

# **SUMMARY APPRAISAL REPORT**

Proposed Land Banking Sales  
Parcel 16 in Fallon County Montana  
Parcel 569 in Carter County, Montana  
October 21, 2010

Prepared for:  
State of Montana  
Department of Natural Resources and Conservation  
Trust Land Management Division  
Real Estate Management Bureau  
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## **SUMMARY OF SALIENT FACTS**

**Clients and Intended Users of Review:** The clients are the State of Montana, the Montana Board of Land Commissioners, and the Montana Department of Natural Resources and Conservation (DNRC). The intended users are the clients, the Real Estate Management Bureau of the DNRC Trust Land Management Division, and the Eastern Land Office.

**Purpose of Appraisal and Intended Use:** The purpose of the appraisals is to provide the clients with credible opinions of current fair market value of the appraised subject properties and is intended for use in the decision making process concerning the potential sale of said subject properties.

**Present Owner:** State of Montana

**Subject Property:** The subjects are isolated and are each approximately 320 acres of mostly open, rolling to rough, native grazing ground. The Parcel 16 is located about 8.5 miles west of Plevna, Montana and does have a spring on it. Parcel 569 is located about 20 air-miles northwest of Ekalaka, Montana.

**Legal Description:** Parcel 16 is the South ½ of Section 22, Township 8 North, Range 56 East, Fallon County, Montana. Parcel 569 is the East ½ of Section 22, Township 4 North, Range 55 East, Carter County, Montana.

**Property Interest Appraised:** Fee Simple Interest of the Surface Rights less any known or recorded easements or encumbrances. This does use the hypothetical condition that no leases or licenses exist on the parcel.

**Present Use:** Grazing

**Highest and Best Use:** Grazing

**Zoning:** None

**Effective Date:** October 21, 2010

**Report Date:** December 9, 2010

**Opinion of Value of Real Estate:** Parcel 16 \$92,800  
Parcel 569 \$92,800

# **APPRAISAL REPORT**

## **TYPE OF REPORT**

The appraisals are presented in a Summary Report format and are intended to comply with Standards 1 and 2 of the current edition of USPAP. A summary report summarizes the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The information and depth of discussion included in this report is specific to the needs of the client and the intended use of the report, and its use is limited to the client and intended users identified in this report. Additional documentation to support the appraiser's opinions is retained in the appraiser's work file.

## **CLIENTS AND INTENDED USERS**

The clients are the State of Montana, the Montana Board of Land Commissioners, and the Montana Department of Natural Resources and Conservation (DNRC). The intended users are the clients, the Real Estate Management Bureau of the DNRC Trust Land Management Division, and the Eastern Land Office.

## **PURPOSE OF THE APPRAISAL**

The purpose of the appraisals is to provide the clients and intended users with credible opinions of current fair market value of the appraised subject properties as of the effective date of the appraisal.

No analysis was done in the appraisals on, or for, timber, mineral or water rights.

## **INTENDED USE**

The intended use of the appraisals is for utilization in the decision making process concerning the setting of minimum bid prices for the potential sale of the subject properties at public auction.

## **DEFINITION OF MARKET VALUE**

For purposes of this report, the following definition of current fair market value is used.

**Current fair market value. (MCA 70-30-313)** Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

(Implicit and consistent with this definition is the idea that market value is the most probable price which a property would bring in a competitive and open market under conditions essential to a fair sale, with buyer and seller each acting prudently and knowledgeably and that the price is not affected by any undue stimulus. Also, payment is made in terms of cash in U.S. dollars or terms equivalent to cash, unaffected by special financing or concessions.)

## **APPRAISAL PROCESS AND PROCEDURE**

An appraisal report is a usually written, verifiable opinion of value of real property. It is the appraiser's responsibility to gather all pertinent facts and information, not only with respect to the property being appraised, but also for the subject's neighborhood, and the market. The appraiser must have knowledge of all factors that contribute to market value, and must work from the general to the specific in evaluating available information.

Generally, the appraisal process encompasses the following steps:

1. Definition of the Problem, which includes identifying the real estate and property rights to be valued, date of value, use of appraisal, definition of value and other limiting conditions.
2. Preliminary Analysis and Data Selection and Collection, which includes general data, (social, economic, governmental and environmental), and specific data, (site and improvements, sales and listings, cost and depreciation, and income and expense and capitalization rate).
3. Highest and Best Use Analysis, including land as though vacant and property as improved.
4. Application of the Three Approaches: Cost, Sales Comparison, and Income.
5. Reconciliation of Value and Opinion of Final Value.
6. Report of Defined Value.

There are three accepted methods of evaluating the various types of real property: The Cost Approach, the Income Approach and the Sales Comparison Approach. All three approaches, when applicable, are used. When certain approaches do not apply or there is not sufficient information available, only those approaches or that approach that applies or contains enough information will be used and/or relied upon.

### **Cost Approach**

The cost approach is based on the understanding that buyers and sellers relate value to cost. This concept implies that the value of a property is the cost incurred to recreate it. In this approach, the estimated reproduction/replacement cost new of any and all improvements is developed. Then this "new" value is reduced by accrued depreciation, if any. This depreciated value of the improvements is then added to land value that has been estimated, usually through the sales comparison approach, to develop an indication of value. This approach is useful in new or nearly new improvements or highly specialized properties. As the subject properties are vacant parcel of grazing ground, this approach is not considered applicable.

### **Income Capitalization Approach**

In this approach, value is based on the present value of future benefits of property ownership. A survey of comparable properties must be made for the purpose of obtaining rental information to ascertain the going rent or market rent for comparable properties and the subject. The appraiser must analyze the income producing ability of the comparable properties and obtain background information relative to what a prudent investor of this type of property expects as a return on his/her money. From this information a return on the invested capital can be ascertained and then applied to the subject's market rent to develop a reliable indication of value based on income. This information must be related to the property being appraised. In direct capitalization, a single year's income is converted to a value indication using a capitalization rate. In yield capitalization, future cash flows are estimated and discounted to a present value using a capitalization rate. The income capitalization approach is the primary approach used in arriving at the indicated market value for income-producing property. Typically sales comparable to the subject are purchased either for recreation or for the expanding of existing neighboring operations. In the former case, income capitalization is not considered by the buyers, and in the latter case the buyers may only focus on the effect to the "whole" operation and not as a separate stand-alone income stream. Further, in the latter case, sometimes motivations other than just income come into play. As such, the income approach is not considered a reliable application for this analysis.

### **Sales Comparison Approach**

The sales comparison or market data approach reflects the opinions of buyers and sellers of comparable property as to the value of the subject property. The basic economic principle on which this approach is based is the principle of substitution. No well-informed, prudent buyer is going to pay more for any property than he/she has to pay to buy another equally desirable substitute property. The market data approach requires the appraiser to gather sufficient sales data in order to analyze, weigh and adjust in such a manner as to properly apply this information to the property being appraised. This is the primary approach to valuing vacant land.

**Note:** Montana is a non-disclosure state. As this report is for a public entity, and given the nature of confidentiality in regards to work product, sales information, the privacy of income information, and other confidential information, the sales summaries, the income data and other confidential information is intentionally brief. Additional supportive documentation such as grantor/grantee, recording document, property address, etc..., is kept in the appraiser's workfile.

## **SCOPE OF APPRAISAL**

The scope of the appraisal required for this valuation is specific to the needs of the client and intended users and the intended use of the report. As such, its use is limited to the client and intended users identified in this report.

The scope of the appraisal involved defining the subject and all its attributes to be appraised, inspecting and gathering pertinent data concerning the subject property, neighborhood and market, and analyzing the highest and best use of the subject property. The Sales Comparison Approach required the gathering of market information about comparable property sales, similar in nature to those of the proposed project, and applying the market data. However, Montana is a non-disclosure state and as such sales prices of real estate are not publicly recorded. Therefore, with few consolidated sources of sales information existing, and no obligation to release or verify information by many or all of the parties associated with the transactions, this appraiser may not know of sales of other comparable properties, or have only incomplete knowledge of others. Further, absolute verification of comparable sales may not be possible. (Had the Cost or Income Approaches been applicable, then information relevant to those approaches would have also been obtained to the extent possible.)

Although the subject is currently leased for agricultural purposes as part of the lessee's larger agricultural operations, the property was appraised as single parcel and as if no leases or licenses existed. The subject neighborhood was observed and the subject site was driven to and viewed from a corner of the parcel. Use was made of cadastral aerial photos and topo maps, and an internet software allowing an almost three dimensional view of the subject property. Information concerning the subject was obtained from department records and staff.

In the course of an appraisal, various market participants, including buyers, sellers, real estate brokers and agents, appraisers, MLSs, etc..., are contacted in order to gather pertinent information. Applicable public agencies, such as county or city planning, and published information, are also used as sources. Market trend data and other information in the appraiser's files are reviewed. For this report, the search for comparable sales encompassed a large area of southeastern Montana, including the counties of Treasure, southeastern Big Horn, Rosebud, Powder River, Carter, Fallon, and Custer. Market data on competing properties in the same market was also reviewed. Several appraisers knowledgeable of the area were contacted along with a couple of real estate people. Within the subject's market area a number of sales were reviewed, but were not felt to be as comparable as the sales eventually used.

Comparable sales were inspected to the extent possible. When a property was not accessible or could not be inspected, aerial photos, topo maps, other maps and information from parties familiar with the property were relied on. While it was possible to achieve a fairly good viewing of all four of the comparables used in this appraisal from county roads, aerial photos, topo maps, internet viewing software and information from the sales source was also relied upon. For this report, sales information including sales prices and price allocation was provided by various appraisers. It has been assumed that said sale price and price allocation information is accurate. The cadastral system was used as the only verifying source that the sale did occur. The DNRC water query system was also viewed. Unless specifically pertinent to a road, all distances referred to are in terms of air-miles.

Within the past year this appraiser has previously done a review of an appraisal done on the subject property.

### **HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS**

USPAP defines Hypothetical Condition as: that which is contrary to what exists but is supposed for the purpose of analysis. USPAP defines Extraordinary Assumption as: an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. Per Bureau Staff, although each subject property does have a grazing lease on it, said lease can be terminated by the State. Thus, as instructed, the properties are appraised under the hypothetical condition that no lease encumbers the subject properties. Use of this hypothetical condition might have affected the assignment results.

The subject properties are land locked. For purposes of this analysis, landlocked parcels (a parcel with no legal access) are appraised with the hypothetical condition of having legal access. This hypothetical condition only regards legal access; the physical accessibility to the subject parcels is appraised as it currently exists.

An extraordinary assumption has been made that the sales information including the sales price and price allocation, if not exactly correct, is at least reasonably accurate.

### **EFFECTIVE DATE OF VALUATION, DATE OF INSPECTION AND DATE OF REPORT**

The effective date of the appraisal is October 21, 2010. This is also the date the subject was viewed. The report, containing 26 pages, with 27 pages in the addendums, is dated December 9, 2010.

### **OWNERSHIP HISTORY AND PROPERTY RIGHTS APPRAISED**

The subject properties are owned by the State of Montana, and this ownership has been in place since the mid-1920s. The subject properties have been nominated by the Lessees for the Land Banking Program. This nomination begins a process of analysis which may result in a subject property being sold at public auction. Said auctions do have minimum bid requirements which are to be based on appraised values. Otherwise the subjects are not listed for sale, there are no current agreements of purchase, and they have not been previously listed nor offered for sale. The subject properties are currently encumbered by grazing leases. Per instructions, lands owned by the State of Montana are to be appraised as if they are in private ownership and could be sold on the open market, and must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. Further, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licenses do not exist. Use of this Hypothetical Condition may have affected the assignment results. Thus, the subject properties are appraised in Fee Simple interest of the surface rights subject to any known or recorded encumbrances, such as utility easements.

### **EXPOSURE AND MARKETING TIME**

Exposure time is the estimated length of time the property interest would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to precede the effective date of the appraisal. Considering the attributes of the subject properties, limited sales data provided by the comparable sales, other market information in the appraiser's files and opinions of participants in the market, an exposure time of 12 months is estimated.

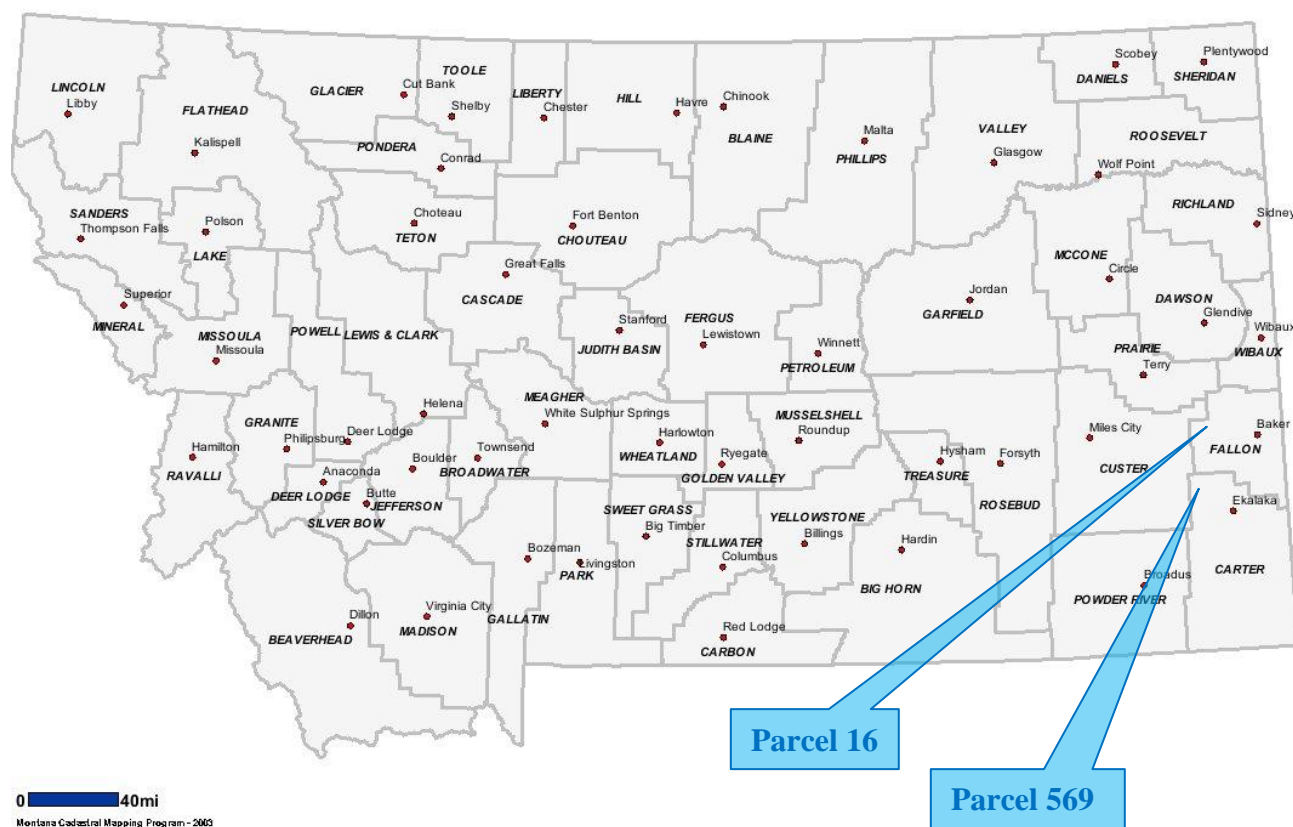


Marketing time is an estimate of the amount of time it takes to sell a property interest at the estimated market value during the period after the effective date of the appraisal. An estimate of marketing time is not intended to be a prediction of a date of sale. It is inappropriate to assume that the value, as of the effective date of the appraisal, remains stable during a marketing period. Again, considering the attributes of the subject properties, sales data, market information and opinions of participants in the market, with proper, competent exposure, a marketing time of 12 months is estimated.

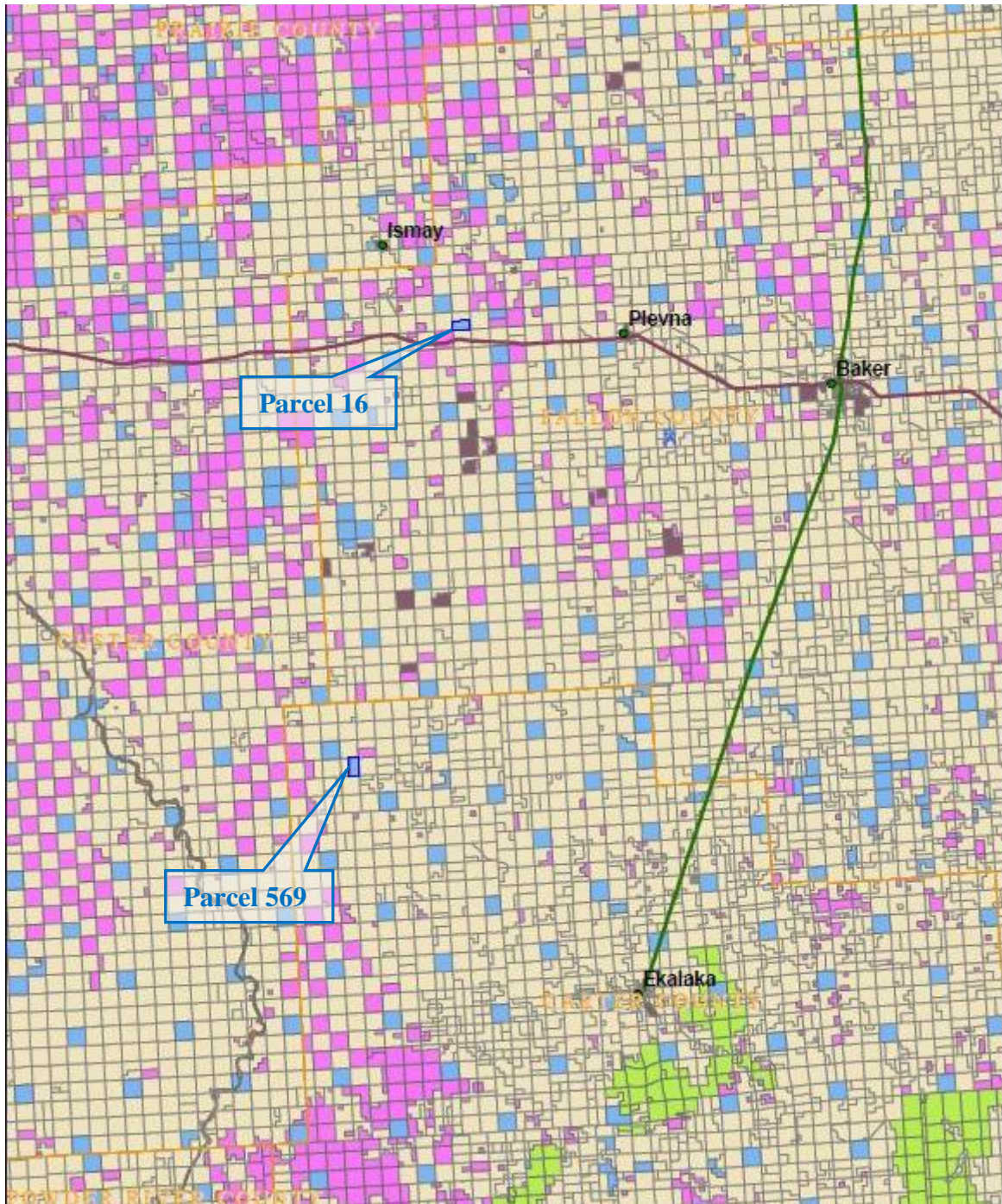
### **AREA AND NEIGHBORHOOD DESCRIPTION**

The subject properties are located in the southeastern part of the State of Montana. This portion of the state is characterized as a predominantly rural region, mostly open, with rolling to strongly rolling ground. Some limited recreational use/commerce is present in the area, along with some other very limited commercial or industrial activities in small to very small urban settings. Mineral extraction has existed in the area for a number of years, and this industry has seen growth in the last few years. However the area is still considered primarily an agricultural area with the prominent land use for grazing cattle.

Per the U.S. Census Bureau, from April 1, 2000 through July 1, 2009, the population in this 12-county area of the state has declined about 5.59%, from 52,244 to 49,323. Indications, but not hard figures, are that this downward trend may still continue but at a lower rate. At the same time the Census reports that between 1998 and 2008 the average of the per-county estimated median household income (with 90% confidence), increased 40.36 %, from \$28,454 to \$39,938. It is believed that even in the current nation-wide economic slowdown, due to agricultural commodity prices and mineral extraction this upward income trend will continue, however the rate is not known. And while the current national unemployment rate is around 9.5%, the average of the 12-county unemployment rate is only 3.93%.



Parcel 16 is located in Fallon County and lies approximately 8.5 air-miles west of Plevna, about 22 miles northwest of Baker, the county seat, and about 53 miles east of Miles City. Parcel 569 is located in Carter County and lies approximately 20 air-miles northwest of Ekalaka, the county seat, and about 53 miles southeast of Miles City. Miles City itself with a population of approximately 8,100 people is the primary service and commercial center for a large portion of this area of the state. Several state and a couple U.S. highway run through the general area as well as Interstate 94 which connects Miles City to Billings about 150 miles to the west. Commercial rail service and very limited air transportation also serves the area and neighborhood. Land uses surrounding the subject generally consists of cattle ranching with a limited amount of rural residential and recreational properties also present. Ownership consists of private, state and federal lands interspersed.





## **MARKET OBSERVATIONS**

The general opinion by area professionals involved somehow in real estate is that while there has been some price/value decrease in some residential, some commercial/industrial and higher-dollar recreational properties, the values of most agriculture/grazing type properties or even low-dollar recreational properties has remained stable to still increasing. While no matched pairs or resales of comparables were found to provide a definite percentage to state, other market evidence found supports this general opinion.

## **SUBJECTS' LEGAL DESCRIPTIONS**

Parcel 16 is the South ½ of Section 22, Township 8 North, Range 56 East, Fallon County, Montana.  
Parcel 569 is the East ½ of Section 22, Township 4 North, Range 55 East, Carter County, Montana.

## **SUBJECTS' LOCATION AND ACCESS**

Parcel 16 is located approximately 53 air-miles east of Miles City. Access to the subject property from Miles City is by taking U.S. Hwy 12 east, then a short distance on 2-track to the parcel. This 2-track is approximately ¼ mile long, and crosses private land. There is no legal access to the subject property. Parcel 569 is located approximately 53 air-miles southeast of Miles City. Access to the subject property from Miles City is by taking U.S. Hwy 12 east about 13 miles, then the rest of the way on maintained county gravel roads to a 2-track and then a short distance on to the parcel. This 2-track is approximately ½ mile long, and crosses private land. There is no legal access to the subject property.

## **LAND USE RESTRICTIONS**

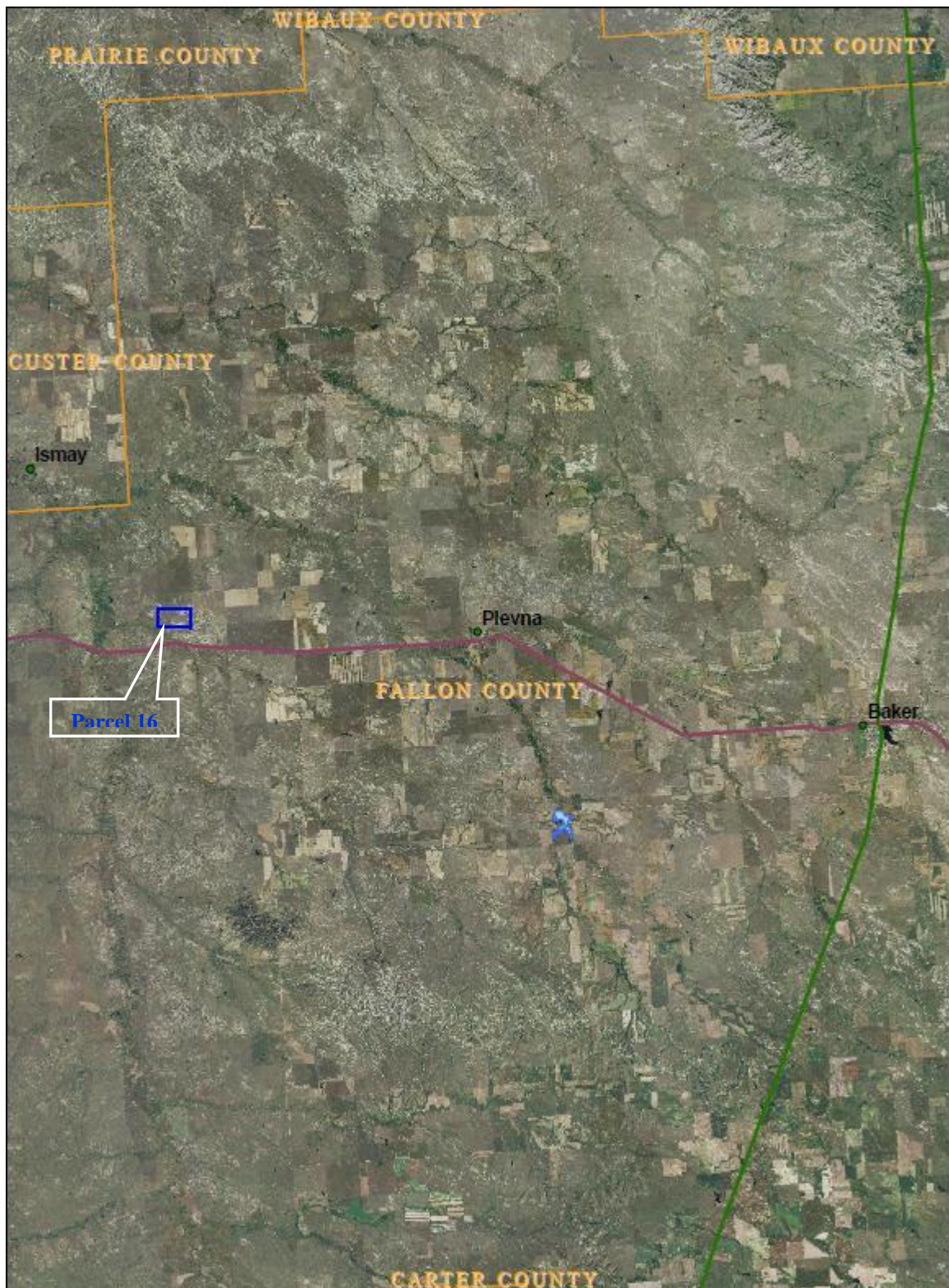
The subject properties are not zoned. Through use of various DNRC Staff, and other governmental agencies, no known atypical hazards or environmental concerns are associated with the subject properties or neighboring lands. No encroachments and no typical utility easements were noted. The subject properties do not have legal access.

## **DESCRIPTION OF SUBJECT PROPERTIES**

Parcel 16 is an isolated parcel of approximately 320 acres of open, rolling to rough, native grazing ground. The parcel is vacant with a spring located on it. Elevation varies from about 2,650 feet to about 2,830 feet. Precipitation averages approximately 15" per year. The subject is currently leased for grazing.

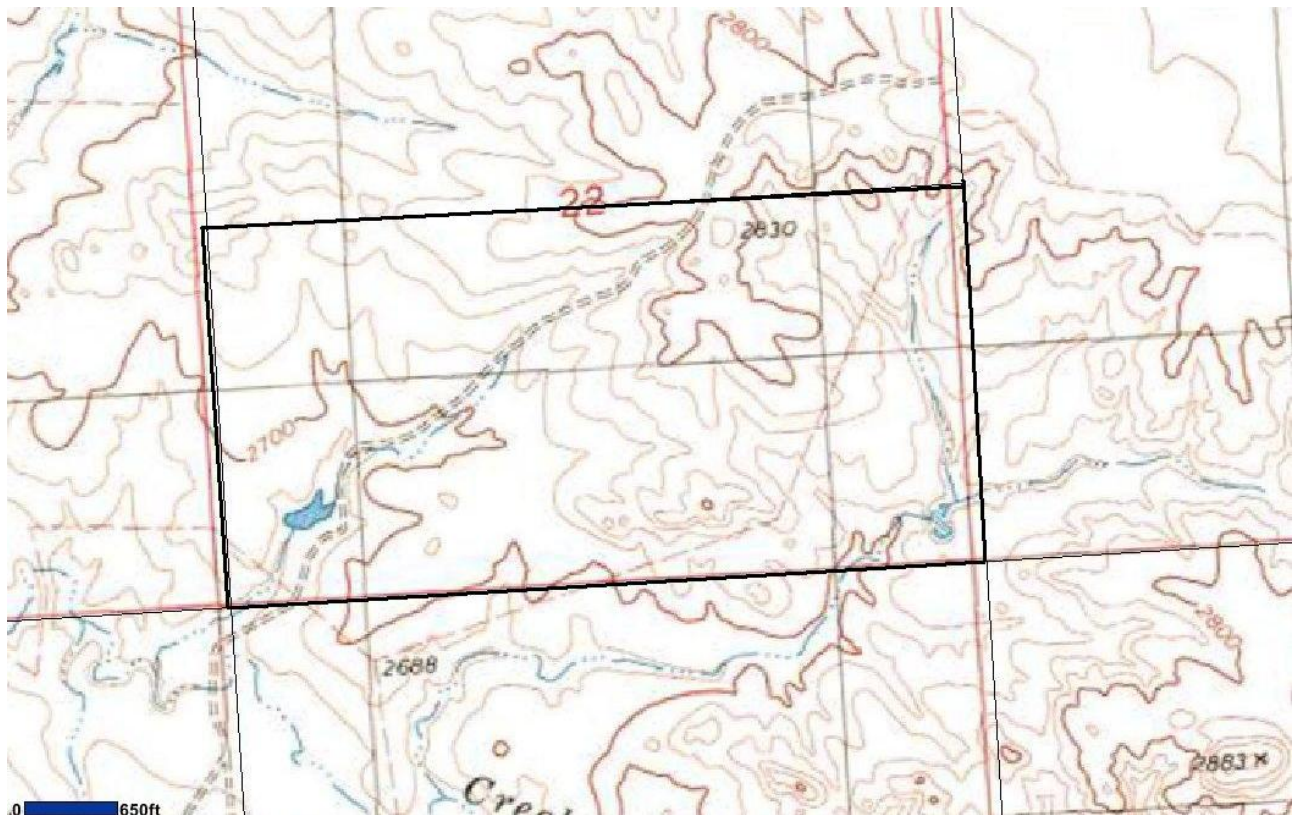


## Parcel 16 Location





**Parcel 16 Aerial Photo and Topography Map**





Parcel 569 is located approximately 20 air-miles northwest of Ekalaka, with access as described above. The subject property is an isolated parcel of approximately 320 acres of open, rolling to rough, native grazing ground. The parcel is vacant without any water source located on it. Elevation varies from about 3,220 feet to about 3,100 feet. Precipitation averages approximately 15" per year. The subject is currently leased for grazing.

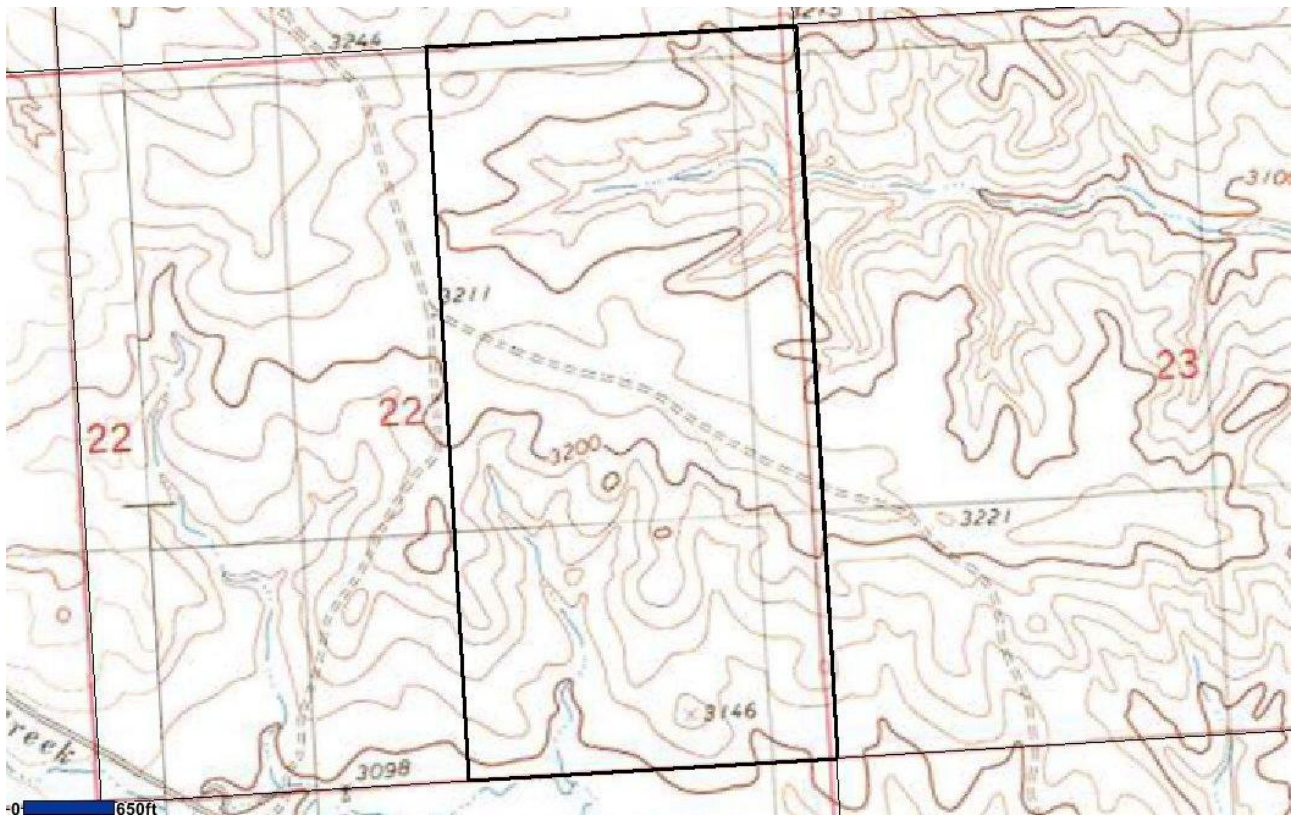
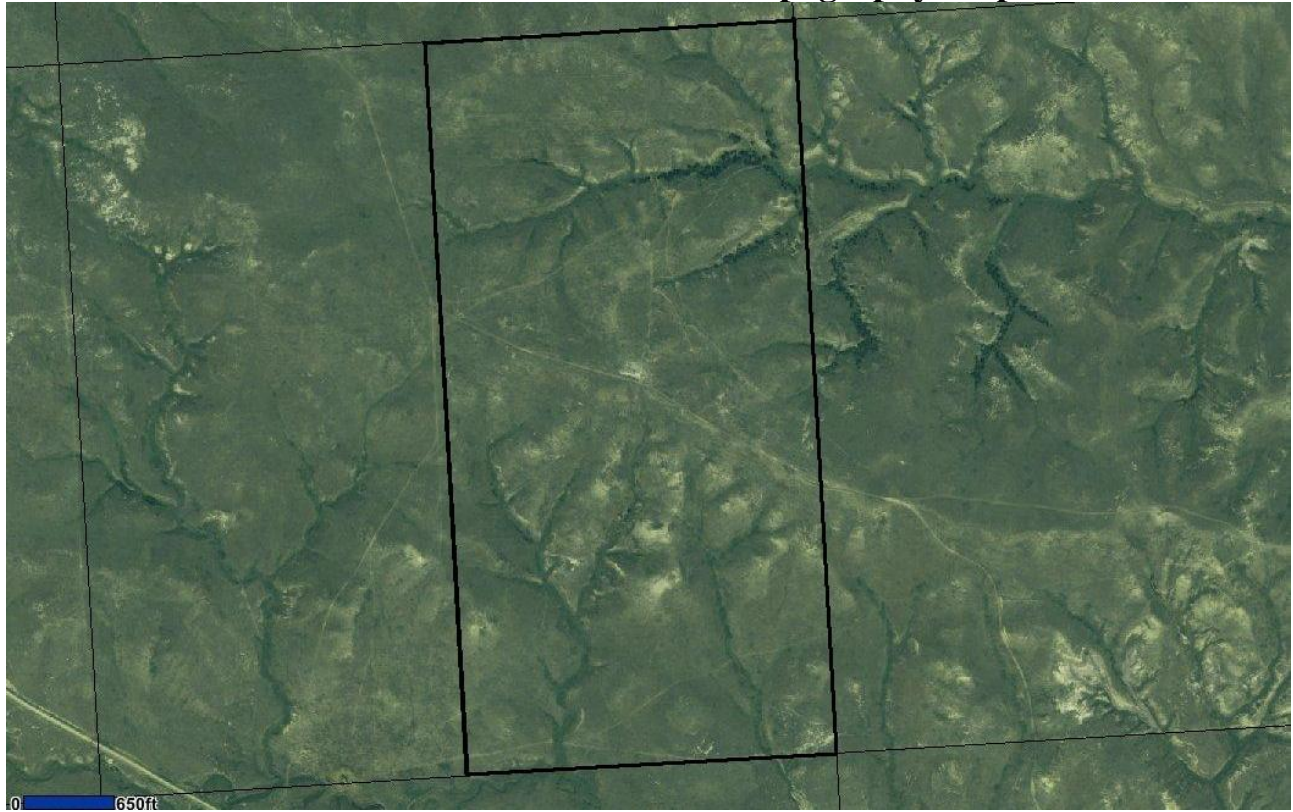


**Parcel 569 Location Map**





## Parcel 569 Aerial Photo and Topography Map



## **HIGHEST AND BEST USE ANALYSIS**

Highest and best use is defined as: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill - that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate and alternative term to reflect highest and best use, would be most profitable use.

The definitions of highest and best use indicate that there are two types of highest and best use. The first is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use, (or hypothetical proposed use), may or may not be different from the site's highest and best use. In the highest and best use analysis of both the land as vacant and the property as improved, a use must meet four criteria.

The criteria are that the highest and best use must be (1) legally permissible, only those uses that are, or may be, legally allowed are potential highest and best uses. This may exclude uses that are not, and unlikely to become, allowed by zoning, uses forbidden by government regulations, and uses prohibited by deed restrictions or covenants. Properties with a use that predates existing zoning regulations may be legally nonconforming. Such grandfathered uses are generally legal even though they do not meet current zoning regulations. Since their use predates the zoning, they are "grandfathered in". However, some such uses may not be reproduced if the legally nonconforming improvement is destroyed or damaged beyond a certain point; (2) physically possible, any potential use must be physically possible given the size, shape, topography, and other characteristics of the site; (3) financially feasible, and (4) maximally productive.

The categories of use most generally recognized are residential, commercial, industrial, (light or heavy), agricultural, timber, and special purpose. Sometimes recreational use is also delineated, and sometimes timber is grouped with agriculture. Note, as the subject property is vacant only the one analysis is applicable.

**Legal:** The subjects are not zoned and the subjects are appraised as if no leases exist and as if they have legal access. Theoretically the properties could be put to almost any use.

**Physical:** The subjects appear to have stable ground but is rolling to rough and as such would limit use of certain categories to more specific areas on the parcels. However the type of category is not really limited.

**Feasible:** Given the locations, physical access, lack of utilities, physical characteristics and surrounding land uses residential, timber, commercial, industrial, and most special purposes do not appear feasible. That leaves agriculture, recreation and possibly some special purpose uses as feasible.



**Maximally Profitable:** Given the attributes of the subject property, add-on agricultural use appears to be the most profitable.

**Conclusion:** Based on the analysis above, it appears the Highest and Best Use of the subject as Vacant, is as an add-on grazing parcel. The “as is” condition of no legal access would have this same Highest and Best Use.

## **PROPERTY VALUATION**

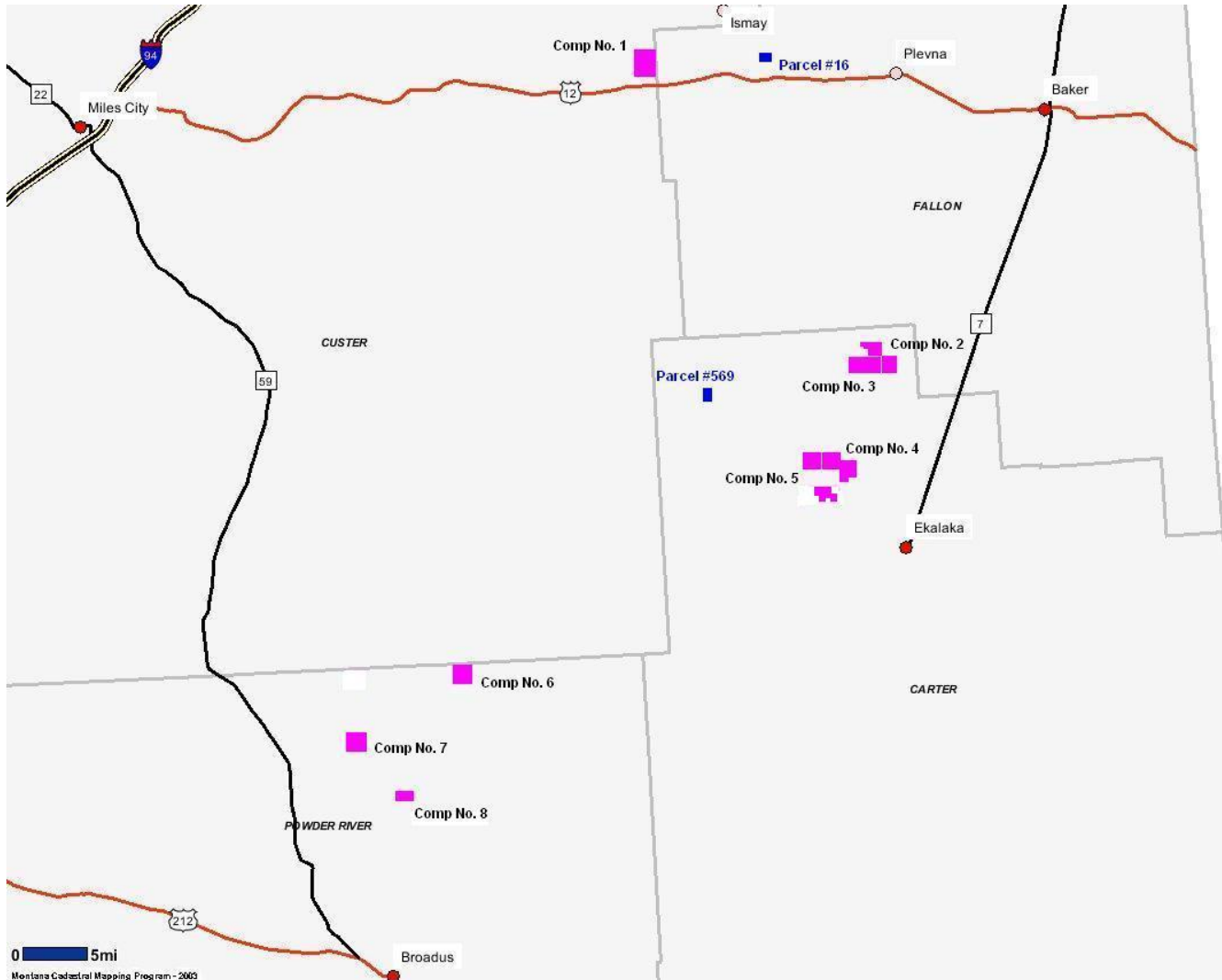
It was determined that the Cost and Income Approaches are not applicable, therefore only the Sales Comparison Approach will be analyzed. Also, as very limited sales information was found on isolated or landlocked properties during this market research no reasonable adjustments for lack of legal access could be extracted from the market information gathered and thus there is not enough specific evidence to determine specific values for this “as is” condition. Therefore the only values reported for the parcels is under the hypothetical condition of having legal access.

All of the comparable sales were compared to the subject property on the basis of price per acre. This, according to area appraisers and real estate brokers/agents, is the typical unit of measurement by which buyers and sellers express value of this type of property in the market area. The comparable sales were all analyzed for the appropriate elements of comparison. Those being Location, Property Rights Conveyed, Financing and/or Conditions of Sale, Size (acres), Date of Sale (a Time Adjustment), Access, Water, and Land Features. As the subject is vacant, improvements were not considered except if allocated for in a comparable sale, which was then addressed before the adjustment table analysis step.

Matched pairs, when available, provide indicated adjustment amounts, (quantitative adjustments, or factors that can be measured in the market and are less subjective), for some characteristics. When no matched pairs are available to provide indicated adjustment amounts for some characteristics, qualitative adjustments, (desirability, or factors that are more subjective and/or difficult to measure), are used, based on opinions provided, general trends found, or interpolation of differences in other sales or market information. The use of qualitative adjustments usually results in the subject property being bracketed by the comparable sales, and thus, this gives an indication of value. All the adjustments that are made in this analysis are of a qualitative type.

For this report, the search for comparable sales encompassed a large area of southeastern Montana, including the counties of Treasure, southeastern Big Horn, Rosebud, Powder River, Carter, Fallon, and Custer. Market data on competing properties in the same market was also reviewed. Several appraisers knowledgeable of the area were contacted along with a couple of real estate people. Within the subject’s market area a number of sales were reviewed, but were not felt to be as comparable as the eight sales eventually used. These comparable sales were relied upon to form an opinion of the current fair market values. The comparables were all driven past. Those drive-by viewings, cadastral information, water rights query system data, aerial photos, topo maps, internet viewing software and information from the sales source were all also relied upon.

## Comparable Sales Location Map



**Location:** All of the comparable sales are located in the subject's general market area. Comparing the comparable sales with each other indicates no clear-cut difference due specifically to location and none is apparent to exist between the comparables and the subject. Thus no adjustments were made to the comparable sales for location in the adjustment table.

**Property Rights Conveyed:** The subject properties are appraised in fee simple interest of the surface rights. As all of the comparable sales were reported as sold on the basis of fee simple interest, no adjustments were made to the comparable sales for property rights conveyed in the adjustment table.

**Financing/Conditions of Sale:** All of the comparable sales sold for cash or on terms equivalent to cash. (Comparables 2, 3 & 5 did sell by Contract for Deed however the terms do not warrant adjustment.) The market value opinion in this report is also based on cash or terms equivalent to cash. No special or atypical conditions of sale were reported for the comparable sales. Thus no adjustments were made to the comparable sales for financing or conditions of sale in the adjustment table.

**Size:** The subjects are each 320-acres. The comparable sales used as indicators of value range in size from 320 acres to 1,920 acres. Generally it is believed that smaller parcels sell for higher prices per acre, (although at times larger parcels can also give more flexibility in development or may have a demand based on minimum size needed or desired). Review of sales in other appraisals indicates support for the “more for less” premise. However typically there are also “break points” or “size groups” where there are no clear adjustments for those sizes that are within certain ranges. The market data gathered indicates the acreage of the subject and comparables falls within one of these ranges. As a result no adjustments were made to the comparable sales.

**Date of Sale (Time Adjustment):** The comparable sales occurred between June 2007 and December 2008. Review of the other sales and market data support the general opinion by area real estate professionals including appraisers, that while there has been some price/value decrease in some residential, some commercial/industrial and higher-dollar recreational properties, the values of most agriculture/grazing type properties or even low-dollar recreational properties has remained stable to still increasing. As no matched pairs or resales of comparables were found to provide a definite percentage to utilize, qualitative adjustments to the comparable sales were applied.

**Access:** The subjects are only a short distance from maintained roads. Comparable 1 is similar. Comparables 2, 3, 4 & 5 are accessed from maintained county gravel roads. Comparables 6 & 7 are about 2 miles from any county roads and while Comparable 8 has access along a county road, the road does not appear maintained and itself may be impassable during certain weather. Adjustments to the comparable sales were made accordingly.

**Water:** Parcel 16 has a spring and reservoir however the improvements are the lessee’s and are not included in the analysis. Parcel 569 does not have any water. All the comparables have some sort of water source for watering stock. The comparables were adjusted accordingly.

**Land Features:** This category includes if the property is contiguous, and the general topography and elevation. Although these influences can be hard to quantify, certain generalities can be made. Gentler terrain and lower elevations typically add to desirability as does being contiguous and is usually reflected in sale prices. Taking into account the features of the various properties, differences between the subject and some of the comparable were found. Thus adjustments were made accordingly.

## **Comparable Sales Data Summary**

**Comparable Sale No. 1:** About 1,280 acres of vacant, rolling to rough, grazing ground with a creek, reservoir and pits for stock water. The sale is located in Custer County about 7 miles southwest of Ismay, MT, about 8 miles west of the Parcel 16 and about 24 miles northwest of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale consists of about 1,087 acres of native pasture and about 193 acres of tame grass. A lease of 78 AUMs on 390 acres of BLM went with the sale. No improvements are present. Access is provided by a trail across neighboring BLM land from a county gravel road. The property sold for cash in June 2007 for \$386,000, or \$302 per deeded acre. Price for the grazing land was \$290 per acre.

**Comparable Sale No. 2:** About 1,869 acres of vacant, rolling native grazing ground. There is a reservoir and well on the property. The sale is located in Carter County about 15 miles north of Ekalaka, MT, about 23 miles southwest of the Parcel 16 and about 18 miles east-northeast of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale is all native range ground. Some old buildings, lacking value, are present. Access is provided by a county gravel road. The property sold on a Contract for Deed with 4% interest and a 20-year term, in January 2008 for \$590,091, or \$316 per acre. Terms did not appear to affect price. The grazing price is also \$316 per acre.

**Comparable Sale No. 3:** About 1,920 acres of vacant, rolling to slightly rough, native grazing ground. A creek and reservoir are present. The sale is located in Carter County about 15 miles north of Ekalaka, MT, about 24 miles southeast of Parcel 16 and about 17 miles east-northeast of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale consists of all native pasture land. Access is from a county gravel road. The property sold in January 2008 for \$600,960, on a Contract for Deed. The terms were 4% interest, with a length of 20 years and did not appear to affect price paid. The price per deeded acre and per grazing acre was the same, \$313.

**Comparable Sale No. 4:** About 1,280 acres of vacant, rolling, pasture ground. A reservoir and well for stock water are present. The sale is located in Carter County about 7.5 miles northwest of Ekalaka, MT, about 31 miles south of Parcel 16 and about 7 miles southeast of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale consists of about 1,163 acres of native pasture and about 117 acres of tame pasture. Access is from a county gravel road. The sale sold for cash in October 2007 for \$423,680, or \$331 per deeded acre. Price for the grazing land was \$329 per acre.

**Comparable Sale No. 5:** About 1,118 acres of vacant, rolling to rough, non-contiguous pasture ground. The property is split into two parts about 1 mile apart. A creek, reservoir and well are present. The sale is located in Carter County about 7.5 miles northwest of Broadus, MT, about 31 miles southeast of Parcel 16 and about 7 miles southeast of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale consists of about 1,049 acres of native pasture and about 70 acres of tame grass. A lease of 12 AUMs on BLM went with the sale. No improvements are present. Access is from a county gravel road. The sale sold in October 2007, on a Contract for Deed with market rate and terms, for \$356,187, or \$318 per deeded acre. Grazing land was \$315 per acre.

**Comparable Sale No. 6:** About 652 acres of vacant, slightly rolling, grazing and CRP ground. A reservoir is present. The sale is located in Powder River County about 23 miles north-northeast of Broadus, MT, about 48 miles southeast of Parcel 16 and 28 miles southwest of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale consists of about 223 acres of native pasture and about 429 acres of CRP. Access is about 2 miles of 2-track across private neighboring land from a county road that has minimal maintenance. The sale sold for cash in March 2008 for \$230,000, or \$353 per deeded acre. Price for the grazing land was \$262 per acre.

**Comparable Sale No. 7:** About 460 acres of vacant, rolling to rough, native grazing ground. A well for stock water is present. The sale is located in Powder River County about 18.5 miles north of Broadus, MT, about 55 miles southwest of Parcel 16 and about 34 miles southwest of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale is all native range ground. No improvements present. Access is about 2 miles of 2-track across private neighboring land from a county road that has minimal maintenance. The sale sold for cash in October 2007 for \$110,000, or \$239 per deeded acre, which is the same price for the grazing acres.

**Comparable Sale No. 8:** About 320 acres of vacant, rolling, native grazing ground. A well for stock water is present. The sale is located in Powder River County about 14 miles north of Broadus, MT, about 64 miles southwest of Parcel 16 and about 38 miles southwest of Parcel 569. This is a rural agricultural area with mostly cattle ranches present. The sale is all native range ground. No improvements present. Access is from an unmaintained county road and the road itself may be impassable during certain weather. The sale sold for cash in December 2008 for \$80,000, or \$250 per deeded acre, which is the same price for the grazing acres.

**Summary:** To restate and summarize, although considered, no adjustments were made to the comparable sales for Location, Property Rights, Financing/Conditions of Sale, or Size. Date of Sale, Access, Water, and Land Features have all been analyzed and adjusted accordingly. The comparable sales range from a low of \$239 per grazing acre (Comparable 7), to a high of \$329 per grazing acre (Comparable 4). Please note all distances referred to are in air-miles.

## Comparable Sales Adjustment Table for Parcel 16

	<b>Subject:</b> S22, 8N-56E Fallon County	<b>Comp No. 1:</b> Cottonwood Custer County	<b>Comp No. 2:</b> Three Mile Carter County	<b>Comp No. 3:</b> Spring Creek Carter County	<b>Comp No. 4:</b> Cutoff Road Carter County	<b>Comp No. 5:</b> Hanley Creek Carter County	<b>Comp No. 6:</b> Corral Creek Powder River	<b>Comp No. 7:</b> Nest Creek Powder River	<b>Comp No. 8:</b> Cross S Rd Powder River
<b>Total Sales Price</b>		\$386,000	\$590,091	\$600,960	\$423,680	\$356,187	\$230,000	\$110,000	\$80,000
<b>Grazing Acre Unit Price</b>		\$290	\$316	\$313	\$329	\$315	\$262	\$239	\$250
<b>Location (Air Miles)</b>	8.5 M. W of Plevna	7 M. SW of Ismay	15 M. N of Ekalaka	15 M. N of Ekalaka	7.5 M. NW of Ekalaka	7.5 M. NW of Ekalaka	23 M. NNE of Broadus	18.5 M. N of Broadus	14 M. N of Broadus
<b>Property Rights</b>	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights
<b>Financing/ Conditions</b>		Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market
<b>Size</b>	320± Acres	1,280± Acres	1,869± Acres	1,920± Acres	1,280± Acres	1,119± Acres	652± Acres	460± Acres	320± Acres
<b>Date of Sale</b>		June 2007	Jan 2008	Jan 2008	Oct 2007	Oct 2007	March 2008	Oct 2007	Dec 2008
<b>Time Adjustment</b>		(+)	(+)	(+)	(+)	(+)	(+)	(+)	(+)
<b>Access</b>	Short 2-Track off State Asphalt Hwy	Short 2-Track off County Gravel Road	County Gravel Road	County Gravel Road	County Gravel Road	County Gravel Road	2-Track off County Road (+)	2-Track off County Road (+)	Unmaintained County Road (+)
<b>Water</b>	Reservoir & Spring (Lessee's)	Creek, Pits & Reservoir (-)	Reservoir & Well (-)	Creek & Reservoir (-)	Reservoir & Well (-)	Creek, Well & Reservoir (-)	Reservoir (-)	Well	Well
<b>Land Features</b>	Rolling to Rough	Rolling to Rough	Rolling (-)	Rolling to Slightly Rough (-)	Rolling (-)	Rolling to Rough, Non-Contiguous (+)	Slightly Rolling (-)	Rolling to Rough	Rolling (-)
<b>Total Adjustments</b>			(-)	(-)	(-)	(+)		(+)	(+)
<b>Final Adjusted Price</b>		\$290	< \$316	< \$313	< \$329	\$315 >	\$262	\$239 >	\$250 >

**Note:** No symbol indicates the comparable sale is considered similar overall to the subject.  
The (+) symbol indicates the comparable is inferior and would need a positive adjustment.  
The (-) symbol indicates the comparable is superior and would need a negative adjustment.

## Comparable Sales Adjustment Table for Parcel 569

	<b>Subject:</b> S22, 4N-55E Carter County	<b>Comp No. 1:</b> Cottonwood Custer County	<b>Comp No. 2:</b> Three Mile Carter County	<b>Comp No. 3:</b> Spring Creek Carter County	<b>Comp No. 4:</b> Cutoff Road Carter County	<b>Comp No. 5:</b> Hanley Creek Carter County	<b>Comp No. 6:</b> Corral Creek Powder River	<b>Comp No. 7:</b> Nest Creek Powder River	<b>Comp No. 8:</b> Cross S Rd Powder River
<b>Total Sales Price</b>		\$386,000	\$590,091	\$600,960	\$423,680	\$356,187	\$230,000	\$110,000	\$80,000
<b>Grazing Acre Unit Price</b>		\$290	\$316	\$313	\$329	\$315	\$262	\$239	\$250
<b>Location (Air Miles)</b>	20 M. NW of Ekalaka	7 M. SW of Ismay	15 M. N of Ekalaka	15 M. N of Ekalaka	7.5 M. NW of Ekalaka	7.5 M. NW of Ekalaka	23 M. NNE of Broadus	18.5 M. N of Broadus	14 M. N of Broadus
<b>Property Rights</b>	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights	Fee Simple Surface Rights
<b>Financing/ Conditions</b>		Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market	Typical for Market
<b>Size</b>	320± Acres	1,280± Acres	1,869± Acres	1,920± Acres	1,280± Acres	1,119± Acres	652± Acres	460± Acres	320± Acres
<b>Date of Sale</b>		June 2007	Jan 2008	Jan 2008	Oct 2007	Oct 2007	March 2008	Oct 2007	Dec 2008
<b>Time Adjustment</b>		(+)	(+)	(+)	(+)	(+)	(+)	(+)	(+)
<b>Access</b>	Short 2-Track off County Gravel Road	Short 2-Track off County Gravel Road	County Gravel Road	County Gravel Road	County Gravel Road	County Gravel Road	2-Track off County Road (+)	2-Track off County Road (+)	Unmaintained County Road (+)
<b>Water</b>	None	Creek, Pits & Reservoir (-)	Reservoir & Well (-)	Creek & Reservoir (-)	Reservoir & Well (-)	Creek, Well & Reservoir (-)	Reservoir (-)	Well	Well
<b>Land Features</b>	Rolling to Rough	Rolling to Rough	Rolling (-)	Rolling to Slightly Rough (-)	Rolling (-)	Rolling to Rough, Non-Contiguous (+)	Slightly Rolling (-)	Rolling to Rough	Rolling (-)
<b>Total Adjustments</b>			(-)	(-)	(-)	(+)		(+)	(+)
<b>Final Adjusted Price</b>		\$290	< \$316	< \$313	< \$329	\$315 >	\$262	\$239 >	\$250 >

**Note:** No symbol indicates the comparable sale is considered similar overall to the subject.  
The (+) symbol indicates the comparable is inferior and would need a positive adjustment.  
The (-) symbol indicates the comparable is superior and would need a negative adjustment.

**Sales Comparison Reconciliation:** The subject appears mostly bracketed by Comparable 3 at \$313 per acre and Comparable 8 at \$250 per acre. (It is noted that Comparable 5 is outside the bracket, however the rest of the sales support the bracketing.) At \$290 per acre Comparable 1's advantages and negatives seem to balance out and the property appears similar to the subject. So does Comparable 6 at \$262. Narrowing the range down to Comparable 1 and Comparable 6 and then considering all features of the subjects and all the sales information found, including proximity of the sales to each subject, Comparable 1 is weighted more. That said, a value of \$290 per acre, under the hypothetical condition of legal access, for each subject parcel is indicated.

### **FINAL RECONCILIATION**

When possible all three basic approaches to value should be used. However it was determined that the Cost and Income Approaches are not applicable.

<b>Valuation Approach:</b>	<b>Cost</b>	<b>Income</b>	<b>Sales Comparison</b>
<b>Parcel 16 Value:</b>	<b>N/A</b>	<b>N/A</b>	<b>\$92,800</b>
<b>Parcel 569 Value:</b>	<b>N/A</b>	<b>N/A</b>	<b>\$92,800</b>

**Final Value Conclusion:** To reaffirm, the purpose of this appraisal is to provide the client and intended users with an opinion of current fair market value of the subject property as of the effective date of the appraisal. The intended use of the appraisal is for utilization in the decision making process concerning the setting of minimum bid prices for the potential sale of the subject properties at public auction. No analysis was done in this appraisal on, or for, any timber, mineral or water rights. The subject property is appraised in Fee Simple interest of the surface rights subject to any known or recorded encumbrances. This report's use is limited to the client and users and its specific intended use. This appraisal report is based on the market value definition, scope of work, assumptions and limiting conditions, certification, hypothetical assumptions, extraordinary assumptions and any other conditions included in or attached to this report. Further, it is assumed that there has not been any significant change, physical or otherwise, to the subject property between the inspection date and date the report is signed.

It is my opinion that as of **October 21, 2010**, the current fair market value of Parcel 16 is, \$290 per Acre X 320 Acres or, **Ninety Two Thousand Eight Hundred Dollars (\$92,800)**.

It is my opinion that as of **October 21, 2010**, the current fair market value of Parcel 569 is, \$290 per Acre X 320 Acres or, **Ninety Two Thousand Eight Hundred Dollars (\$92,800)**.

Dated: December 9, 2010

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Thomas J. Konency, Appraiser  
Montana Dept of Natural Resources & Conservation, Trust Land Mgt Div



## **ASSUMPTIONS 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 set forth in the report.

1. The appraiser will not be responsible for matters of a legal nature affecting either the property being appraised or the title to it. Except for information that was provided or uncovered during the research involved in performing the appraisal and ordinarily employed by real estate appraisers, no opinion is intended to be expressed for legal matters or that would require specialized knowledge or investigation. The appraiser assumes that the title is good and marketable, ("free and clear"), and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership and/or competent management. Unless otherwise mentioned in this report, the property is appraised as if owned in fee simple title without encumbrances.
2. The appraiser assumes that the legal descriptions furnished are correct and the appraiser has not surveyed the property. Acreage of land types and measurements of improvements are based on physical inspection of the property or information provided unless otherwise noted in the report. Sketches or drawings in this report are included to assist the reader in visualizing the property. They are not to be considered a legal survey or engineer's plan of any kind. Any and all other sketches, drawings, maps, etc., are also provided for informational purposes only and are not for any legal reference. Access has been investigated only to the satisfaction of the appraiser. No assurance of legal access, or lack of, is expressed or implied as a legal opinion. The same is true of encroachment and trespass issues.
3. The appraiser has noted in the appraisal report any adverse conditions, (such as, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, floodplains, etc), observed during the routine inspection of the subject property, and/or adjacent properties, or that was discovered during the normal research involved in performing the appraisal. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, and/or adjacent properties, or adverse environmental conditions, (including, but not limited to, the presence of hazardous wastes, toxic substances, etc), that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property. Concerns about soil conditions, actual condition of improvements or systems, or property conformity to zoning, building, fire, ADA, and other such applicable laws, regulations, rules and codes, should all be referred to the proper experts.

4. The appraiser is not an expert in minerals, mineral rights, timber, timber volumes, crops, farm programs or water requirements and rights. Unless otherwise noted, only surface rights will be appraised with no value specifically allotted to the mineral rights or deposits. Timber values, if considered a part of the report, will rely on proper experts, as will farm programs. Typically, growing crops are not considered in the appraisal report. Usually it is assumed the water rights have been secured or perfected, with their value generally considered an inherent part of the land value, with any deviation from this to be included in the report. Rental and lease agreements, conservation plans, options and other situations may also require reliance on proper experts.
5. The appraiser has obtained information, opinions, estimates, surveys, plans, maps and information on regulations, restrictions and studies, etc., from various sources including the property owner, agent, or manager, as well as from real estate professionals, government agencies, appraisers and other sources. Unless otherwise noted, the sources are considered reliable and the information is complete and correct. However, the appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
6. The appraiser assumes no responsibility or liability for future conditions, about which information was not supplied or readily available or was not public knowledge at the time the appraisal is made, nor for the effect of events, which might concern the value of the subject property subsequent to date of appraisal. Montana is a non-disclosure state and as such sales prices of real estate are not publicly recorded. Therefore, with few consolidated sources of sales information existing, and no obligation to release or verify information by many of the parties associated with the transactions, this appraiser may not know of sales of comparable properties, and absolute verification of comparable sales may not be possible.
7. The scope of work has been disclosed in the report and is specific to the needs of the clients and intended users and the intended use. All extraordinary assumptions and hypothetical conditions, including, but not limited to, satisfactory completion and repairs or alterations, will be noted in the appraisal report. It is assumed there will be consistency with all the plans, estimates, specifications, planned work, projections, or requirements, initially provided. Deviation from those items may affect the value reported. Great effort has been taken to eliminate all error in identifying, developing and processing the report. However, if errors or omissions are found, they will have to be reviewed to see if they will affect the opinion of value reported.
8. The appraiser will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state, or local laws, rules or regulations. The appraiser is not obligated to/by any unauthorized use of this report by third parties or the “extraction” of only parts of the report and attempting to apply those parts in any other process or to reach a conclusion.
9. It is assumed that there has not been any significant change, physical or otherwise, to the subject property between the inspection date and date the report is signed.

## **APPRAISER'S 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 viewing of the property that is the subject of this report.**
- 9. No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance would be stated.)**

Dated: December 9, 2010

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Thomas J. Konency, Appraiser  
Montana Dept of Natural Resources & Conservation, Trust Land Mgt Div

## **ADDENDUM**

# **Scope of Work for Appraisals of Potential Property Sales through the Land Banking Program**

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

The clients and intended users are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). The purpose of the appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property.

## **DEFINITIONS:**

**Current fair market value. (MCA 70-30-313)** Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

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

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

## **PROPERTY RIGHTS APPRAISED:**

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

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

The latest date of inspection by the appraiser will be the effective date of the valuation.

## **SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:**

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

### **ASSIGNMENT CONDITIONS:**

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

The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.) Soil classification, surrounding land uses, and the possibility of converting grazing ground to cropland should be considered.

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable. The appraisal will be in a Summary Report format, that is, it will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted.

Landlocked parcels, (parcels with no legal access), should be appraised both with the hypothetical condition of having legal access and as the property currently exists, which is without legal access, (“as is”). If evidence through recent sales of comparable properties is available in the subject’s market, provide the value of the subject property, as it currently exists without access, and then with the hypothetical condition of legal access. Include details of an adjustment in appraised value due to lack of access. As with lack of legal access, adjustments for additional items such as lack of land improvements, etc. will be supported by analysis of the pertinent subject market data through sales pairings or other analytical methodology. In moderately to rapidly changing markets, historic information may not be as relevant as more current market information. If no evidence through recent sales of comparable properties is found in the subject’s market, and thus no “as is” value can be properly supported, then state such in the report. (Note: Access typically consists of two parts; legal access and physical accessibility. The above references to access, hypothetical and “as is” are in regards to legal access. The physical accessibility to the subject parcel is to be appraised as it currently exists.) Legally accessible state lands are appraised as accessible only.

The appraisal on the state’s lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the market value trends, and provide a rate of change, for the markets of each subject property. Comparables sales used should have sales dates within 1 year of the appraisal and be in close proximity to the subject. (These two parameters may be modified in extenuating circumstances.)

# **MONTANA DNRC TRUST LAND MANAGEMENT DIVISION**

## **Supplemental Appraisal Instructions**

This Scope of Work and Supplemental Appraisal Instructions are to be included in the appraiser's addendum.

### **Subject Properties**

<b>County</b>	<b>Sale #</b>	<b>Acres</b>	<b>Legal</b>
Fallon	16	320	S1/2, Section 22, T8N-R56E

<b>County</b>	<b>Sale #</b>	<b>Acres</b>	<b>Legal</b>
Fallon	16	320	S1/2, Section 22, T8N-R56E

**COMPARABLE SALE # 1:**

**SALE DATE:** June 2007                      **COUNTY:** Custer  
**GRANTOR:** Confidential                      **GRANTEE:** Confidential  
**DOCUMENT:** Confidential                      **LEGAL DESC:** Confidential  
**SALE PRICE:** \$386,000                      **TOTAL DEEDED ACRES:** 1,280.00  
**\$/DEEDED ACRE:** \$302.00  
**TERMS:** Cash  
**DATA SOURCE:** Area Appraiser  
**LOCATION:** ~7 miles southwest of Ismay, Montana  
**ACCESS:** Short 2-Track from a County Gravel Road.  
**NEIGHBORHOOD:** Rural Agricultural area with mostly cattle ranches present.  
**ZONING:** None  
**TOPOGRAPHY:** Rolling to Rough ground.  
**VEGETATION:** Tame pasture and native pasture.  
**WATER:** Creek, pits and reservoir.  
**UTILITIES:** Nearby.  
**IMPROVEMENTS:** None.  
**LEASES:** 78 aums on 390 acres of BLM.  
**HIGHEST & BEST USE:** Grazing.

**COMMENTS:** Sale from a local operator to out of area buyer. Marketed through a realtor. Livestock water from reservoir and pits. Access to the county gravel road required crossing a small portion of BLM by 2-track. The topography is open and rolling with some breaks. The property consists of tame pasture and native rangeland. This property is located about 7 miles southwest of Ismay, MT.



**LAND MIX ANALYSIS:**

Native Pasture	1,087.00 acres @ \$290/acre =	\$315,230
Improved Pasture	193.00 acres @ \$312/acre =	\$ 60,216
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	78 AUMs @ \$131/AUM =	\$ 10,218
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$385,664

Improvement Contribution \$ 00,000

Total Sale Price \$386,000

**Land Mix Adjustment:**

320 acres rangeland @ \$290/acre	= <u>\$92,800</u>
Total	\$92,800

Sale #1: \$386,000/1,280 acres = \$302/acre

Subject: \$ 92,800/320 acres = \$290/acre

\$302 - \$290 = \$12/acre land adjustment

Total Adjustment: \$12/ Acre

The advantage to Sale # 1 is the reservoir and pits in place while the sale is about 3¼-years old. All things considered, Sale #1 is considered similar to the subject properties.







**COMPARABLE SALE # 2:**

**SALE DATE:** January 2008                      **COUNTY:** Carter  
**GRANTOR:** Confidential                      **GRANTEE:** Confidential  
**DOCUMENT:** Confidential                      **LEGAL DESC:** Confidential  
**SALE PRICE:** \$590,091                      **TOTAL DEEDED ACRES:** 1,869.00  
**\$/DEEDED ACRE:** \$316.00  
**TERMS:** Contract for Deed: 4% Int.; 20-year Term.  
**DATA SOURCE:** Area Appraiser  
**LOCATION:** ~15 miles north of Ekalaka, Montana  
**ACCESS:** County Gravel Road.  
**NEIGHBORHOOD:** Rural Agricultural area with mostly cattle ranches present.  
**ZONING:** None  
**TOPOGRAPHY:** Rolling ground.  
**VEGETATION:** Native pasture.  
**WATER:** Reservoir and well.  
**UTILITIES:** On site.  
**IMPROVEMENTS:** None of value. (Confirmed with buyer.)  
**LEASES:** None.  
**HIGHEST & BEST USE:** Grazing

**COMMENTS:** Sale from a local operator to another local operator adding to their land. FSBO transaction. Contract rates slightly below market but no apparent effect on value. One of three tracts sold by same seller, all in the same area. Livestock water from reservoir and well. Accessed by a county gravel road. Electric is available to the well. The topography is open and rolling. The property consists of native rangeland. This property is located about 15 miles north of Ekalaka, MT.



**LAND MIX ANALYSIS:**

Native Pasture	1,869.00 acres @ \$316/acre =	\$590,604
Improved Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	000 AUM @ \$000/AUM =	\$ 00,000
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$590,604

Improvement Contribution \$ 00,000

Total Sale Price \$590,091

**Land Mix Adjustment:**

320 acres rangeland @ \$316/acre	= \$101,120
Total	<u>\$101,120</u>

Sale #1: \$590,091/1,869 acres	= \$316/acre
Subject: \$101,120/320 acres	= \$316/acre
\$316 - \$316	= \$0/acre land adjustment

Total Adjustment: \$0/ Acre

The advantages to Sale # 2 are the reservoir and well in place and better terrain, while the sale is almost 3-years old. All things considered, Sale #2 is considered superior to the subject properties.





**COMPARABLE SALE # 3:**

**SALE DATE:** January 2008                      **COUNTY:** Carter  
**GRANTOR:** Confidential                      **GRANTEE:** Confidential  
**DOCUMENT:** Confidential                      **LEGAL DESC:** Confidential  
**SALE PRICE:** \$600,960                      **TOTAL DEEDED ACRES:** 1,920.00  
**\$/DEEDED ACRE:** \$313.00  
**TERMS:** Contract for Deed: 4% Int.; 20-year Term.  
**DATA SOURCE:** Area Appraiser  
**LOCATION:** ~15 miles north of Ekalaka, Montana  
**ACCESS:** County Gravel Road.  
**NEIGHBORHOOD:** Rural Agricultural area with mostly cattle ranches present.  
**ZONING:** None  
**TOPOGRAPHY:** Rolling to Slightly Rough ground.  
**VEGETATION:** Native pasture.  
**WATER:** Creek and reservoir.  
**UTILITIES:** Nearby.  
**IMPROVEMENTS:** None.  
**LEASES:** None.  
**HIGHEST & BEST USE:** Grazing.

**COMMENTS:** Sale from a local operator to another local operator adding to their land. FSBO transaction. Contract rates slightly below market but no apparent effect on value. One of three tracts sold by the same seller and all in the same area. Livestock water from reservoir. Accessed by a county gravel road. Electric is nearby. The topography is rolling to slightly rough. The property consists of native rangeland. This property is located about 15 miles north of Ekalaka, MT.



**LAND MIX ANALYSIS:**

Native Pasture	1,920.00 acres @ \$313/acre =	\$600,960
Improved Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	000 AUM @ \$000/AUM =	\$ 00,000
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$600,960

Improvement Contribution \$ 00,000

Total Sale Price \$600,960

**Land Mix Adjustment:**

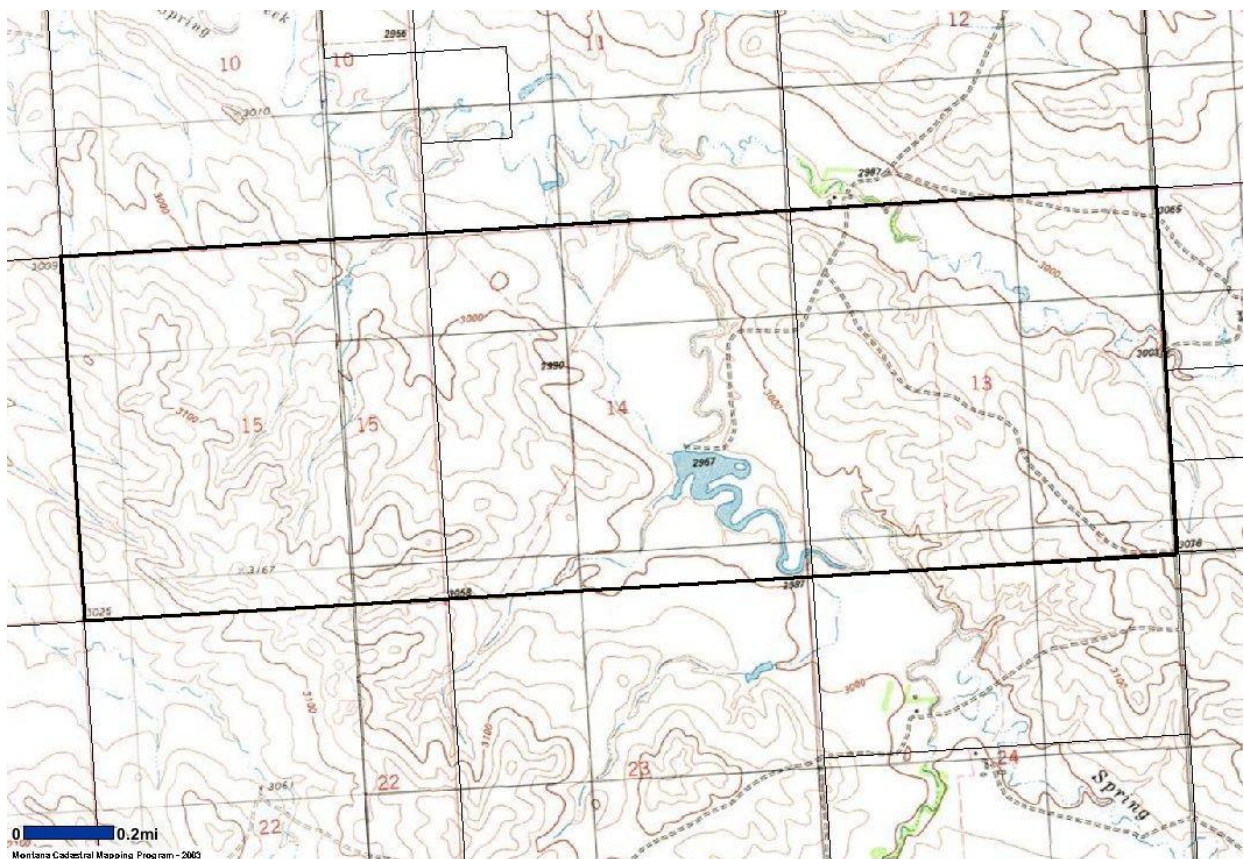
320 acres rangeland @ \$313/acre	= \$100,160
Total	<u>\$100,160</u>

Sale #1: \$900,960/1,920 acres	= \$313/acre
Subject: \$100,160/320 acres	= \$313/acre
\$313 - \$313	= \$0/acre land adjustment

Total Adjustment: \$0/ Acre

The advantages to Sale # 3 are the reservoir in place and the better terrain, while the sale is almost 3-years old. All things considered, Sale #3 is considered superior to the subject properties.







**COMPARABLE SALE # 4:**

<b>SALE DATE:</b>	October 2007	<b>COUNTY:</b>	Carter
<b>GRANTOR:</b>	Confidential	<b>GRANTEE:</b>	Confidential
<b>DOCUMENT:</b>	Confidential	<b>LEGAL DESC:</b>	Confidential
<b>SALE PRICE:</b>	\$423,680	<b>TOTAL DEEDED ACRES:</b>	1,280.00
<b>\$/DEEDED ACRE:</b>	\$331.00		
<b>TERMS:</b>	Cash.		
<b>DATA SOURCE:</b>	Area Appraiser		
<b>LOCATION:</b>	~7.5 miles northwest of Ekalaka, Montana		
<b>ACCESS:</b>	County Gravel Road.		
<b>NEIGHBORHOOD:</b>	Rural Agricultural area with mostly cattle ranches present.		
<b>ZONING:</b>	None		
<b>TOPOGRAPHY:</b>	Rolling ground.		
<b>VEGETATION:</b>	Tame and native pasture.		
<b>WATER:</b>	Reservoir and well.		
<b>UTILITIES:</b>	In the general area.		
<b>IMPROVEMENTS:</b>	None.		
<b>LEASES:</b>	None.		
<b>HIGHEST &amp; BEST USE:</b>	Grazing.		

**COMMENTS:** Sale from a local operator to another local operator adding to their land. Private auction with potential area buyers invited to submit sealed bids and then the three highest bidders invited to an open bidding. One of two tracts sold by the same seller, both in the same area. Livestock water from reservoir and windmill. Accessed by a county gravel road. Electric is in the general area. A set of corrals and some fencing present. The topography is rolling. The property consists of tame and native rangeland. This property is located about 7.5 miles northwest of Ekalaka, MT.

**LAND MIX ANALYSIS:**

Native Pasture	1,163.00 acres @ \$329/acre =	\$382,627
Improved Pasture	117.00 acres @ \$354/acre =	\$ 41,418
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	000 AUM @ \$000/AUM =	\$ 00,000
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$424,025

Improvement Contribution \$ 00,000

Total Sale Price \$423,680

**Land Mix Adjustment:**

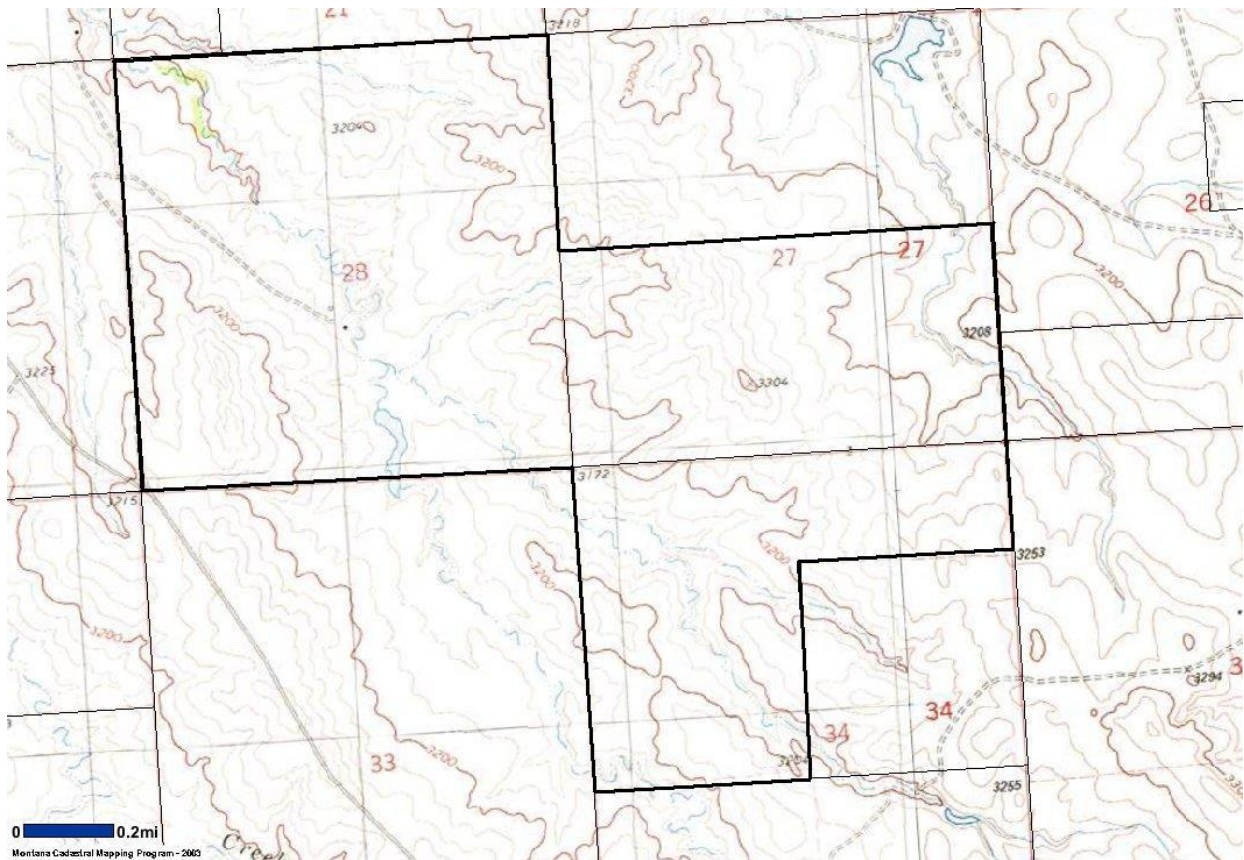
320 acres rangeland @ \$329/acre	= \$105,280
Total	<u>\$105,280</u>

Sale #1: \$423,680/1,280 acres	= \$331/acre
Subject: \$105,280/320 acres	= \$329/acre
\$331 - \$329	= \$2/acre land adjustment

Total Adjustment: \$2/ Acre

The advantages to Sale # 4 are the reservoir and well in place and the better terrain, while the sale is about 3-years old. All things considered, Sale #4 is considered superior to the subject properties.





**COMPARABLE SALE # 5:**

**SALE DATE:** October 2007                      **COUNTY:** Carter  
**GRANTOR:** Confidential                      **GRANTEE:** Confidential  
**DOCUMENT:** Confidential                      **LEGAL DESC:** Confidential  
**SALE PRICE:** \$356,187                      **TOTAL DEEDED ACRES:** 1,118.00  
**\$/DEEDED ACRE:** \$318.00  
**TERMS:** Contract for Deed: market rate and terms.  
**DATA SOURCE:** Area Appraiser  
**LOCATION:** ~7.5 miles northwest of Ekalaka, Montana  
**ACCESS:** County Gravel Road.  
**NEIGHBORHOOD:** Rural Agricultural area with mostly cattle ranches present.  
**ZONING:** None  
**TOPOGRAPHY:** Rolling to Rough ground.  
**VEGETATION:** Tame and native pasture.  
**WATER:** Reservoir and well.  
**UTILITIES:** Nearby/In general area.  
**IMPROVEMENTS:** None.  
**LEASES:** 12 aums on BLM.  
**HIGHEST & BEST USE:** Grazing

**COMMENTS:** Sale from a local operator to another local operator adding to their land. Private auction with potential area buyers invited to submit sealed bids and then the three highest bidders invited to an open bidding. One of two tracts sold by the same seller, both in the same area. Livestock water from reservoir and windmill. Accessed by a county gravel road. Electric is in the general area. The property is not contiguous. The topography is rolling to rough. The property consists of tame and native rangeland. This property is located about 7.5 miles northwest of Ekalaka, MT.



**LAND MIX ANALYSIS:**

Native Pasture	1,049.00 acres @ \$315/acre =	\$330,435
Improved Pasture	70.00 acres @ \$339/acre =	\$ 23,730
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	12 AUM @ \$142/AUM =	\$ 1,704
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$355,869

Improvement Contribution \$ 00,000

Total Sale Price \$356,857

**Land Mix Adjustment:**

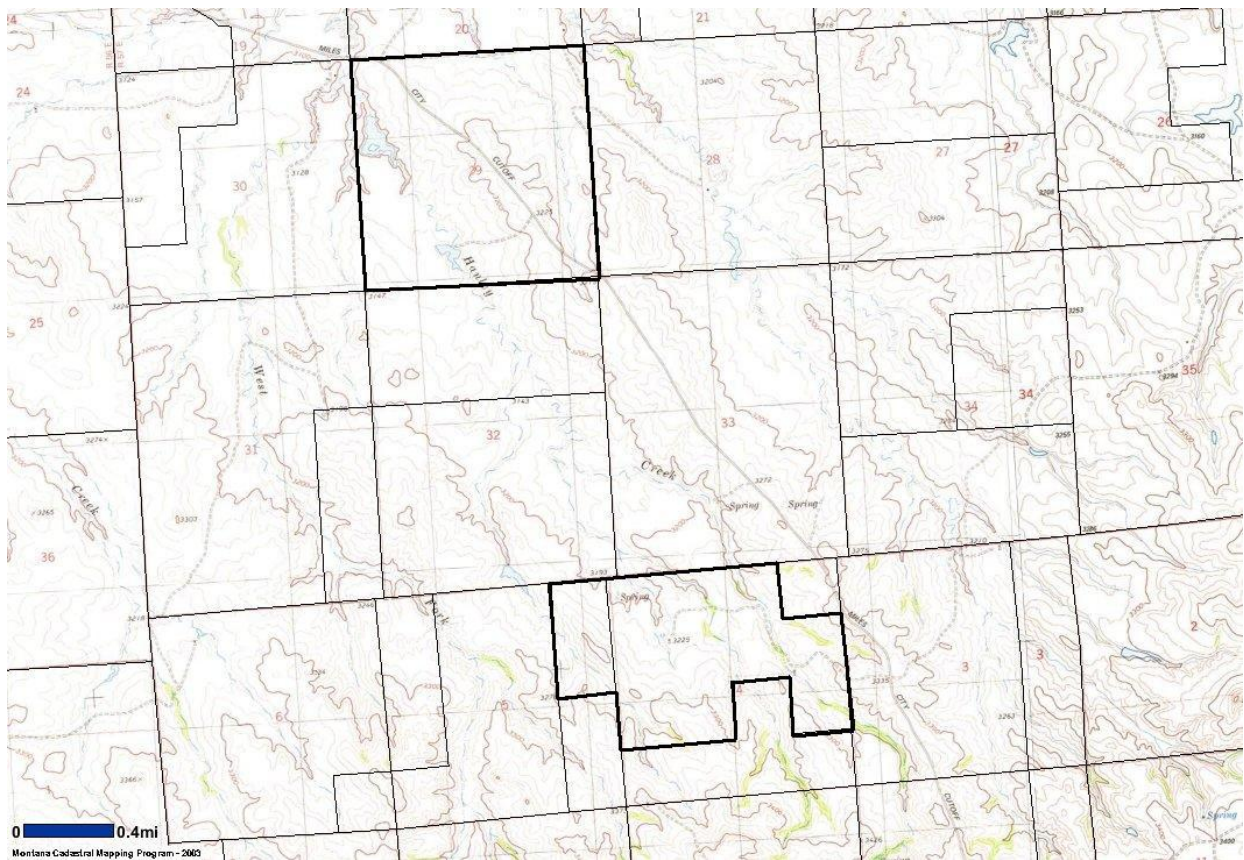
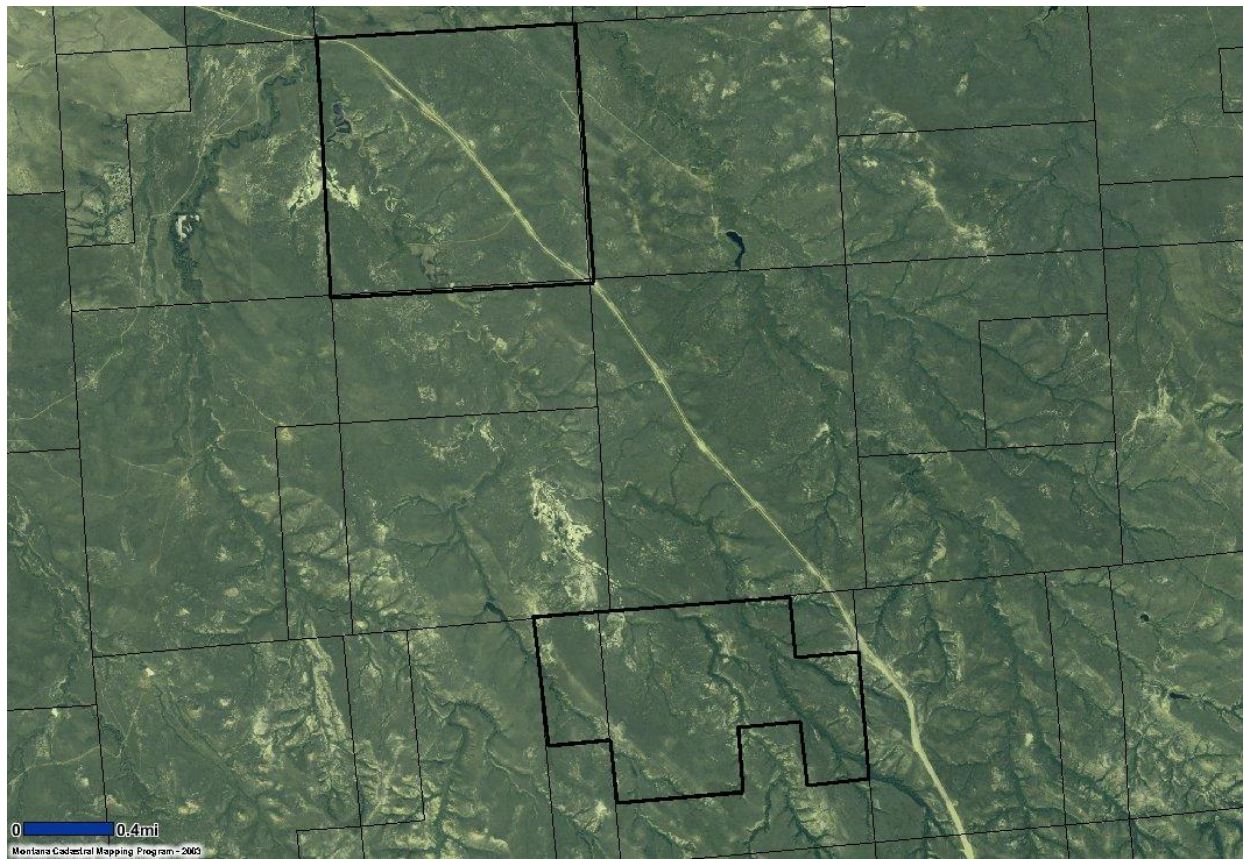
320 acres rangeland @ \$315/acre	= <u>\$100,800</u>
Total	\$100,800

Sale #1: \$356,857/1,119 acres	= \$318/acre
Subject: \$100,800/320 acres	= \$315/acre
\$318 - \$315	= \$3/acre land adjustment

Total Adjustment: \$3/ Acre

The advantage to Sale # 5 is the reservoir and well in place. However the sale is about 3-years old and the property is not contiguous. All things considered, Sale #5 is considered inferior to the subject properties.







**COMPARABLE SALE # 6:**

<b>SALE DATE:</b>	March 2008	<b>COUNTY:</b>	Powder River
<b>GRANTOR:</b>	Confidential	<b>GRANTEE:</b>	Confidential
<b>DOCUMENT:</b>	Confidential	<b>LEGAL DESC:</b>	Confidential
<b>SALE PRICE:</b>	\$230,000	<b>TOTAL DEEDED ACRES:</b>	652.00
<b>\$/DEEDED ACRE:</b>	\$353.00		
<b>TERMS:</b>	Cash.		
<b>DATA SOURCE:</b>	Area Appraiser		
<b>LOCATION:</b>	~23 miles north-northeast of Broadus, Montana		
<b>ACCESS:</b>	2-Track from County Road.		
<b>NEIGHBORHOOD:</b>	Rural Agricultural area with mostly cattle ranches present.		
<b>ZONING:</b>	None		
<b>TOPOGRAPHY:</b>	Slightly Rolling.		
<b>VEGETATION:</b>	CRP and native pasture.		
<b>WATER:</b>	Reservoir.		
<b>UTILITIES:</b>	In the area.		
<b>IMPROVEMENTS:</b>	None.		
<b>LEASES:</b>	None.		
<b>HIGHEST &amp; BEST USE:</b>	Agriculture/Grazing		

**COMMENTS:** Private sale from a local operator to neighboring operator. CRP set to expire in 2010 and buyer indicates that ground will be hayed then. Livestock water from reservoir. Isolated parcel accessed by 2-track from a county road. Electric is in the area. The topography is slightly rolling. The property consists of CRP ground and native rangeland. Some fencing present. This property is located about 23 miles north-northeast of Broadus, MT.

**LAND MIX ANALYSIS:**

Native Pasture	223.00 acres @ \$262/acre =	\$ 58,426
Improved Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	429.00 acres @ \$400/acre =	\$171,600
Non-fee range	000 AUM @ \$000/AUM =	\$ 00,000
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$230,026

Improvement Contribution	<u>\$ 00,000</u>
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Total Sale Price	\$230,000
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**Land Mix Adjustment:**

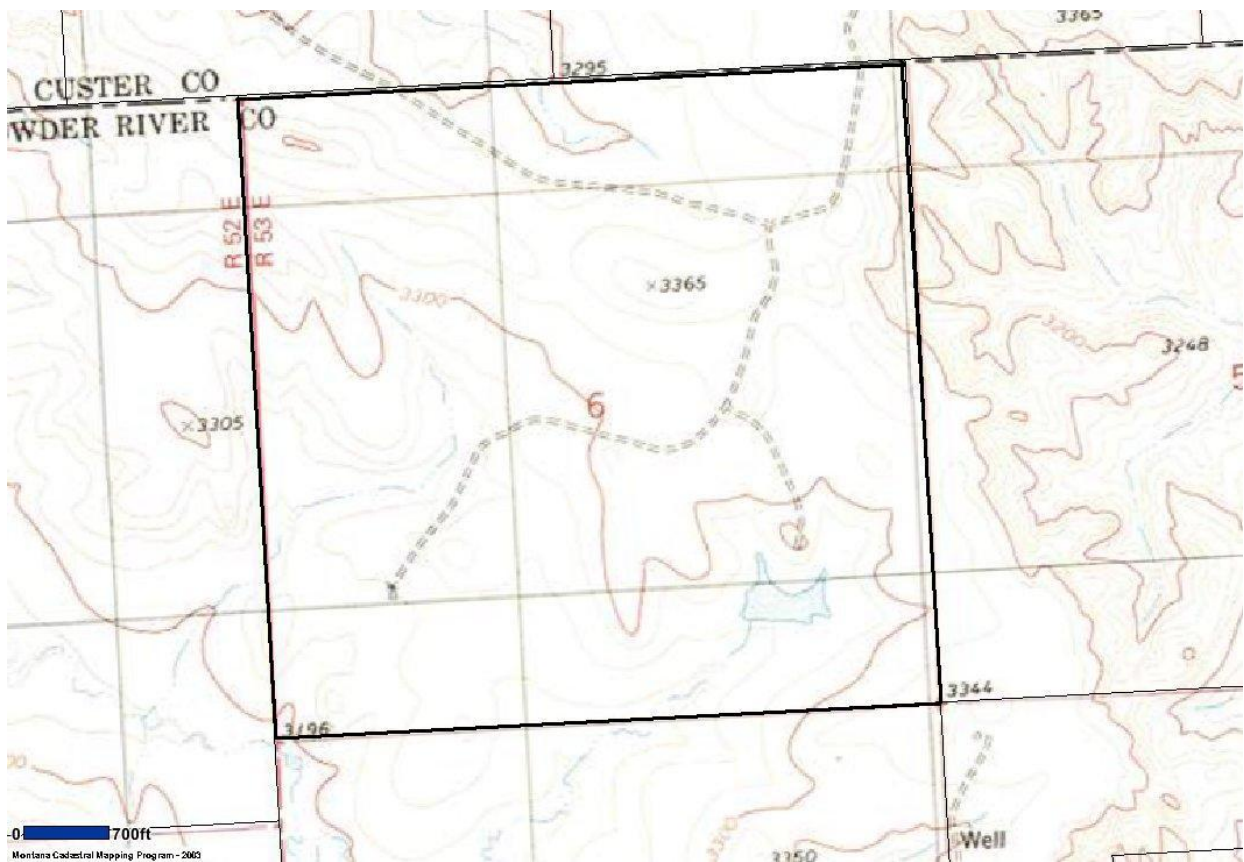
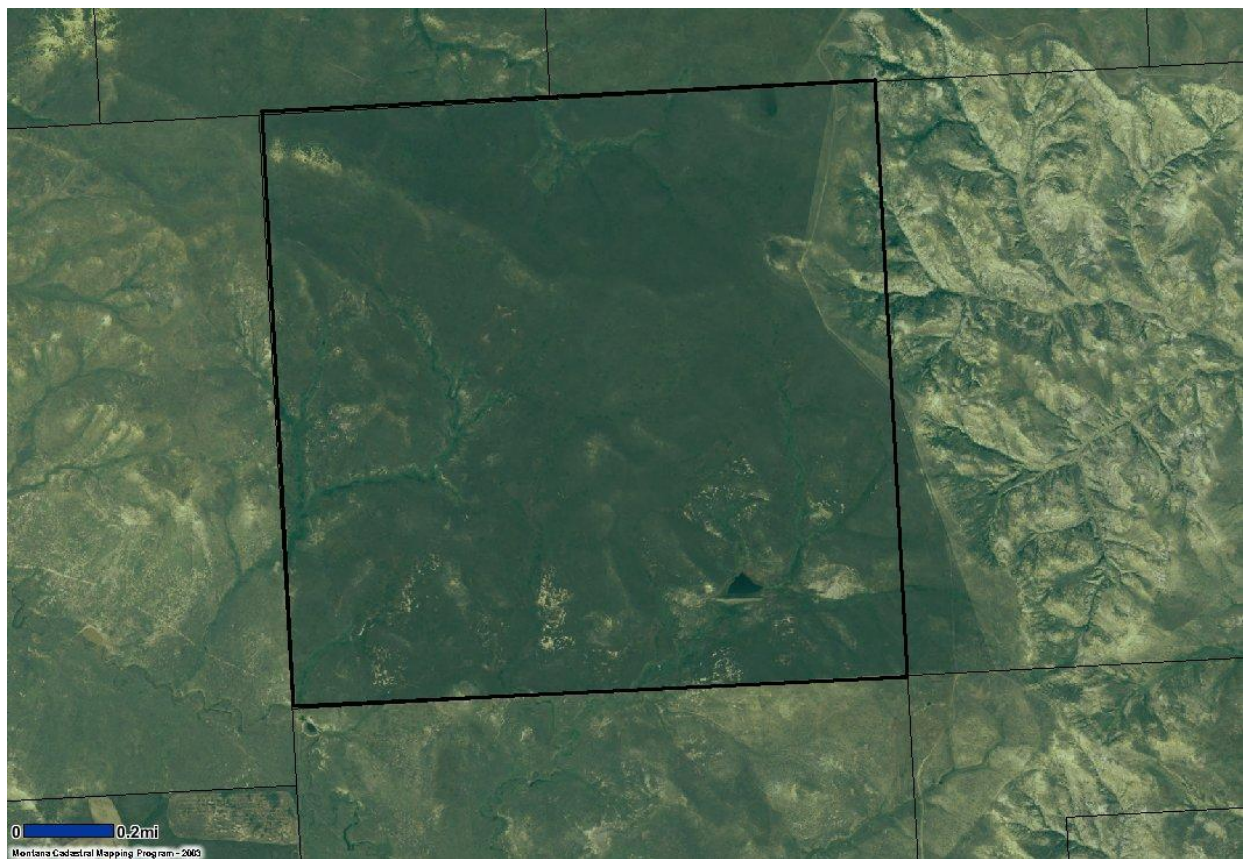
320 acres rangeland @ \$262/acre	= \$83,840
Total	<u>\$83,840</u>

Sale #1: \$230,000/652 acres	= \$353/acre
Subject: \$ 83,840/320 acres	= \$262/acre
\$353 - \$262	= \$91/acre land adjustment

Total Adjustment: \$91/ Acre

The advantages to Sale # 6 are the reservoir in place and better terrain. However access is not as good and the sale is about 2½-years old. All things considered, Sale #6 is considered similar to the subject properties.





**COMPARABLE SALE # 7:**

<b>SALE DATE:</b>	October 2007	<b>COUNTY:</b>	Powder River
<b>GRANTOR:</b>	Confidential	<b>GRANTEE:</b>	Confidential
<b>DOCUMENT:</b>	Confidential	<b>LEGAL DESC:</b>	Confidential
<b>SALE PRICE:</b>	\$110,000	<b>TOTAL DEEDED ACRES:</b>	460.00
<b>\$/DEEDED ACRE:</b>	\$239.00		
<b>TERMS:</b>	Cash.		
<b>DATA SOURCE:</b>	Area Appraiser		
<b>LOCATION:</b>	~18.5 miles north of Broadus, Montana		
<b>ACCESS:</b>	2-Track from County Road.		
<b>NEIGHBORHOOD:</b>	Rural Agricultural area with mostly cattle ranches present.		
<b>ZONING:</b>	None		
<b>TOPOGRAPHY:</b>	Rolling to Rough.		
<b>VEGETATION:</b>	Native pasture.		
<b>WATER:</b>	Well.		
<b>UTILITIES:</b>	In the area.		
<b>IMPROVEMENTS:</b>	None.		
<b>LEASES:</b>	None.		
<b>HIGHEST &amp; BEST USE:</b>	Grazing		

**COMMENTS:** Private sale from a local rancher to neighboring rancher. Livestock water from windmill is questionable. Isolated parcel accessed by 2-track from a county road. Electric is in the area. The topography is rolling to rough. The property consists of native rangeland. Some fencing present. This property is located about 18.5 miles north of Broadus, MT.

**LAND MIX ANALYSIS:**

Native Pasture	460.00 acres @ \$239/acre =	\$109,940
Improved Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Pasture	00.00 acres @ \$000/acre =	\$ 00,000
Hayland	00.00 acres @ \$000/acre =	\$ 00,000
Dry cropland	00.00 acres @ \$000/acre =	\$ 00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$ 00,000
CRP	00.00 acres @ \$000/acre =	\$ 00,000
Non-fee range	000 AUM @ \$000/AUM =	\$ 00,000
Site	00.00 acres @ \$000/acre =	\$ 00,000
Other	00.00 acres @ \$000/acre =	<u>\$ 00,000</u>
Subtotal Land		\$109,940

Improvement Contribution \$ 00,000

Total Sale Price \$110,000

**Land Mix Adjustment:**

320 acres rangeland @ \$239/acre = \$76,480  
Total \$76,480

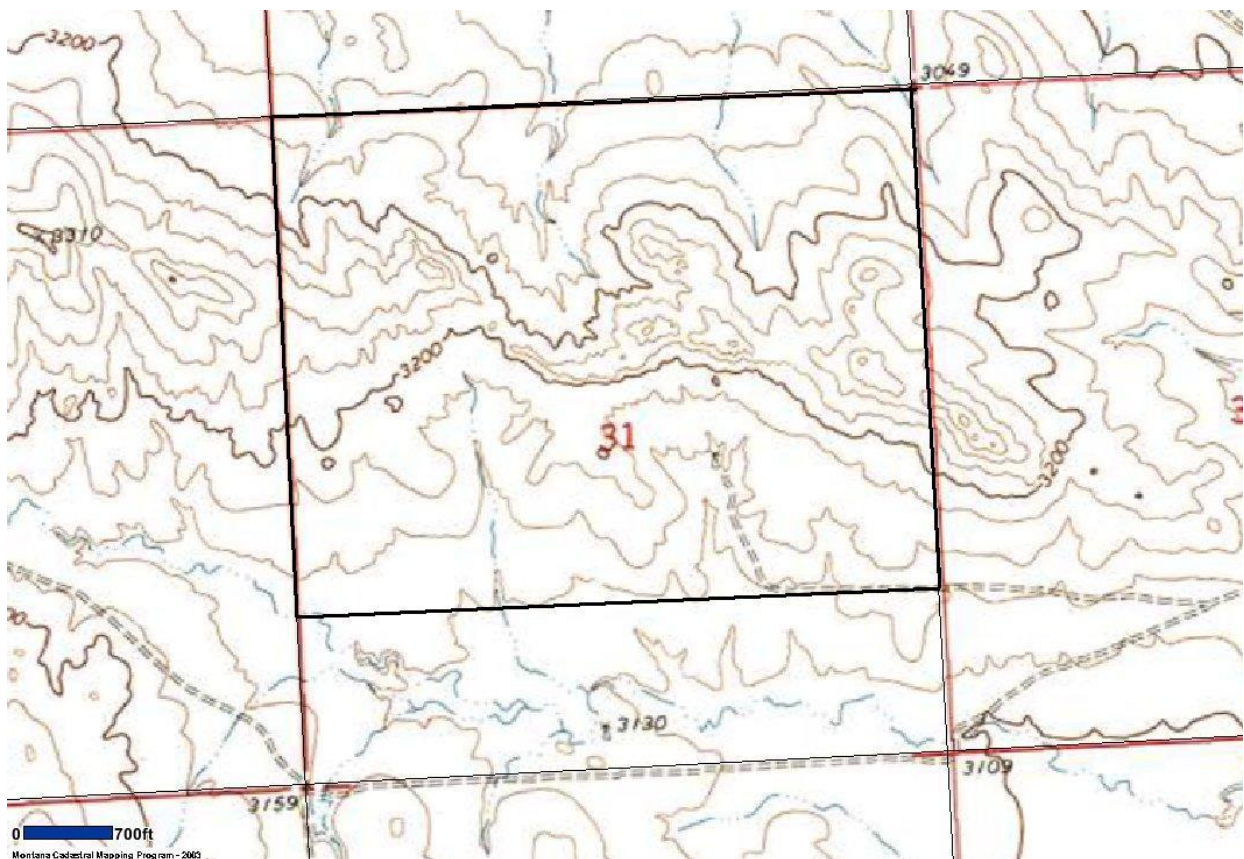
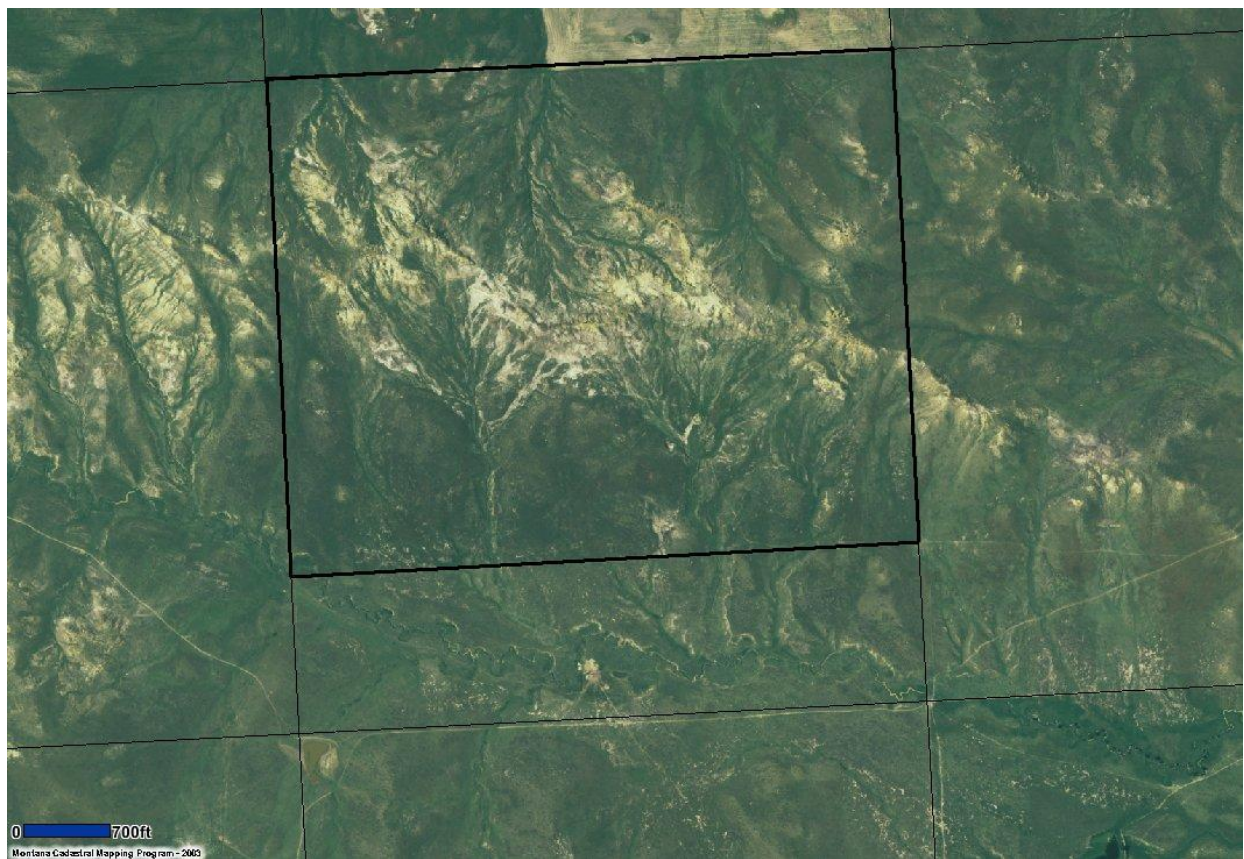
Sale #1: \$110,000/460 acres = \$239/acre  
Subject: \$ 76,480/320 acres = \$239/acre  
\$239 - \$239 = \$0/acre land adjustment

Total Adjustment: \$0/ Acre

The only possible advantage to Sale # 7 is the questionable windmill. The access is not as good as the Subjects' and the sale is about 3-years old. All things considered, Sale #7 is considered inferior to the subject properties.







**COMPARABLE SALE # 8:**

<b>SALE DATE:</b>	December 2008	<b>COUNTY:</b>	Powder River
<b>GRANTOR:</b>	Confidential	<b>GRANTEE:</b>	Confidential
<b>DOCUMENT:</b>	Confidential	<b>LEGAL DESC:</b>	Confidential
<b>SALE PRICE:</b>	\$80,000	<b>TOTAL DEEDED ACRES:</b>	320.00
<b>\$/DEEDED ACRE:</b>	\$250.00		
<b>TERMS:</b>	Cash.		
<b>DATA SOURCE:</b>	Area Appraiser		
<b>LOCATION:</b>	~14 miles north of Broadus, Montana		
<b>ACCESS:</b>	Unmaintained County Road.		
<b>NEIGHBORHOOD:</b>	Rural Agricultural area with mostly cattle ranches present.		
<b>ZONING:</b>	None		
<b>TOPOGRAPHY:</b>	Rolling.		
<b>VEGETATION:</b>	Native pasture.		
<b>WATER:</b>	Well.		
<b>UTILITIES:</b>	In the area.		
<b>IMPROVEMENTS:</b>	None.		
<b>LEASES:</b>	None.		
<b>HIGHEST &amp; BEST USE:</b>	Grazing		

**COMMENTS:** Private sale from a absentee owner whose ancestors homesteaded the property to an area rancher who had leased the property for many years. Livestock water from windmill is questionable. Access by an unmaintained county road. Electric is in the area. The topography is rolling. The property consists of native rangeland. Some fencing present. This property is located about 14 miles north of Broadus, MT.

**LAND MIX ANALYSIS:**

Native Pasture	320.00 acres @ \$250/acre =	\$80,000
Improved Pasture	00.00 acres @ \$000/acre =	\$00,000
Irrigated Pasture	00.00 acres @ \$000/acre =	\$00,000
Hayland	00.00 acres @ \$000/acre =	\$00,000
Dry cropland	00.00 acres @ \$000/acre =	\$00,000
Irrigated Cropland	00.00 acres @ \$000/acre =	\$00,000
CRP	00.00 acres @ \$000/acre =	\$00,000
Non-fee range	000 AUM @ \$000/AUM =	\$00,000
Site	00.00 acres @ \$000/acre =	\$00,000
Other	00.00 acres @ \$000/acre =	<u>\$00,000</u>
Subtotal Land		\$80,000

Improvement Contribution \$00,000

Total Sale Price \$80,000

**Land Mix Adjustment:**

320 acres rangeland @ \$250/acre	= <u>\$80,000</u>
Total	\$80,000

Sale #1: \$80,000/320 acres	= \$250/acre
Subject: \$80,000/320 acres	= \$250/acre
\$250 - \$250	= \$0/acre land adjustment

Total Adjustment: \$0/ Acre

The advantage to Sale # 8 is the better terrain and possibly the questionable windmill. The access is not as good as the Subjects' and the sale is about 2-years old. All things considered, Sale #8 is considered inferior to the subject properties.





