

# HELMBRECHT APPRAISING, LLC

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August 13, 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  
**Chouteau 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 July 16, 2008 is indicated at:

<b>Sale #399 = \$25,708</b>	<b>Sale #220 = \$24,000</b>	<b>Sale #427 = \$10,000</b>
<b>Sale #400 = \$20,000</b>	<b>Sale #407 = \$10,000</b>	<b>Sale #426 = \$10,000</b>
<b>Sale #401 = \$13,800</b>	<b>Sale #406 = \$10,000</b>	<b>Sale #432 = \$10,000</b>
<b>Sale #402 = \$20,000</b>	<b>Sale #413 = \$20,000</b>	<b>Sale #430 = \$10,000</b>
<b>Sale #404 = \$10,000</b>	<b>Sale #341 = \$10,000</b>	<b>Sale #429 = \$10,000</b>
<b>Sale #405 = \$10,000</b>	<b>Sale #421 = \$10,000</b>	<b>Sale #422 = \$10,000</b>
<b>Sale #408 = \$11,368</b>	<b>Sale #416 = \$10,000</b>	<b>Sale #433 = \$12,760</b>
	<b>Sale #428 = \$10,000</b>	<b>Sale #494 = \$ 9,730</b>
<hr/> <b>Total = \$297,400</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,

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Shelley A. Shelden  
Montana Certified General Appraiser #698

## TABLE OF CONTENTS

Letter of Transmittal

Letter of Transmittal . . . . .	1
Table of Contents. . . . .	2
Summary of Salient Facts. . . . .	3
Purpose of the Appraisal . . . . .	7
Distribution of Market Value. . . . .	7
Certification. . . . .	8
Statement of Assumptions & Limiting Conditions. . . . .	9
Highest and Best Use . . . . .	11
The Appraisal Process. . . . .	13
Scope of the Appraisal . . . . .	14
Intended Use of the Appraisal . . . . .	14
Intended User of the Appraisal. . . . .	14
Owner of Record and Legal Description . . . . .	15
General Area Data and Physical Characteristics. . . . .	18
Area Map	
Location Map	
Property Description. . . . .	20
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. . . . .	29
Income Approach. . . . .	45
Cost Approach. . . . .	47
Final Conclusion and Reconciliation. . . . .	48
Photos . . . . .	50
Appraisers Credentials . . . . .	73
Minimal Appraisal Standards . . . . .	84
<i>Addenda</i>	
Statement of Work	

## **SUMMARY OF SALIENT FACTS**

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	July 16, 2008
DATE OF REPORT:	August 13, 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. No other intended users are identified by the appraiser.
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. No other intended use is identified by the appraiser.
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 23 separate non-contiguous parcels of native range pasture in Chouteau County, Montana:

**Sale #399** is approximately 1 mile north of Square Butte, MT via paved Hwy #80, then approximately 3 miles east and south via dirt trail.

**Sale #400** is approximately 1 mile north of Square Butte, MT via paved Hwy #80, then approximately 6 miles east and south via dirt trail.

**Sale #401** is approximately 4 miles south of Square Butte, MT via paved Hwy #80, then approximately ½ mile west, then south via dirt trail.

**Sale #402** is approximately 6 miles south of Highwood, MT via paved 228, then approximately 1 mile east via dirt trail.

**Sale #404** is approximately ½ mile east of Fort Benton, MT via paved Hwy #80, then south approximately 1.5 miles via paved Highwood Road, then 2 miles south via dirt road, then 1.5 miles via dirt trail.

**Sale #405** is approximately ½ mile east of Fort Benton, MT via paved Hwy #80, then south approximately 4 miles via paved Highwood Road, then 4 miles south via paved Shonkin Road, then south and west approximately ¾ mile via dirt trail.

**Sale #408** is approximately 6 miles east of Loma, MT via dirt and gravel Loma Bridge Road, then 3 miles south via dirt road, then 1 mile south via dirt trail.

**Sale #220** is approximately 8 miles east of Carter, MT via dirt and gravel road, then 3 miles north via dirt and gravel road.

**Sale #407** is approximately 4.5 miles north of Carter, MT via dirt and gravel Buck Bridge Road, then ¾ mile east via dirt trail.

**Sale #406** is approximately 4.5 miles north of Carter, MT via dirt and gravel Buck Bridge Road, then 1 mile east via dirt trail.

**Sale #413** is approximately 5 miles northwest of Fort Benton, MT via paved Hwy #223, then 1.5 miles east and 1 mile north via dirt road and dirt trail.

**Sale #341** is approximately 2 miles south of Virgelle, MT via Virgelle Ferry and Big Ben Road, then 3.5 miles east and ½ mile north via Big Ben Road, then ½ mile north via dirt road.

**Sale #421** is approximately 18 miles south of Big Sandy, MT via paved Hwy #236, then east on dirt and gravel Eagleston Road, then 2 miles north via dirt road, then 1.5 miles north via dirt trail.

**Sale #416** is approximately 20 miles north of Fort Benton, MT via paved Hwy #223, then 1/2 mile west and 2 miles south via dirt and gravel Chimney Rock Road.

**Sale #428** is approximately 1 mile north of Warrick, MT via dirt and gravel road.



## SUMMARY OF SALIENT FACTS (continued)

### LOCATION (continued)

**Sale #427** is approximately 5 miles west of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile northeast via dirt trail.

**Sale #426** is approximately 3 miles north of Warrick, MT via dirt and gravel Warrick Road North, then approximately 1 mile north via dirt trail, then approx. ½ mile cross country.

**Sale #432** is approximately 4 miles south of Warrick, MT via dirt and gravel Warrick Road, then ½ mile east cross country.

**Sale #430** is approximately 3 miles south of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile east via dirt road, then 1.5 miles north via dirt trail.

**Sale #429** is approximately 3 miles south of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile east via dirt road, then 2 miles north via dirt trail.

**Sale #422** is approximately 18 miles north of Fort Benton, MT via paved Hwy #223, then 4.5 miles north via dirt and gravel road, then 1.5 miles east via dirt road, then 1 mile east and south via dirt trail.

**Sale #433** is approximately 26 miles south of Chester, MT via paved Hwy #223, then east 14 miles via dirt and gravel and dirt road, then 1.5 miles north and west via dirt trail.

**Sale #494** is approximately 26 miles south of Chester, MT via paved Hwy #223, then east 14 miles via dirt and gravel and dirt road, then 1.5 miles north and east via dirt trail

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.

## SUMMARY OF SALIENT FACTS (continued)

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 #399 which is 102.83 acres of native pasture, Sale #400 which is 80 acres of native pasture, Sale #401 which is 32 acres of native pasture and 8 acres of dry crop land, Sale #402 which is 80 acres of native pasture, Sale #404 which is 40 acres of native pasture, Sale #405 which is 40 acres of native pasture, Sale #408 which is 45.47 acres of native pasture, Sale #220 which is 80 acres of native pasture, Sale #407 which is 40 acres of native pasture, Sale #406 which is 40 acres of native pasture, Sale #413 which is 80 acres of native pasture, Sale #341 which is 40 acres of native pasture, Sale #421 which is 40 acres of native pasture, Sale #416 is 40 acres of native pasture, Sale #428 is 40 acres of native pasture, Sale #427 is 40 acres of native pasture, Sale #426 is 40 acres of native pasture, Sale #432 is 40 acres of native pasture, Sale #430 is 40 acres of native pasture, Sale #429 is 40 acres of native pasture, Sale #422 is 40 acres of native pasture, Sale #433 is 30 acres of native pasture and 10 acres of dry crop, Sale #494 is 38.92 acres of native pasture all in non-contiguous parcels in Chouteau County, MT.	
OPINION OF VALUE:	Comparable Sales Approach. . . . .	\$ 297,400
	Income Approach. . . . .	\$ 298,700
	Cost Approach. . . . .	\$ 297,400
FINAL OPINION OF VALUE:	<b>Total \$297,400</b>	

Sale #399 = \$25,708	Sale #407 = \$10,000	Sale #426 = \$10,000
Sale #400 = \$20,000	Sale #406 = \$10,000	Sale #432 = \$10,000
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Sale #408 = \$11,368	Sale #428 = \$10,000	Sale #494 = \$ 9,730
Sale #220 = \$24,000	Sale #427 = \$10,000	

## **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.

August 13, 2008

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Shelley A. Shelden  
Montana Certified General Appraiser #698

## **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 #401 also includes 8 acres of dry crop land.

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 Shelley A. Sheldon on July 14-16, 2008. All accessible areas of the property were inspected. Photographs were taken at the time of inspection.

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. No other intended use has been identified by the appraiser.

## **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. No other intended users have been identified by the appraiser.

## OWNERS OF RECORD AND LEGAL DESCRIPTION

### OWNERS OF RECORD

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

### LEGAL DESCRIPTION

#### **Sale #399**

Township 20 North, Range 13 East, M.P.M.

Section 6: Lots 3 and 4

Containing: 102.83 acres

#### **Sale #400**

Township 20 North, Range 13 East, M.P.M.

Section 9: N $\frac{1}{2}$ SE $\frac{1}{4}$

Containing: 80 acres

#### **Sale #401**

Township 20 North, Range 13 East, M.P.M.

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

Containing: 40 acres

#### **Sale #402**

Township 21 North, Range 7 East, M.P.M.

Section 32: W $\frac{1}{2}$ NE $\frac{1}{4}$

Containing: 80 acres

#### **Sale #404**

Township 23 North, Range 8 East, M.P.M.

Section 12: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

#### **Sale #405**

Township 23 North, Range 8 East, M.P.M.

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

Containing: 40 acres

#### **Sale #408**

Township 24 North, Range 11 East, M.P.M.

Section 4: Lot 4

Containing: 45.47 acres

#### **Sale #220**

Township 24 North, Range 5 East, M.P.M.

Section 17: S $\frac{1}{2}$ SW $\frac{1}{4}$

Containing: 80 acres

#### **Sale #407**

Township 24 North, Range 6 East, M.P.M.

Section 10: SE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

## LEGAL DESCRIPTION (continued)

### **Sale #406**

Township 24 North, Range 6 East, M.P.M.

Section 11: SW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

### **Sale #413**

Township 25 North, Range 8 East, M.P.M.

Section 28: W $\frac{1}{2}$ SW $\frac{1}{4}$

Containing: 80 acres

### **Sale #341**

Township 26 North, Range 12 East, M.P.M.

Section 21: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

### **Sale #421**

Township 26 North, Range 15 East, M.P.M.

Section 29: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

### **Sale #416**

Township 26 North, Range 7 East, M.P.M.

Section 18: NE $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

### **Sale #428**

Township 27 North, Range 16 East, M.P.M.

Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

### **Sale #427**

Township 27 North, Range 16 East, M.P.M.

Section 16: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

### **Sale #426**

Township 27 North, Range 16 East, M.P.M.

Section 2: SE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

### **Sale #432**

Township 27 North, Range 17 East, M.P.M.

Section 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

### **Sale #430**

Township 27 North, Range 17 East, M.P.M.

Section 28: NW $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

## **LEGAL DESCRIPTION (continued)**

### **Sale #429**

Township 27 North, Range 17 East, M.P.M.

Section 21: NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

### **Sale #422**

Township 27 North, Range 7 East, M.P.M.

Section 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

### **Sale #433**

Township 28 North, Range 8 East, M.P.M.

Section 3: SW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

### **Sale #494**

Township 28 North, Range 8 East, M.P.M.

Section 3: Lot 1

Containing: 38.92 acres

**Totaling 1,147.22 total deeded acres in Chouteau County, Montana.**

## **CHOUTEAU COUNTY GENERAL AREA DATA**

Chouteau County is the largest agricultural income county in the state of Montana. It is also large, geographically speaking, among Montana counties. It covers a total of 2,500,000 acres with over 1,100,000 acres being farmed. This farm acreage indicates that a large proportion of the county is quite level.

A number of rivers and streams form the drainage pattern in Chouteau County. The Missouri River is the largest stream, crossing the county from west to east for a distance of approximately 100 miles. The Teton River winds through the western portion of the county for approximately 50 miles and the Marias River from the north covers a distance of approximately 25 miles. Belt Creek follows along the south western boundary of the county for about 10 miles. Highwood Creek in the southwest and Shonkin Creek in the south central part of the county are 35 and 25 miles long, respectively. Birch Creek is about 25 miles long and originates in the Bears Paw Mountains in the north.

Average rainfall at Fort Benton, the county seat, is 14-15 inches and the frost free period average is 127 days. Fort Benton is very significant historically in the state. It was the head of navigation on the Missouri River and the pipeline for most material goods into the territory of Montana during the developing period in the early 1800's. Fort Benton presently has a population of approximately 1,594 people. The 1990 Census for Chouteau County was 5,452, a decline of 640 from the 1980 census. The decline was due to the less labor intensive farming practices and the down turn in the economy of the area in the 1980's. However, the 2000 census shows an increase in population to 5,970.

## PROPERTY DESCRIPTION

LOCATION OF PROPERTY: The property consists of 23 separate non-contiguous parcels of native range pasture in Chouteau County, Montana:

**Sale #399** is approximately 1 mile north of Square Butte, MT via paved Hwy #80, then approximately 3 miles east and south via dirt trail.

**Sale #400** is approximately 1 mile north of Square Butte, MT via paved Hwy #80, then approximately 6 miles east and south via dirt trail.

**Sale #401** is approximately 4 miles south of Square Butte, MT via paved Hwy #80, then approximately ½ mile west, then south via dirt trail.

**Sale #402** is approximately 6 miles south of Highwood, MT via paved 228, then approximately 1 mile east via dirt trail.

**Sale #404** is approximately ½ mile east of Fort Benton, MT via paved Hwy #80, then south approximately 1.5 miles via paved Highwood Road, then 2 miles south via dirt road, then 1.5 miles via dirt trail.

**Sale #405** is approximately ½ mile east of Fort Benton, MT via paved Hwy #80, then south approximately 4 miles via paved Highwood Road, then 4 miles south via paved Shonkin Road, then south and west approximately ¾ mile via dirt trail.

**Sale #408** is approximately 6 miles east of Loma, MT via dirt and gravel Loma Bridge Road, then 3 miles south via dirt road, then 1 mile south via dirt trail.

**Sale #220** is approximately 8 miles east of Carter, MT via dirt and gravel road, then 3 miles north via dirt and gravel road.

**Sale #407** is approximately 4.5 miles north of Carter, MT via dirt and gravel Buck Bridge Road, then ¾ mile east via dirt trail.

**Sale #406** is approximately 4.5 miles north of Carter, MT via dirt and gravel Buck Bridge Road, then 1 mile east via dirt trail.

**Sale #413** is approximately 5 miles northwest of Fort Benton, MT via paved Hwy #223, then 1.5 miles east and 1 mile north via dirt road and dirt trail.

**Sale #341** is approximately 2 miles south of Virgelle, MT via Virgelle Ferry and Big Ben Road, then 3.5 miles east and ½ mile north via Big Ben Road, then ½ mile north via dirt road.

**Sale #421** is approximately 18 miles south of Big Sandy, MT via paved Hwy #236, then east on dirt and gravel Eagleston Road, then 2 miles north via dirt road, then 1.5 miles north via dirt trail.

**Sale #416** is approximately 20 miles north of Fort Benton, MT via paved Hwy #223, then 1/2 mile west and 2 miles south via dirt and gravel Chimney Rock Road.

**Sale #428** is approximately 1 mile north of Warrick, MT via dirt and gravel road.

## PROPERTY DESCRIPTION (continued)

### LOCATION OF PROPERTY (continued)

**Sale #427** is approximately 5 miles west of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile northeast via dirt trail.

**Sale #426** is approximately 3 miles north of Warrick, MT via dirt and gravel Warrick Road North, then approximately 1 mile north via dirt trail, then approx. ½ mile cross country.

**Sale #432** is approximately 4 miles south of Warrick, MT via dirt and gravel Warrick Road, then ½ mile east cross country.

**Sale #430** is approximately 3 miles south of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile east via dirt road, then 1.5 miles north via dirt trail.

**Sale #429** is approximately 3 miles south of Warrick, MT via dirt and gravel Warrick Road, then approximately 1 mile east via dirt road, then 2 miles north via dirt trail.

**Sale #422** is approximately 18 miles north of Fort Benton, MT via paved Hwy #223, then 4.5 miles north via dirt and gravel road, then 1.5 miles east via dirt road, then 1 mile east and south via dirt trail.

**Sale #433** is approximately 26 miles south of Chester, MT via paved Hwy #223, then east 14 miles via dirt and gravel and dirt road, then 1.5 miles north and west via dirt trail.

**Sale #494** is approximately 26 miles south of Chester, MT via paved Hwy #223, then east 14 miles via dirt and gravel and dirt road, then 1.5 miles north and east via dirt trail



## **PROPERTY DESCRIPTION (continued)**

### **DESCRIPTION OF PROPERTY:**

#### **Sale #399**

Remote sloping to steep grazing land parcel with a small drainage at the western edge. No reliable stock water on this tract. Fencing was observed on the southern border. The tract is part of a larger pasture unit. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #400**

Remote, smaller, nearly level to sloping to steep grazing land parcel with a drainage traversing from west to east. No reliable stock water on this tract. This parcel was not personally inspected due to very tall, dry grass in the trail. It is located in the same coulee, farther south from Sale #399. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #401**

Subject is a smaller, nearly level to gently sloping to steep grazing land parcel with Cowboy Creek drainage traversing from northwest to southeast. There are also 8 acres of dry crop land contained in the parcel. Some seasonal stock water may occur, but no water was in the creek at time of inspection. Parcel was partially fenced on the northern edge, and fencing along eastern edge. There is dry crop land on two sides of the tract. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #402**

Small very steep grazing land parcel. Parcel lies in a breaky area directly above Belt Creek. No reliable stock water on this tract. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #404**

Small sloping to steep grazing land parcel. East side of parcel is in the flat bottom area of Shonkin Creek, however the creek does not traverse the property. Western and largest portion of the parcel is in a hilly area directly above the creek. No reliable stock water on the property. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #405**

Small nearly level to sloping grazing land parcel. No reliable stock water on this tract. Fencing observed on the north, west and south borders, also cross-fenced. The parcel has no legal access to the public as it is surrounded by private land.

## **PROPERTY DESCRIPTION (continued)**

### **DESCRIPTION OF PROPERTY:(continued)**

#### **Sale #408**

Small nearly level to sloping to steep grazing land parcel. The tract is traversed from south to north by Rowe Coulee, a relatively wide and level coulee with the sides being sloping or very steep. There may be some seasonal stock water, but no water was observed at time of inspection. There was fencing observed on the north border. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #220**

Small nearly level to sloping grazing land parcel. The eastern portion of the parcel is dominated by a low-lying area which has contained a shallow lake. However, no water was observed at time of inspection. No reliable stock water. Parcel is perimeter fenced. Surrounded by dry crop land and CRP. This tract is publicly accessible, lying adjacent to county road, but has low recreational use value due to its size and isolation from other public lands.

#### **Sale #407**

Adjacent to #406. Remote, small nearly level to very steep grazing land parcel. The parcel lies between Weatherwax Coulee and the Teton River bottom land. A nearly level plateau runs east and west through the center of the tract, with the north and south portions of the tract sloping very steeply away from the plateau and appearing unusable. Part of a larger pasture unit. No reliable stock water. Fence traverses from east to west. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #406**

Adjacent to #407. Remote, small nearly level to very steep grazing land parcel. The parcel lies between Weatherwax Coulee and the Teton River bottom land. A nearly level plateau encompasses most of the northwestern half of the parcel, with the south and eastern portions of the tract sloping very steeply away from the plateau and appearing unusable. Part of a larger pasture unit. No reliable stock water. Fence traverses from east to west. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #413**

Small nearly level to sloping grazing land parcel. No reliable stock water. Fencing on north, west, south and half of the east sides. The remainder of the fencing on the east side is bumped out to the east, enclosing another 40 acres with the subject. Legal access to parcel by dirt road which is adjacent to the subject.

#### **Sale #341**

Small sloping grazing land parcel. Appears to be part of a larger pasture unit. Appears to be stock water on the property from . Surrounded by private property, but accessible by section line road.

## **PROPERTY DESCRIPTION (continued)**

### **DESCRIPTION OF PROPERTY:(continued)**

#### **Sale #421**

Remote, small, sloping to somewhat steep grazing land parcel. Dog Creek traverses extreme southeastern corner with relatively shallow bank. Some water in creek at time of inspection. Part of a larger pasture unit. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #416**

Small hilly to steep grazing land parcel. Parcel is encompassed by sloping hills and bank above Chimney Rock Coulee. No reliable stock water. Fencing observed on the southern border. Part of a larger pasture unit. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #428**

Small sloping to hilly grazing land parcel. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. No reliable stock water. No fencing observed. Scattered conifer trees present. Parcel is very close to the county road, however the parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #427**

Remote, small sloping to hilly grazing land parcel. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. There is a portion of a hay field present on the tract, estimated 5 acres. No reliable stock water. Fencing observed on the west border and east/west cross fencing. Scattered conifer trees present. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #426**

Remote, small sloping to steep grazing land parcel. Traversed by a coulee with some steep rocky banks. Coulee is wooded with conifer and deciduous trees. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. No reliable stock water, but some seasonal water possible. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #432**

Small sloping to hilly grazing land parcel. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. No reliable stock water present. No fencing observed. Scattered conifer trees present. The parcel has no legal access to the public as it is surrounded by private land.

## **PROPERTY DESCRIPTION (continued)**

### **DESCRIPTION OF PROPERTY: (continued)**

#### **Sale #430**

Remote, small, hilly grazing land parcel. A coulee traverses the northeast corner of the property, with some brush in the bottom. No reliable stock water present. Fencing on the northern border. Scattered conifer trees. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. Part of a larger pasture unit. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #429**

Remote, small, hilly grazing land parcel. A small coulee traverses the northeast corner, with aspen trees and brush present. No coniferous growth. No reliable stock water present. Fencing observed on the north border. The parcel lies in the southern portion of the Bears Paw Mountains and has mountainous rainfall and production capabilities. Part of a larger pasture unit. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #422**

Remote, small, sloping grazing land parcel. The majority of the tract is encompassed by a large, sloping coulee. No reliable stock water. Perimeter fencing in poor condition. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #433**

Remote, small nearly level to sloping grazing land parcel. There is some dry crop land at the northwest and southeast corners, estimated 10 acres. Dutch Henry Coulee, a relatively wide coulee traverses the southeastern portion of the parcel, which may provide some seasonal runoff water. No water present at time of inspection. No reliable stock water present. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

#### **Sale #494**

Remote, small, nearly level to steep grazing land parcel. Dutch Henry Coulee, a relatively wide coulee traverses the southern portion of the parcel, which may provide some seasonal runoff water. No water present at time of inspection. No reliable stock water present. No fencing observed. The parcel has no legal access to the public as it is surrounded by private land.

## **PROPERTY DESCRIPTION (continued)**

### **UTILITIES**

Public electrical and telephone are not on the subject parcels, 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**

- 15E Lambeth Silt Loam, 8-25% slopes, Capability Class 6E, Thin Silty Range Site, 800-1400 lb/acre forage potential.
- 22 Hillon Loam, 25-60% slopes, Capability Class 7E, Thin Silty Range Site, 800-1400 lb/acre forage potential.
- 28 Nishon Clay Loam, 0-1% slopes, Capability Class 5W, Overflow Range Site, 2000-3000 lb/acre forage potential.
- 30B Marvan Clay, 0-4% slopes, Capability Class 4E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 32B Kobase Silty Clay Loam, 0-4% slopes, Capability Class 4E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 37B Evanston Loam, 0-4% slopes, Capability Class 3E, Silty Range Site, 1400-1800 lb/acre forage potential.
- 67B Bearpaw Clay Loam, 0-4% slopes, Capability Class 4E, Silty Range Site, 1400-2200 lb/acre forage potential.
- 75C Farnuf Loam, 4-8% slopes, Capability Class 3E, Silty Range Site, 1400-2200 lb/acre forage potential.
- 76C Hedoes Loam, 2-8% slopes, Capability Class 3E, Silty Range Site, 1700-2600 lb/acre forage potential.
- 79C Yamacall Loam, 4-8% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.

## PROPERTY DESCRIPTION (continued)

- 212F Cabbart-Hillon Loams, 25-70% slopes, Capability Class 7E, Shallow and Thin Silty Range Sites 600-1400 lb/acre forage potential.
- 221E Hillon-Kevin Clay Loams, 8-25% slopes, Capability Class 6E, 4E, Silty and Thin Silty Range Sites 800-1800 lb/acre forage potential.
- 224E Hillon-Joplin Loams, 8-25% slopes, Capability Class 4E, Silty and Thin Silty Range Sites 800-1800 lb/acre forage potential.
- 265B Absher-Gerdrum Complex, 0-4% slopes, Capability Class 7S, 6S, Clay Pan and Dense Clay Range Sites, 400-1200 lb/acre forage potential.
- 311B Ferd-Creed-Gerdrum Complex, 0-4% slopes, Capability Class 3E, 4S, 6S, Silty and Clay Pan Range Sites, 600-1500 lb/acre forage potential.
- 331C Phillips Elloam Complex, 4-8% slopes, Capability Class 3E, 6S, Silty and Clay Pan Range Sites, 600-1800 lb/acre forage potential.
- 372C Evanston-Yamacall Loams, 2-8% slopes, Capability Class 3E, 4E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 411D Farnuf-Reeder Loams, 4-15% slopes, Capability Class 3E, 4E, Silty Range Site, 1800-2600 lb/acre forage potential.
- 421C Joplin-Hillon Clay Loams, 2-8% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 503B Telstad-Joplin Loam, 0-4% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 561C Scobey-Kevin Clay Loams, 0-4% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 602A Havre Silty Clay Loam, 0-1% slopes, Capability Class 3E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 605C Yamacall-Havre Loams, 0-8% slopes, Capability Class 3E, 6W, Silty and Overflow Range Sites, 1000-3000 lb/acre forage potential.
- 692D Vida-Bearpaw Clay Loams, 4-15% slopes, Capability Class 4E, Silty Range Site, 1400-2200 lb/acre forage potential.
- 721E Zahill-Vida Clay Loams, 8-25% slopes, Capability Class 6E, 4E, Silty and Thin Silty Range Sites, 1400-2200 lb/acre forage potential.
- 761E Hedoes-Belain Loams, 8-25% slopes, Capability Class 4E, 6E, Silty Range Site, 1700-2200 lb/acre forage potential.
- 793B Yamacall Clay Loam, 0-4% slopes, Capability Class 4E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 795C Yamacall-Benz Clay Loams, 2-8% slopes, Capability Class 4E, 6E, Clayey and Saline Upland, 200-1800 lb/acre forage potential.
- 883F Perma-Whitlash Complex, 25-70% slopes, Capability Class 7E, Silty and Shallow Range Sites, 1000-2200 lb/acre forage potential.
- 895F Belain-Whitlash, moist-Hedoes Complex, 15-60% slopes, Cap Class 7E, Silty Range Site, 1200-2300 lb/acre forage potential.
- 911F Belain-Whitlash-Hedoes Complex, 15-45% slopes, Capability Class 7E, Silty and Shallow Range Sites, 1200-2300 lb/acre forage potential.
- 916C Belain-Hedoes Sandy Loams, 2-8% slopes, Capability Class 4E, Sandy Range Site, 1900-2800 lb/acre forage potential.

## **PROPERTY DESCRIPTION (continued)**

- 925F Sunburst-Lambeth Complex, 25-70% slopes, Capability Class 7E, Thin Clayey and Thin Silty Range Sites, 800-1400 lb/acre forage potential.
- 943F Tally-Cohagen Fine Sandy Loams, 25-60% slopes, Capability Class 7E, Thin Sandy and Shallow Range Sites, 900-2200 lb/acre forage potential.
- 971F Neldore-Bascovy Silty Clays, 25-60% slopes, Capability Class 7E, Shallow Clay and Thin Clayey Range Sites, 500-1400 lb/acre forage potential.
- 974F Neldore-Hillon Complex, 25-70% slopes, Capability Class 7E, Shallow Clay and Thin Silty Range Sites, 500-1400 lb/acre forage potential.

Growing season in the subject area is 90-125 days. Pasture land productivity on the subject is estimated at 5 acres per AUM for the overall purpose of this analysis. Soils on the subject property have fair to good productivity as agricultural land and are well drained. Erosion hazards are moderate. All soils types require careful management to obtain optimal production. Soils maps are found on the following pages.

## **PROPERTY DESCRIPTION (continued)**

### ***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 Chouteau 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. 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: \$280,000

Sale Date: June 24, 2007

Terms: Cash to Seller

Document:

Confirmed: Grantee, Chouteau County, MT.

329.80 Acres CRP	@	\$738/acre =	\$243,450
<u>146.20</u> Acres Native Range	@	\$250/acre =	<u>\$ 36,550</u>
476.00 Acres	@ \$588.24/acre	Total Sale Price:	\$280,000

### **Legal Description:**

This sale is located northwest of Fort Benton about 10 miles. Utilities are available about 1 mile south. Topography is rolling to mild hills. Legal access is by gravel and dirt county roads about 6 miles from Highway 223. Sale is located in an agricultural neighborhood. The vegetation is native grass and CRP. There is a grain bin and fencing in very poor condition that had no contributing value to the sale according to the buyer. There is year round stock water available to the tract from a reservoir in the north portion. Motivation for this sale was agriculture and rural living near family. Most recent sale of pasture and CRP land found in the market study used in this analysis.

## COMPARABLE SALES APPROACH (continued)

### SALE # 2

Seller:

Buyer:

Sale Price: \$118,750

Sale Date: January 8, 2007

Terms: Cash to Seller

Document:

Confirmed: Confidential

159.3 Acres CRP/rec	@	\$625/acre =	\$99,563
<u>30.7</u> Acres Native Range/rec	@	\$625/acre =	<u>\$19,188</u>
190.0 Acres @ \$625/acre		Total Sale Price:	\$118,751

### **Legal Description:**

This sale is located south of Geraldine about 4 miles. Utilities are available about ¼ mile north. Topography is rolling hills to steep cliffs in the south portion. Physical access is by dirt road across other land belonging to family of the buyer. Sale is located in an agricultural neighborhood in transition to recreational use. The vegetation is native grass and CRP. There are no improvements on the tract. There is no stock water available. Motivation for this sale was agricultural and recreational use. Purchased by sister of owners of the adjacent land.

## COMPARABLE SALES APPROACH (continued)

### SALE # 3

Seller:

Buyer:

Sale Price: \$928,000

Sale Date: May 14, 2007

Terms: Cash to Seller

Document:

Confirmed: Selling Agent

637.1 Acres CRP	@	\$900/acre =	\$573,390
138.3 Acres Dry Cropland	@	\$900/acre =	\$124,470
<u>582.6</u> Acres Native Range	@	\$395/acre =	<u>\$230,140</u>
1358 Acres	@ \$683.36/acre	Total Sale Price:	\$928,000

### **Legal Description:**

This sale is located south of Fort Benton about 9 miles. Utilities are available along the highway. Topography is rolling to rolling hills. Legal access is by paved Highway 80. Sale is located in an agricultural neighborhood. The vegetation is native grass, dry crop and CRP. There are no improvements on the tract. There is seasonal stock water available to the tract in low spots and drainages. Motivation for this sale was recreational use for hunting.

## COMPARABLE SALES APPROACH (continued)

### SALE # 4

Seller: .

Buyer:

Sale Price: \$1,155,000

Sale Date: February 9, 2007

Terms: Cash to Seller

Document:

Confirmed: Selling Agent

1446 Acres Dry Cropland	@	\$575/acre =	\$ 831,450
500 Acres Native Range	@	\$250/acre =	\$ 125,000
<u>5</u> acres Home Site	@	\$550/acre =	<u>\$ 2,750</u>
1951 Total Acres			\$ 959,200

Leases: 91 aum's @ \$75/aum = \$ 6,825

Contributing Value of Improvements: \$ 188,975

1951 Acres @ \$794.46/acre **Total Sale Price: \$1,155,000**

### **Legal Description:**

This sale is located northeast of Geraldine about 21 miles. Utilities are available to the site and across the tract via overhead lines. Topography is rolling with drainage. Physical and Legal access is by Gravel County road. Sale is located in an agricultural neighborhood. The vegetation is native grass and dry cropland. Lease contains 91 aums. Improvements include a house, outbuildings and grain bins per. There is stock water available from a stock reservoir and seasonal in drainages. Motivation for this sale was agricultural. Close to Missouri River and White Cliffs area.

## COMPARABLE SALES APPROACH (continued)

### SALE # 5

Seller:

Buyer: .

Sale Price: \$175,000

Sale Date: 2/2006

Terms: Cash

County: Choteau

Deed:

HBU: Agriculture, Dry Crops and Range

137.2 Acres Dry Crop	@ \$525/acre	= \$ 72,030
342.8 Acres Native Range	@ \$300/acre	= \$ 102,840
<b>480.0 Total Deeded Acres</b>		<b>\$ 174,870</b>

**Total**

**\$ 174,870**

Three other sales, including sales #6 & #7 were associated with this sale. All parties are neighboring operators and all agreed on the same sales price per acre. One of the sales could not be confirmed.

Legal Description:

West side of Bear Paw Mountains in foothills approximately 8 miles east of Big Sandy, Choteau County MT. with access by county road. Improvements not given any consideration in the sale and are going to be removed by the buyer. Seller retained nonexclusive hunting rights with yearly agreement.

## COMPARABLE SALES APPROACH

### SALE # 6

Seller:

Buyer:

Sale Price: \$ 277,000

Sale Date: 2/2006

Terms: Cash

County: Choteau

Deed:

HBU: Agriculture, Dry Crops and Range

430 Acres Dry Crop	@ \$525/acre	= \$ 225,750
<u>170 Acres Native Range</u>	<u>@ \$300/acre</u>	<u>= \$ 51,000</u>
<b>600.0 Total Deeded Acres</b>		<b>\$ 276,750</b>

<b>Total</b>	<b>\$ 276,750</b>
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This sale is part of the four sale transaction from the same seller. There were three other sales that were associated with this sale at the same time. All parties are neighboring operators and all agreed on the same sales price per acre. One of the sales could not be confirmed.

Legal Description:

West side of Bear Paw Mountains in foothills approximately 8 miles east of Big Sandy, Choteau County MT. with access by county road. Improvements not given any consideration in the sale. Seller retained nonexclusive hunting rights with yearly agreement.

## COMPARABLE SALES APPROACH

### SALE # 7

Seller:

Buyer:

Sale Price: \$ 250,000

Sale Date: 2/2006

Terms: Cash

County: Choteau

Deed:

HBU: Agriculture, Dry Crops and Range

410 Acres Dry Crop @ \$525/acre = \$ 215,250

105 Acres Native Range @ \$300/acre = \$ 31,500

**515.0 Total Deeded Acres \$ 246,750**

Improvements (fencing) \$ 3,250

**Total \$ 250,000**

This sale is part of the four sale transaction from the same seller. There were three other sales that were associated with this sale at the same time. All parties are neighboring operators and all agreed on the same sales price per acre.

Legal Description:

West side of Bear Paw Mountains in foothills approximately 8 miles east of Big Sandy, Choteau County MT. with access by county road. Seller retained nonexclusive hunting rights with yearly agreement. Improvements included a machine shed and a grain bin.

## COMPARABLE SALES APPROACH

### SALE # 8

Seller:

Buyer:

Sale Price: \$ 2,540,000

Sale Date: 6/2005

Terms: Cash

County: Choteau

Deed:

HBU: Agriculture, Dry Crops, Improved Pasture and Range

3136.0 Acres Dry Crop	@ \$525/acre	= \$ 1,646,400
118.9 Improved Grass Pasture	@ \$368/ac	= \$ 43,755
2884.1 Acres Native Range	@ \$210/acre	= \$ 605,661
10.0 Acres Farmstead	@ \$525/ac	= \$ 5,250
89.5 Acres Waste	@ \$ -0-	= \$ -0-
<b>6,238.50 Total Deeded Acres</b>		<b>\$ 2,301,066</b>

Improvements \$ 147,000

**Total \$ 2,448,066**

This sale included three entities as buyers but was basically one group. Three sales combined into one sale for simplicity of use as a comparable sale.

Lengthy Legal Description in:

Large acreage sale located 14 miles east of Loma with good access. Only recent sale found in Choteau County that included improved pasture. Improvements included two dwellings, garage, shop and 108,000 bushels of grain bin capacity.



## 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

529.90 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
<u>1.00 Acres Farmstead</u>	<u>@ \$10000/acre = \$ 10,000</u>
<b>3390.66 Total Deeded Acres</b>	<b>@ \$498/acre = \$ 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:

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. Also, large block of mountain pasture near Little Box Elder Creek, close to the historic ranch of early Havre history.

## 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
10.00 Acres Farmstead	@ \$720/acre	=	\$ 720
<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	\$ 25,000
	<u>\$1,599,820</u>

### **Legal Description:**

Location of sale is 1/4 mile 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. Minimal native range acreage associated with large dry crop sale.

## COMPARABLE SALES APPROACH (continued)

### SALE # 11

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 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	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Grwng Crop	Mix	Per /Acre
#1	\$280,000	476	\$588	-----	----	----	----	----	----	-338	\$250
#4	\$1,115,000	1,951	\$592	-----	-3	-97	----	----	----	-242	\$250
#5	\$175,000	480	\$365	-----	----	----	----	----	----	-64	\$301
#6	\$277,000	600	\$462	-----	----	----	----	----	----	-161	\$301
#7	\$250,000	515	\$485	-----	----	-6	----	----	----	-179	\$300
#8	\$2,540,000	6,239	\$407	-----	----	-24	----	----	----	-159	\$224
#10	\$1,600,000	1,905	\$840	-----	-13	-60	----	-13	-78	-377	\$299

### OPINION OF VALUE FROM COMPARABLE SALES APPROACH 1,067.22 acres Range Land @ \$ 253.78/acre = \$270,840

Sale	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Crop	Mix	Per /Acre
#1	\$280,000	476	\$588	-----	----	----	----	----	----	-228	\$360
#4	\$1,115,000	1,951	\$592	-----	-3	-97	----	----	----	-169	\$323
#5	\$175,000	480	\$365	-----	----	----	----	----	----	-14	\$351
#6	\$277,000	600	\$462	-----	----	----	----	----	----	-111	\$351
#7	\$250,000	515	\$485	-----	----	-6	----	----	----	-129	\$350
#8	\$2,540,000	6,239	\$407	-----	----	-24	----	----	----	-88	\$295
#10	\$1,600,000	1,905	\$840	-----	-13	-60	----	-13	-78	-282	\$394

### OPINION OF VALUE FROM COMPARABLE SALES APPROACH 80 acres Range and Dry Crop Land @ \$ 332/acre = \$26,560

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.

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

EQUIPMENT: The per acre difference in value considering the price paid for equipment with the sale.

GROWING CROP: The per acre difference in value considering the price paid for growing crop with the sale.

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

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

Mix sheet calculations follow the Comparable Sales Approach.

## COMPARABLE SALES APPROACH (continued)

### *Reconciliation of Comparable Sales Approach*

Adjusted sales values range from \$224/acre to \$383/acre. Only one small tract native pasture sales was found, but it is north of Havre, which is not considered to be in the market area. The opinion of value of the subject property is \$255/acre.

**Sale #399 and #400** are very remote and surrounded by larger pasture and are being valued at the lowest recent pasture value of \$250/acre.

**Sale #401** has access close to highway, contains 8 acres of crop, remainder is pasture which appears to be breakable ground, surrounded by dry crop on majority of sides, but is being valued at the higher end of recent pasture values at \$300/acre, due to extensive costs to change the land from pasture to dry crop and dry crop is valued at \$525/acre.

**Sale #402** appears to be partially unusable due to terrain and is valued at the lowest recent pasture value of \$250/acre. No recent, lower sale priced, native range sales were found in Chouteau County by the appraiser.

**Sale #404, 405, 341, 421, 416, 428, 427, 430 and 429** are relatively remote, surrounded by larger pasture and are valued at the lowest recent pasture value of \$250/acre.

**Sale #220** is surrounded by crop and CRP, appears to be mostly breakable, has county road access and is valued at \$300/acre due to extensive costs to change the land from pasture to dry crop.

**Sales #407, 406, 426 and 432** are partially unusable due to terrain, surrounded by larger pasture and are valued at \$250/acre.

**Sale #413** appears breakable, but has some rolling terrain which may make that difficult and is valued at \$250/acre.

**Sale #422** is surrounded by dry crop land, however it appears that the terrain would not allow for breaking. It is valued at \$250/acre.

**Sales #408 and 494** are part of larger pastures along relatively steep sided coulees, surrounded by crop land, however terrain will not allow for breaking. Valued at \$250/acre.

**Sale #433** is traversed by a large coulee that does not appear to be breakable because of terrain. The northwest corner and southeast corner are tilled for dry crop. Pasture is valued at \$250/acre and dry crop is valued at \$525/acre.

## COMPARABLE SALES APPROACH (continued)

<b>Sale #399</b>	<u>102.83</u> Acres Pasture	@ \$250/acre = <b>\$25,708</b>
<b>Sale #400</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #401</b>	<u>40</u> Acres Pasture & DC	@ \$345/acre = <b>\$13,800</b>
<b>Sale #402</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #404</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #405</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #408</b>	<u>45.47</u> Acres Pasture	@ \$250/acre = <b>\$11,368</b>
<b>Sale #220</b>	<u>80</u> Acres Pasture	@ \$300/acre = <b>\$24,000</b>
<b>Sale #407</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #406</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #413</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #341</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #421</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #416</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #428</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #427</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #426</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #432</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #430</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #429</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #422</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #433</b>	<u>40</u> Acres Pasture & DC	@ \$319/acre = <b>\$12,760</b>
<b>Sale #494</b>	<u>38.92</u> Acres Pasture	@ \$250/acre = <b>\$ 9,730</b>

**Total 1,147.22 Acres**

**\$297,366**

### OPINION OF MARKET VALUE FROM COMPARABLE SALES APPROACH

**\$297,400 Rounded**

## **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 4 ac/aum, a reasonable, averaged estimate between higher production mountainous pasture and lesser production pastures, at \$25/aum. Land owner's share is 100%. Management fee is estimated at 5% of gross income. Real estate taxes are not considered.

No pure pasture sales were found in Chouteau County. Sales used to derive capitalization rate are considered most similar to the subject's pasture and dry crop/pasture incomes. Sale #11, located north of Havre, is a pure pasture sale. It is used as an example of capitalization on the income of a pure pasture operation. 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	Sale	Price	Acres	Crop	Grass	ImpGrass	Income	Income	Rate
#5	2/06	\$175,000	480	137.2	342.8	----	\$7,888	\$ 7,494	4.28%
#6	2/06	\$277,000	600	430.0	170.0	----	\$20,200	\$19,190	6.92%
#11	4,07	\$421,750	1581	----	1279	300	\$ 7,895	\$ 7,500	1.77%

### *Income from Land Resources*

Crop	Acres	Yield /Acre	Amount	Price /Unit	Gross Income	Owner Share	Value
Dry Crop	9.00	30bu/ac	270 bu	\$9.00/bu	\$2,430	1/3	\$ 810
Fallow	9.00	----	----	----	----	----	----
Pasture	<u>1129.22</u>	4ac/aum	282aum	\$25/aum	\$7,050	100%	<u>\$7,050</u>
<b>1147.22 TOTAL DEEDED ACRES</b>					<b>GROSS INCOME</b>		<b>\$7,860</b>

#### *Expense*

Management Fee	(5%)	<u>\$ 393</u>	
TOTAL EXPENSE		\$ 393	<u>-\$ 393</u>
			NET INCOME <b>\$7,467</b>

Capitalization Rate 2.50%

Capitalization Value = Net Income \$ 7,467 ÷ Cap Rate .0250 = \$ 298,680

## OPINION OF VALUE FROM INCOME APPROACH ROUNDED \$ 298,700

The capitalization rate of 2.5% is used based on the necessary blend of the cap rates developed above from a pure pasture sale and sales of both dry crop and pasture.

The capitalization rate of 2.5% 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.



## **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**

<b>Sale #399</b>	<u>102.83</u> Acres Pasture	@ \$250/acre = <b>\$25,708</b>
<b>Sale #400</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #401</b>	<u>40</u> Acres Pasture & DC	@ \$345/acre = <b>\$13,800</b>
<b>Sale #402</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #404</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #405</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #408</b>	<u>45.47</u> Acres Pasture	@ \$250/acre = <b>\$11,368</b>
<b>Sale #220</b>	<u>80</u> Acres Pasture	@ \$300/acre = <b>\$24,000</b>
<b>Sale #407</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #406</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #413</b>	<u>80</u> Acres Pasture	@ \$250/acre = <b>\$20,000</b>
<b>Sale #341</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
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<b>Sale #429</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #422</b>	<u>40</u> Acres Pasture	@ \$250/acre = <b>\$10,000</b>
<b>Sale #433</b>	<u>40</u> Acres Pasture & DC	@ \$319/acre = <b>\$12,760</b>
<b>Sale #494</b>	<u>38.92</u> Acres Pasture	@ \$250/acre = <b>\$ 9,730</b>

**Total 1,147.22 Acres \$297,366**

**Total 1,129.22 Acres Pasture and 18 Acres Dry Crop Land  
259.20/acre = \$297,359**

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

**\$297,400 (Rounded)**

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	\$ 297,400
Income Approach	\$ 298,700
Cost Approach	\$ 297,400

## *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.

The Cost Approach is basically a summation of the values derived from the Comparable Sales Approach.

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 agricultural 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 7/16/08 is **\$297,400**.

## **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 7/16/08, described in the foregoing appraisal is as follows.

### **Opinion of Market Value**

<b>Sale #399</b>	<b>102.83</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$25,708</b>
<b>Sale #400</b>	<b>80</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$20,000</b>
<b>Sale #401</b>	<b>40</b>	<b>Acres Pasture &amp; DC</b>	<b>@ \$345/acre = \$13,800</b>
<b>Sale #402</b>	<b>80</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$20,000</b>
<b>Sale #404</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$10,000</b>
<b>Sale #405</b>	<b>40</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$10,000</b>
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<b>Sale #433</b>	<b>40</b>	<b>Acres Pasture &amp; DC</b>	<b>@ \$319/acre = \$12,760</b>
<b>Sale #494</b>	<b>38.92</b>	<b>Acres Pasture</b>	<b>@ \$250/acre = \$ 9,730</b>
<b>TOTAL =</b>			<b>\$297,400</b>

Respectfully submitted,

---

Shelley A. Sheldon  
Montana Certified General Appraiser

**SUBJECT PHOTO Sale #399**



Picture taken looking southeast from approximately 1 mile west of subject.  
Subject is the greener area in the center of the photo.

## **SUBJECT PHOTO Sale #400**

No photo available for the subject property. Not visually inspected due to high, dry grass in the trail. However, Sale #400 lies in the same coulee valley as sale #399 and is considered to be similar in appearance.

## **SUBJECT PHOTOS Sale #401**



Photo taken looking southeast from northwest corner of the subject toward Cowboy Creek.



Photo taken looking southwest toward subject pasture and dry crop acres.

## **SUBJECT PHOTOS Sale #402**



Photo taken looking east from approximately ½ mile west of the subject.  
Photo is of land above Highwood Creek.



**SUBJECT PHOTO Sale #404**



Photo taken looking west from approximately ¼ mile east of subject.



**SUBJECT PHOTOS Sale #405**



Photo taken looking east from southwest corner of subject.



Photo taken looking north from southwest corner of subject.

**SUBJECT PHOTOS Sale #408**



Photo taken looking east from north edge of subject.



Photo taken looking southeast toward cliff on subject property from north edge.

**SUBJECT PHOTOS Sale #220**



Photo taken looking east from southwest corner of subject.



Photo taken looking southeast from  $\frac{1}{4}$  mile north of subject.



**SUBJECT PHOTOS Sale #407**



Photo taken looking east from west edge of subject. Fence traverses.

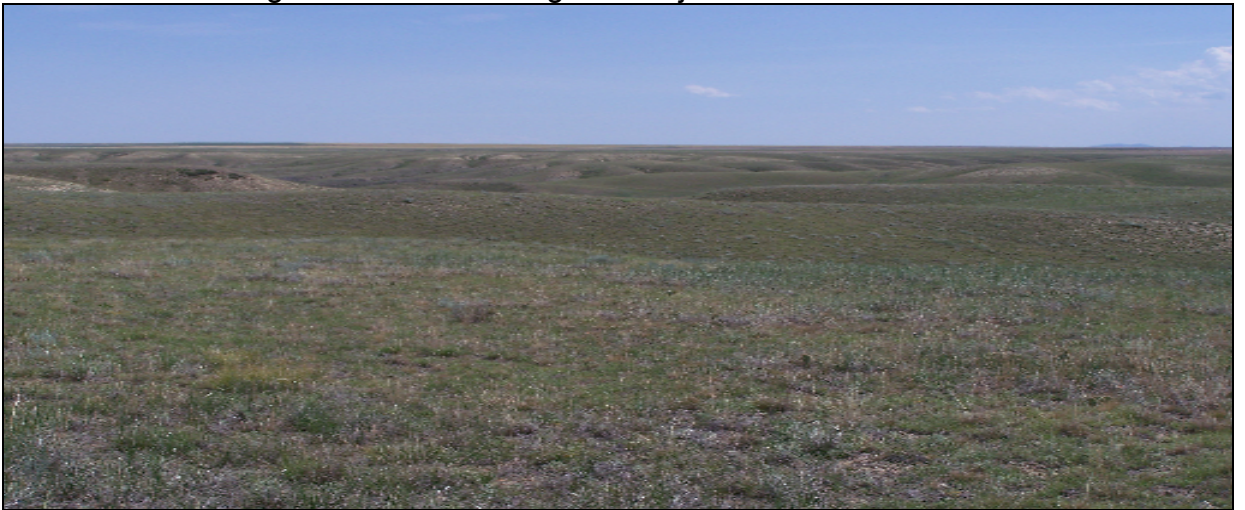


Photo taken looking southeast from west edge of subject.



Photo taken looking northeast from west edge of subject. Badlands on opposite side of Teton River valley are representative of the north side of the subject.



**SUBJECT PHOTOS Sale #406**



Photo taken looking northeast from west edge of subject. Fence traverses.



Photo taken looking southeast from west edge of subject.

**SUBJECT PHOTOS Sale #413**



Photo taken looking northeast from southwest corner of subject.



Photo taken looking south from northwest corner of subject.



**SUBJECT PHOTOS Sale #341**



Photo taken looking southwest from northeast corner of subject.



Photo taken looking west from east side of subject.

## SUBJECT PHOTOS #421



Photo taken looking south from within the subject property boundaries. Creek traverses southeast corner.



**SUBJECT PHOTOS #416**



Photo taken looking east from road less than  $\frac{1}{4}$  mile west of subject.

**SUBJECT PHOTO Sale #428**



Photo taken looking east from road adjacent to subject.

**SUBJECT PHOTO Sale #427**



Photo taken looking southeast from northwest of property. Fencing is on western border.



**SUBJECT PHOTO Sale #426**



Photo taken looking northwest from  $\frac{1}{4}$  mile southeast of property.

**SUBJECT PHOTOS Sale #432**



Photo taken looking northeast from 1/2 mile southwest of property.



Photo taken looking northeast from 1/2 mile southwest of property.



**SUBJECT PHOTO Sale #430**



Photo taken looking southwest from northeast corner of property.

**SUBJECT PHOTOS Sale #429**



Photo taken looking northwest from southeast corner of subject.



Photo taken looking southwest from northeast corner of property.



**SUBJECT PHOTOS Sale #422**



Photo taken looking southwest from north edge of subject.



Photo taken looking southeast from northwest corner of property.



**SUBJECT PHOTOS Sale #433**



Photo taken looking north from south edge of subject.



Photo taken looking northwest from south edge of property.

**SUBJECT PHOTOS Sale #494**



Photo taken looking northeast from south edge of subject.



Photo taken looking north from south edge of property.



## **Helmbrecht Appraising,LLC.**

C.J. "Speck" Helmbrecht  
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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  
Box 2328  
Havre, MT 59501

Hugh B. Brown  
Attorney at Law  
Chester, MT 59522

Steve Brown  
Attorney at Law  
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Havre, MT 59501

Burns, Solem & MacKenzie  
411 Ohio  
Chinook, MT 59523

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135 3rd Avenue  
Havre, MT 59501

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419 4th Avenue  
Havre, MT 59501

## **EXPERIENCE REFERENCES (continued)**

John Kuhr  
Attorney at Law  
P.O. Box 7152  
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Attorney at Law  
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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 Certified General Appraiser # 738

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

## **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 and commercial 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.