.
- 4) Regression Analysis, Billings, MT February 19, 2000. Continuing education.
- 5) Disclosures and Disclaimers Feb 6, 2006 Continuing education.
- 6) Fair Housing Feb 7, 2006 Continuing education.

### Course Presented by Montana Ag Lenders Range School

- 1) Sweet Grass Hills, Toole & Liberty County June 27-30, 1993. Successfully completed.

### The International Association of Assessing Officers

- 1) Valuing Property Affected by Environmental Contamination, IAAO 252, September 30, 2003, Missoula, MT, Continuing education.

### Montana Real Estate Institute

- 1) Uniform Standards of Professional Appraisal Practice  
November 6-7, 2003, Missoula, MT, Successfully completed.

#### Dave Shoemaker's School of Real Estate Appraisal

USPAP 11/05

Successfully completed

#### Dave Shoemaker's School of Real Estate Appraisal

Advanced Writing 11/05

Successfully completed

## **EMPLOYMENT HISTORY**

- 1) Federal Housing Administration; Panel Appraiser; 1986 to 1990.
- 2) Farmers Home Administration; Contract Appraiser; 1985 to 1995.
- 3) Anderson Appraising; 1986 to 1995.
- 4) Helmbrecht Appraising; 1995 to present.
- 5) Helmbrecht Realty; Broker/Owner; 1984 to present.
- 6) Northern Land & Realty; Broker/Associate; 1983 to 1984.
- 7) Helmbrecht Realty; Broker/Owner; 1980 to 1983.
- 8) Century 21/ Prairie Realty; Salesman/Broker Associate; 78-79.
- 9) Witt & Loranger Realty; Salesman; 1971 to 1978.

## **EXPERIENCE REFERENCES**

Bureau of Indian Affairs  
Rocky Mtn. Region  
Billings MT

Blaine Bank of Montana  
Box 129  
Chinook, MT 59523

Citizens Bank of Montana  
P.O. Box 831  
Havre, MT 59501

Farm Credit Services  
115 4th Avenue West  
Havre, MT 59501

Farmers Home Administration  
P.O. Box 850  
Bozeman, MT 59771

Farmers State Bank  
P.O. Box 727  
Conrad, MT 59425

1st Bank Havre  
P.O. Box 351  
Havre, MT 59501

First Bank Montana N.A.  
Mr. Marty Derrig  
Special Credits Department  
P.O. Box 30678  
Billings, MT 59115

**EXPERIENCE REFERENCES (continued)**

1st Security Bank of Glendive  
P.O. Box 891  
Glendive, MT 59330  
Contact: Bruce Munson

1st Security Bank  
P.O. Box 2090  
Havre, MT 59501

First State Bank  
Mr. Dan Ball  
Fort Benton, MT 59442

National 1st Mortgage  
3333 2nd Avenue N., Suite 110  
Billings, MT 59101

Norwest Bank - Region VIII  
Attention: Scott Godfrey, M.S. 8017  
P.O. Box 30058  
Billings, MT 59117

United Savings Bank  
410 3rd Avenue  
Havre, MT 59501  
Contact: Loyall Kisse

Western Bank  
Drawer 9  
Chinook, MT 59523

Internal Revenue Service  
ATTN: Karl G. Borchers  
IR-93-MW-RO-0850 Helena District  
501 Central Avenue  
P.O. Box 2047  
Great Falls, MT 59503

## EXPERIENCE REFERENCES (continued)

Van Barron  
Attorney at Law  
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135 3rd Avenue  
Havre, MT 59501

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419 4th Avenue  
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## **EXPERIENCE REFERENCES (continued)**

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Great Falls, MT 59403-1645

Bjarne Johnson  
Attorney at Law  
Great Falls, MT 59403-1645

Heritage Bank  
P.O. Box 2779  
Great Falls, MT 59403  
Attn: Gail Meyer

First Bank  
300 Central Ave.  
Great Falls, MT 59401  
Attn: Julie Semenza

Independence Bank  
P.O. Box 2090  
Havre, MT  
Farmer Mac  
Residential  
Attn: Marcy Reisenauer

1st National Bank of Lewistown  
P.O. Box 540  
Lewistown, MT 59457  
Attn: Pam Leppink

## **EXPERIENCE REFERENCES (continued)**

ATM Corporation of America  
345 Rouser Road, Bldg #5  
Coraopolis, PA 15108

Allstate Appraisal Review Services  
320 W. 202<sup>nd</sup> St.  
Chicago Heights, IL 60411  
Attn: Annmarie Gutchewsky

Chris Young  
Attorney at Law  
339 3<sup>rd</sup> St.  
Havre, MT 595901

USDA Farm Service Agency  
Montana State Office  
P.O. Box 670  
Bozeman, MT 59771  
Attn: Dick Deschamps

USDA Farm Service Agency  
District Office  
12 3<sup>rd</sup> St. NW, Ste 300  
Great Falls, MT 59404  
Randy Biehl, District Specialist

Superintendent, Blackfeet Agency  
Bureau of Indian Affairs  
Browning, MT 59417  
Attn: Roberta Arnoux

Lane Hauge, Attorney  
Hauge Law Offices, P.C.  
P.O. box 1440  
Havre, MT 59501

Davidson Trust Co.  
P.O. Box 2309  
Great Falls, MT 59401  
Attn: Toni Rose Ford

1<sup>st</sup> Security Bank of Malta  
P.O. Box 730  
Malta, MT 59538  
Gary Howell, President

## **JOHN C. HELMBRECHT**

### **EDUCATION**

Graduated Havre High School, Havre, Montana – 1983

Montana Tech. - 1983-1984

Northern Montana College - 1984

Courses Presented by the American Society of Farm Managers and Rural Appraisers:

Fundamentals of Rural Appraisal – (A-10) – Internet  
University of Missouri Columbia, Sept-Dec 2002  
Successfully completed.

Principals of Rural Appraisal – (A-20) – Internet  
University of Missouri Columbia, Sept-Dec 2004  
Successfully completed.

Mt. Real Estate Institute

USPAP 11/04

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

USPAP 11/05

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Advanced Writing 11/05

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Direct Capitalization of Income 3/06

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Yield Capitalization of Income 4/06

Successfully completed

Certified General Appraiser State Exam - Passed! 5/8/06

**EMPLOYMENT HISTORY**

HS Appraising - June, 2002 to 2006

Helmbrecht Appraising - 2006 to Present

Montana Licensed Appraiser Trainee # 738RET



**SHELLEY A. SHELDEN**

P.O. Box 236  
Hingham, MT 59528  
406-397-3129  
516-74-6138

**EDUCATION**

Graduated Havre High School, Havre, Montana – June 1976

Montana Certified General Appraiser #698

Courses Presented by the American Society of Farm Managers and Rural Appraisers:

1. Fundamentals of Rural Appraisal – (A-10) – Internet -  
University of Missouri Columbia, Feb. – May 2001  
Successfully completed.
2. Fundamentals of Real Estate Appraising – Missoula, MT -  
Montana Real Estate Institute, Sept 2001  
Successfully completed.
3. Advanced Writing Skills – Missoula, MT -  
Montana Real Estate Institute, Oct 2001  
Successfully completed.
4. Principles of Rural Appraisal – (A-20) – Internet -  
University of Missouri Columbia, Feb. – May 2002  
Successfully completed.
5. USPAP – Missoula, MT -  
Montana Real Estate Institute, Nov 2002  
Successfully completed.
6. Direct Capitalization – Missoula, MT -  
Montana Real Estate Institute, Nov 2002  
Successfully completed.
7. Yield Capitalization – Missoula, MT -  
Montana Real Estate Institute, Dec 2002  
Successfully completed.

**EMPLOYMENT HISTORY**

Helmbrecht Appraising - 1996 to 2001

HS Appraising – 2002 to 2004

Experience with both Helmbrecht Appraising and HS Appraising has included one-to-four family residential as well as agricultural properties.

MT State Dept. of Revenue Assessor and Appraiser ,

Liberty County - May 2004 to September 2006

Helmbrecht Appraising – September 2006 to present

## **DEFINITIONS**

### **MARKET VALUE**

"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:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and acting in what they consider their own best interests;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

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.

### **FAIR VALUE**

"Fair Value" is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell--i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. When a current sale is unlikely--i.e., when it is unlikely that the sale can be complete within 12 months--the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value. These cash flows include, but are not limited to, those arising from ownership, development, operation, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent knowledgeable purchaser under no necessity to buy would be willing to pay to purchase the property in a current sale.

## **DEFINITIONS (continued)**

### **LIQUIDATION VALUE**

The price that an owner is compelled to accept when a property must be sold without reasonable market exposure.

### **VALUE-IN-USE**

That amount at which the assets would equitably exchange between a willing buyer and a willing seller neither being under compulsion and both having reasonable knowledge of all relevant facts. This definition assumes that the appraised assets continue in their current use as part of an ongoing business.

### **VALUE-AS-VACANT**

The most probable price for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue influence or duress. The definition assumes that assets would be sold for an alternative use.

## MINIMUM APPRAISAL STANDARDS

Excerpted from: Vol.55 No. 165, Federal Register, Friday, August 24, 1990, Section 34.44 Appraisal Standards. Minimum Standards include:

- (a) All appraisals must:
1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply.
  2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
  3. Be based on the market value or other values as defined in the attached DEFINITIONS:
  4.
    - (i) Be written and presented in a narrative form.
    - (ii) Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate.
    - (iii) Provide detail and depth reflective of the complexity of the property appraised.
  5. Analyze and report in reasonable detail any prior sales of the property (on year prior for 1-4 family residential properties, or within three (3) prior years all other properties);
  6. Analyze and report current revenues, expenses, and vacancies on income producing properties rather than upon estimated or projected figures not supported by current market conditions;
  7. The report must include a reasonable marketing period for the property.
  8. Analyze current market conditions and trends that will effect the income, absorption, or value of the property;
  9. Report both the "as is" (using appropriate deduction and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value in use and liquidation value for owner-occupied property;
  10. Include in the USPAP-required certification an additional statement that: "the appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan";

## **MINIMUM APPRAISAL STANDARDS (continued)**

11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser's logic, reasoning, judgment, and analysis;
  12. Include a legal description of the subject property (in addition to the description required by USPAP);
  13. Identify and value separately any non-real estate items (personal property, fixtures) but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of market value;
  14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the elimination of any approach not used;
  15. The final report must contain an executed copy of the Appraisal Engagement Letter, together with all exhibits and attachments which reflect the appraiser's acknowledgment, understanding and acceptance of all instructions contained herein.
- (b) If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.