

# HELMBRECHT APPRAISING, LLC

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**December 16, 2010**

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

Subject: State of Montana  
Agricultural Property  
**Liberty 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 December 13, 2010 is indicated at: **\$ 102,820**

**Sale # 583 80 Acres Pasture @ \$150/acre = \$12,000**

**Sale # 584 40 Acres Pasture @ \$300/acre = \$12,000**

**Sale # 587 38.61 Acres Pasture @ \$150/acre = \$ 5,800**

**Sale # 588 59.4 Acres Pasture @ \$300/acre = \$17,820**

**Sale # 590 40 Acres Pasture @ \$300/acre = \$12,000**

**Sale # 591 48 Acres Pasture @ \$150/acre = \$ 7,200**

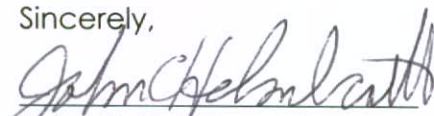
**Sale # 592 160 Acres Pasture @ \$150/acre = \$24,000**

**Sale # 594 40 Acres Pasture @ \$300/acre = \$12,000**

**506.01 Acres Pasture @ \$203.20/acre = \$102,820**

This Summary Narrative Appraisal Report is based upon the assumptions and limiting conditions within the report. Liens and encumbrances, if any, have been disregarded. I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct. Employment in and compensation for making this report are in no way contingent upon the value reported. Material pertinent to the process of valuation of this property is contained in the files of the appraiser. I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property. Thank you for the privilege of serving you.

Sincerely,



John C. Helmbrecht

Montana Certified General Appraiser #738

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## SUMMARY OF SALIENT FACTS

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	December 13, 2010
DATE OF REPORT:	December 16, 2010
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 have been identified.
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 has been identified.
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 8 Sales parcels in Liberty County, Montana that are the subject of this report is Native Pasture for the grazing of livestock, also the current use of the parcels.



## SUMMARY OF SALIENT FACTS (continued)

**LOCATION OF PROPERTY:** The property consists of eight separate non contiguous parcels of native range pasture located in Liberty County, Montana in two general areas:

**Sales #584 and 594** are north of Chester, Liberty County, MT. Location of 584 is approximately 24 miles north of Joplin, MT via paved and gravel Highway 224 to the parcel. Location of 594 is approximately 24 miles north of Joplin, MT via paved and gravel Highway 224, then 18 miles west via gravel and dirt Bear's Den and Black Jack Roads and trail to within ½ mile of the parcel.

**Sales #583, 588, 591, and 592** are 24 to 27 miles southwest of Chester, Liberty County, MT. Location is approximately 24 - 27 miles south of Chester via paved State Highway 223 and gravel Dugout and Broadhurst Roads and field trails to the parcels. None of the parcels are accessible by road.

**Sale #587** is located 13 miles southwest of Chester, Liberty County, MT. Location is approximately 13 miles southwest of Chester via paved State Highway 223 south and gravel Tiber Dam, Tiber Road S. and Tiber Marina Roads west and field trail to the parcel. The parcel is not accessible by road.

**Sale #590** is located 13 miles north of Chester, Liberty County, MT. Location is approximately 13 miles north of Chester via gravel Laird Road north 12 miles, then 1½ miles east and north to the parcel. The parcel is accessible by dirt trail.

<b>LOCATION OF PROPERTY:</b>	All of the subject parcels, with the exception of Sale # 594, are not located on public roads and are not accessible to the general public. All are appraised with legal access by hypothetical condition. No apparent market data was available at the time of the appraisal to support any consideration of this issue. Accessibility to the parcels was, however, considered in the valuation process when and if it was deemed necessary.
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<b>IMPROVEMENTS:</b>	There are no improvements on the subject property other than partial perimeter fencing.
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<b>REAL ESTATE TAXES:</b>	Not Taxed
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## SUMMARY OF SALIENT FACTS (continued)

**PROPERTY DESCRIPTION:** The subject consists of eight parcels totaling 506.01 acres in basically two different general areas of Liberty County. **Sales # 583, 587, 591 and 592** are 80, 38.61, 48 and 160 acres of native pasture respectively. These four non contiguous sales are located in southern Liberty County. Portions of the parcels are steep and have limited production capabilities. They are all isolated tracks entirely surrounded by private property. Some of the parcels are partially perimeter fenced and are part of a larger pasture unit. No known stock water available on the parcels. The parcels are remote and are not easily accessed.

**Sales # 584, 594 and 590**, which are 40 acres of native pasture and non contiguous, are located in northern Liberty County in the Sweetgrass Hills area. **Sale #588** is 59.4 acres of pasture located in southern Liberty County. These parcels are considered to be more productive than **Sales # 583, 587, 591 and 592** with higher elevation and more rainfall. Sales #590 and 588 are in an area almost entirely cultivated for dry crops. Although it is more than likely that sales 584 and 594 are more productive than sale 590 and 588, roughly half of sales 590 and 588 are 0-4% slopes soil type and are considered potentially partially breakable for dry crop purposes. No known stock water available on the parcels besides Pondera Coulee traversing #588. The soils in the area of #588 that are near the coulee bottom are also potentially highly productive range. The parcels are part of a larger pasture unit. The parcels are remote and are not easily accessed. All parcels are in Liberty County, MT

OPINION OF VALUE:	Comparable Sales Approach	\$ 102,820
	Income Approach	\$ 101,200
	Cost Approach	\$ 102,820

### FINAL OPINION OF VALUE:

<b>Sale # 583</b>	<b>80 Acres Pasture</b>	<b>@ \$150/acre = \$12,000</b>
<b>Sale # 584</b>	<b>40 Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>Sale # 587</b>	<b>38.61 Acres Pasture</b>	<b>@ \$150/acre = \$ 5,800</b>
<b>Sale # 588</b>	<b>59.4 Acres Pasture</b>	<b>@ \$300/acre = \$17,820</b>
<b>Sale # 590</b>	<b>40 Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>Sale # 591</b>	<b>48 Acres Pasture</b>	<b>@ \$150/acre = \$ 7,200</b>
<b>Sale # 592</b>	<b>160 Acres Pasture</b>	<b>@ \$150/acre = \$24,000</b>
<b>Sale # 594</b>	<b>40 Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>506.01 Acres Pasture @ \$203.20/acre = \$102,820</b>		

## SUMMARY OF SALIENT FACTS (continued)

**PROPERTY DESCRIPTION:** The subject consists of eight parcels totaling 506.01 acres in basically two different general areas of Liberty County. **Sales # 583, 587, 591 and 592** are 80, 38.61, 48 and 160 acres of native pasture respectively. These four non contiguous sales are located in southern Liberty County. Portions of the parcels are steep and have limited production capabilities. They are all isolated tracks entirely surrounded by private property. Some of the parcels are partially perimeter fenced and are part of a larger pasture unit. No known stock water available on the parcels. The parcels are remote and are not easily accessed.

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OPINION OF VALUE:	Comparable Sales Approach	\$ 102,820
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### FINAL OPINION OF VALUE:

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<b>Sale # 591</b>	<u>48</u> Acres Pasture	@ \$150/acre = <b>\$ 7,200</b>
<b>Sale # 625</b>	<u>160</u> Acres Pasture	@ \$150/acre = <b>\$24,000</b>
<b>Sale # 608</b>	<u>40</u> Acres Pasture	@ \$300/acre = <b>\$12,000</b>
<b>506.01 Acres Pasture @</b>		<b>\$203.20/acre = \$102,820</b>



## **PURPOSE OF THE APPRAISAL ANDSUMMATION 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:

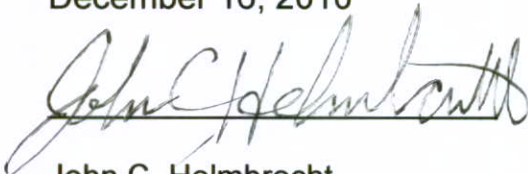
- (1) the highest and best reasonably available use and its value for such use, provided current use may not be presumed to be the highest and best use;
- (2) the machinery, equipment, and fixtures forming part of the real estate taken; and
- (3) any other relevant factors as to which evidence is offered.

## 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.

December 16, 2010



John C. Helmbrecht  
Montana Certified General Appraiser #738



## 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.

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



## THE APPRAISAL PROCESS

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

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

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

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

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

When possible, the appraiser will normally utilize each approach.

## **SCOPE OF THE APPRAISAL**

The property was inspected by John C. Helmbrecht on December 13, 2010. All accessible areas of the property were inspected. No off trail travel was deemed appropriate or necessary. All but one of the tracts are inaccessible by road. Recent snow prohibited accessing all but Sale 594, however the appraiser has inspected property in the area of the subject property parcels numerous times.

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 FSA office ,local and regional 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 sale of the said subject property only. No other use has been identified.

## **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 user has been identified.



## OWNERS OF RECORD AND LEGAL DESCRIPTION

### OWNERS OF RECORD

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

### LEGAL DESCRIPTION

**Sale # 583**

Township 28 North, Range 4 East, M.P.M.

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

Containing: 80 acres

**Sale # 584**

Township 37 North, Range 5 East, M.P.M.

Section 19: NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

**Sale # 587**

Township 30 North, Range 5 West, M.P.M.

Section 18: LOT 2

Containing: 38.61 acres

**Sale # 588**

Township 28 North, Range 4 East, M.P.M.

Section 6: LOTS 4-6

Containing: 59.4 acres

**Sale # 590**

Township 34 North, Range 6 East, M.P.M.

Section 23: SW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

**Sale # 591**

Township 28 North, Range 5 East, M.P.M.

Section 31: LOT 4

Containing: 48 acres

**Sale # 592**

Township 28 North, Range 5 East, M.P.M.

Section 32: S $\frac{1}{2}$ S $\frac{1}{2}$

Containing: 160 acres

**Sale # 594**

Township 36 North, Range 7 East, M.P.M.

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

Containing: 40 acres

**Totaling 506.01 total deeded acres in Liberty County, Montana.**

## LIBERTY COUNTY GENERAL AREA DATA

Liberty County is located in north-central Montana and borders the province of Alberta, Canada on the north. The greater part of the area is a high rolling plain, characterized by broad glaciated divides, sloping gently southeast. High elevation reaches nearly 7,000 feet at the top of East Butte of the Sweetgrass Hills, located in the northern end of the county just south of the Canadian border. The Sweetgrass Hills have a local influence on the drainage and climate. Low elevation is about 2,800 feet where the Marias River flows out of Liberty County at its south eastern border. Elevation differences are large enough to create local differences in precipitation, soils, drainage and adaptable crops.

Chester is the county seat of Liberty County. Chester has a population of 960 (1980 census) and has many businesses including machinery dealers, grain marketing facilities, grocery stores, an auto agency, a bank, all county and some federal offices and farm services of most kinds. There are churches of various denominations, grade and high school, a medical clinic, hospital and a retirement home for senior citizens. The closest livestock market is in Shelby, Montana which is approximately 40 miles west of Chester via U.S. Highway #2, an east-west transcontinental highway. Chester is also on a main line of the Burlington Northern Railroad.

The Marias River is the principle drainage flowing from west to east in the southern part of the county. There are also several drainages emerging from the Sweetgrass Hills, the main two being Sage Creek and Cottonwood Creek. Tiber Dam was constructed on the Marias River by the Bureau of Reclamation in 1956, and has a usable capacity of 1,347,000 acre-feet of water. This dam is water source for Chester and community water systems for farms in Liberty and Chouteau Counties. The reservoir provides a potential source of irrigation water.

The soils of Liberty County have been developed from glacial material deposited by the Keewatin Ice Sheet which spread over the greater part of southern Alberta and northern Montana. The ice sheet picked up sand, silt, clay, gravel and boulders, then mixed them by crushing and re-depositing the mixture known as glacial till. This mantle extended well up the slopes of the Sweetgrass Hills and varies from less than one foot to over 100 feet in thickness. Although the glacier mixed materials it had carried for long distances with materials from underlying bedrock, the largest percentage of till is of local origin. This glacial drift "till" is underlain by strata of Colorado Shale, Eagle Sandstone and Judith River Sandstone. Ground water is not readily available in the Colorado Shale areas. Most water for domestic use is hauled to farms and



## LIBERTY COUNTY GENERAL AREA DATA (continued)

stored in cisterns or piped from community water development systems. The Eagle Sandstone and Judith Sandstone have water-bearing aquifer.

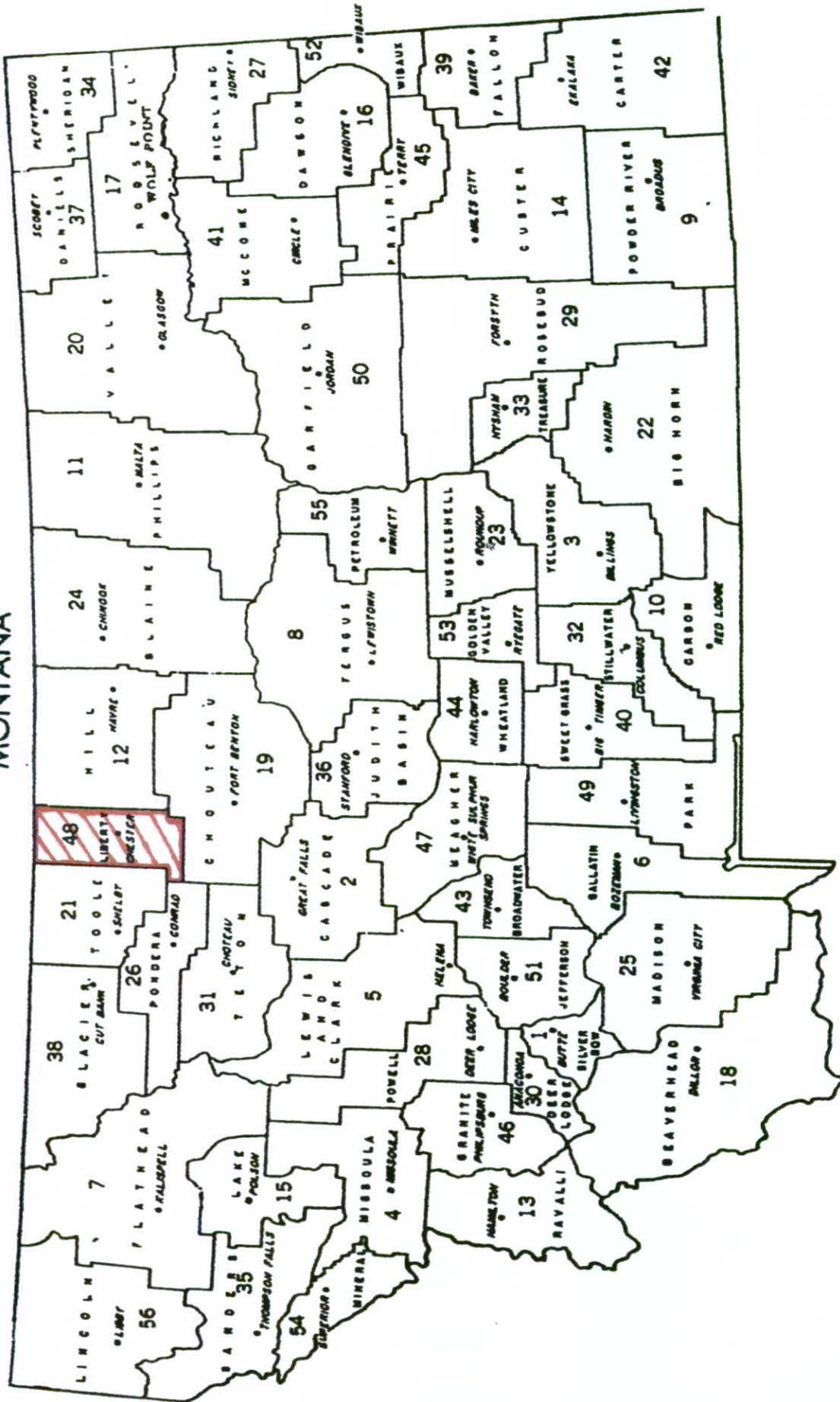
Precipitation varies across the region, with the wetter areas corresponding with the higher elevation. The Sweetgrass Hills receive 16 to 20 inches of precipitation. At lower elevations to the south, average annual precipitation ranges from 10 to 12 inches, which would include Chester, Joplin and Tiber Dam. Winter can be quite cold, but the cold weather is generally short lived due to the "Chinook" winds which frequent the region. Snow depth rarely exceeds six inches at any one time in the plains areas, due to the affects of these warm winds. Snow cover can be quite heavy in the Sweetgrass Hills. Winter storms can occur until May, when the transition to summer weather is quite rapid. About 80% of the annual moisture comes during the warmer half of the year, most being received in May and June. Thunder and lightning storms occur during the warmer months. Damaging hail occurs somewhere in the county most years, but seldom is widespread. Extremely hot weather is rare and humidity is low. The freeze-free season in most of the county averages about 110 days. Fall begins about mid-September. Most seasons have much sunny weather.

Agriculture is the principle industry with over 90% of the land area in grain and livestock production. The majority of the farms and ranches are owner-operated. The dry land grain farms are generally 1,000 acres or more in size, some including additional leased land. Livestock ranches are considerably larger and generally run 250 to 300 animal units or more. The livestock ranches are located in the Sweetgrass Hills and along the Marias River. The plains area is devoted to the production of winter wheat, spring wheat, barley and oats. The majority of the farms alternate crop with fallow to conserve moisture. Stubble mulching is used for control of erosion.

Due to the small population of this region, planned development has not been of importance. The population centers of Great Falls and Havre are too far away to influence the development of this area. There is excellent fishing in Tiber Reservoir and big game hunting for elk in the Sweetgrass Hills. Deer and antelope are in large quantity in most areas of the county. Fall hunting of upland birds is good with concentration of Hungarian Partridges and Chinese Pheasants. Duck and goose hunting are also very good with large concentration on the Marias River and Tiber Dam and extensive feeding in grain fields of the area.

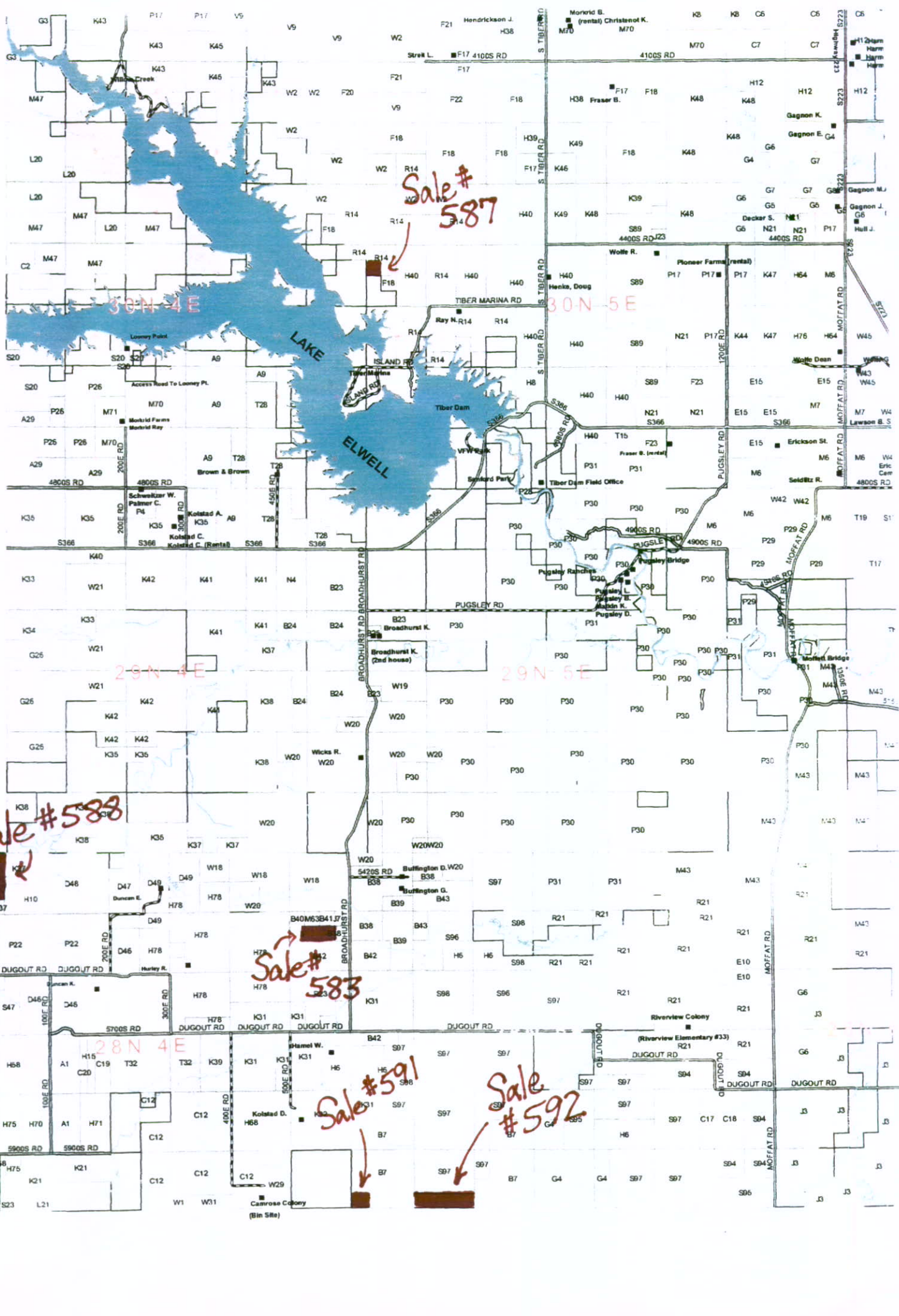
Oil and gas exploration has been quite active at certain times in this area, and contributes to the economy with some producing wells in the Sweetgrass Hills area.

# MONTANA

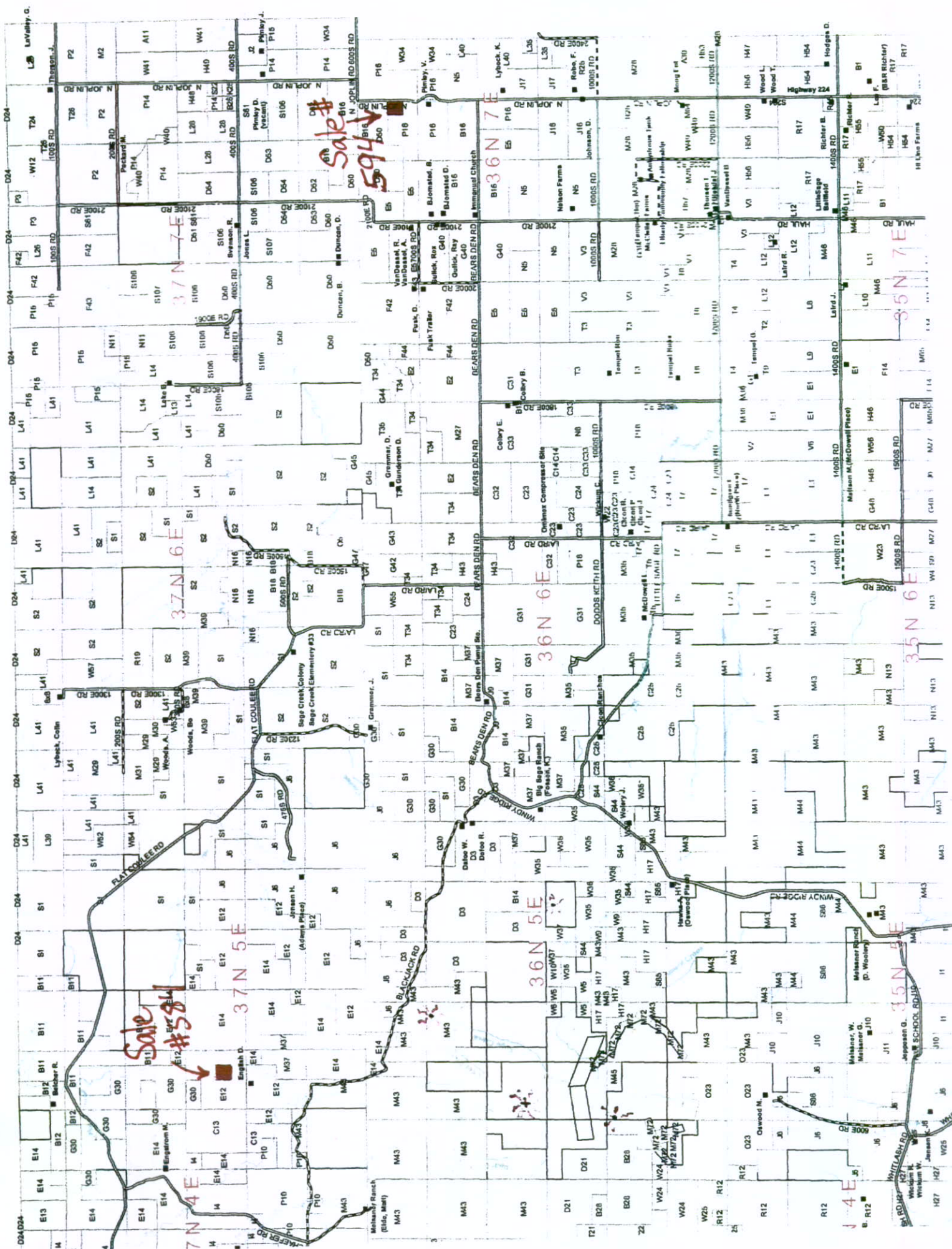




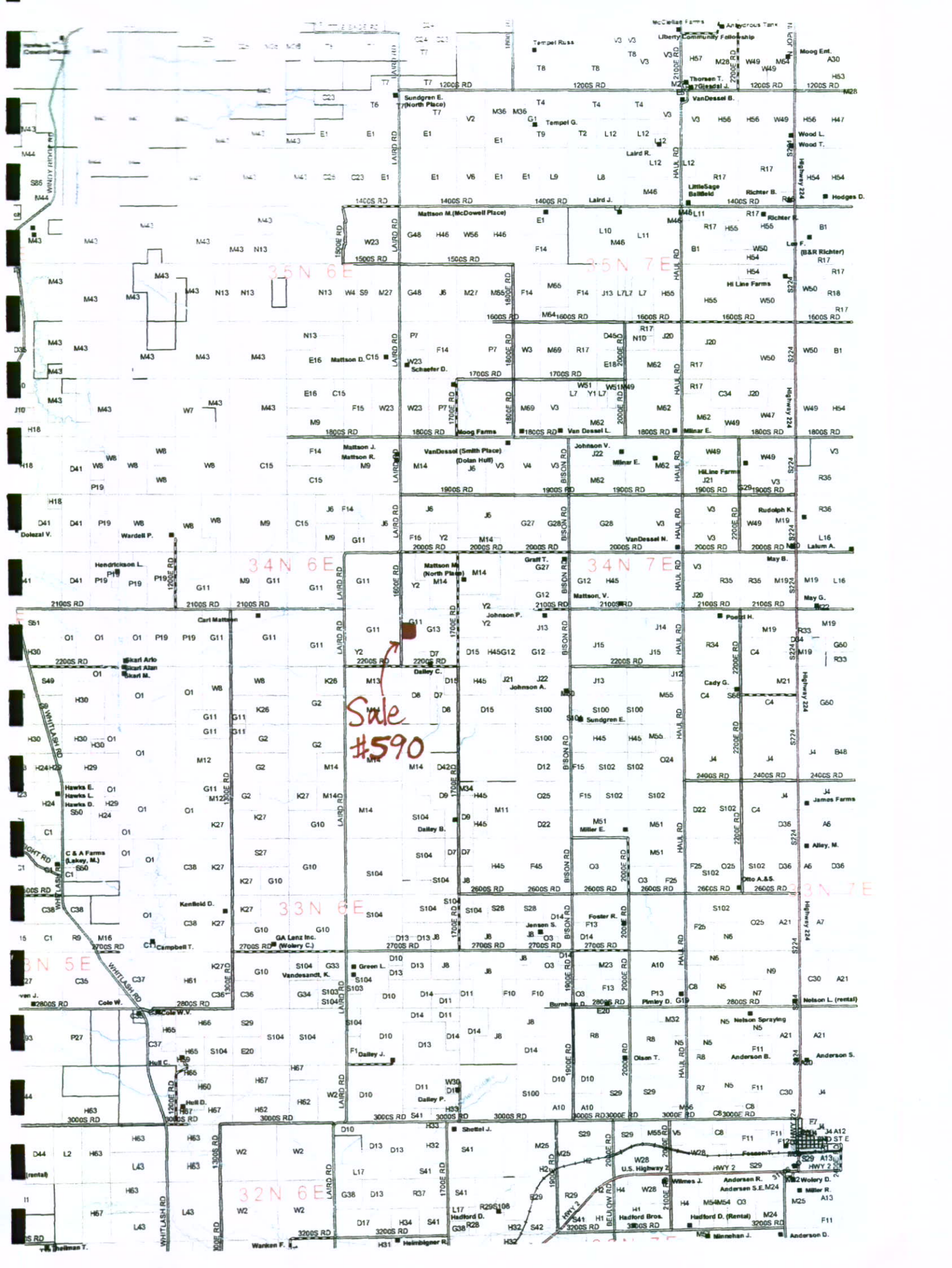
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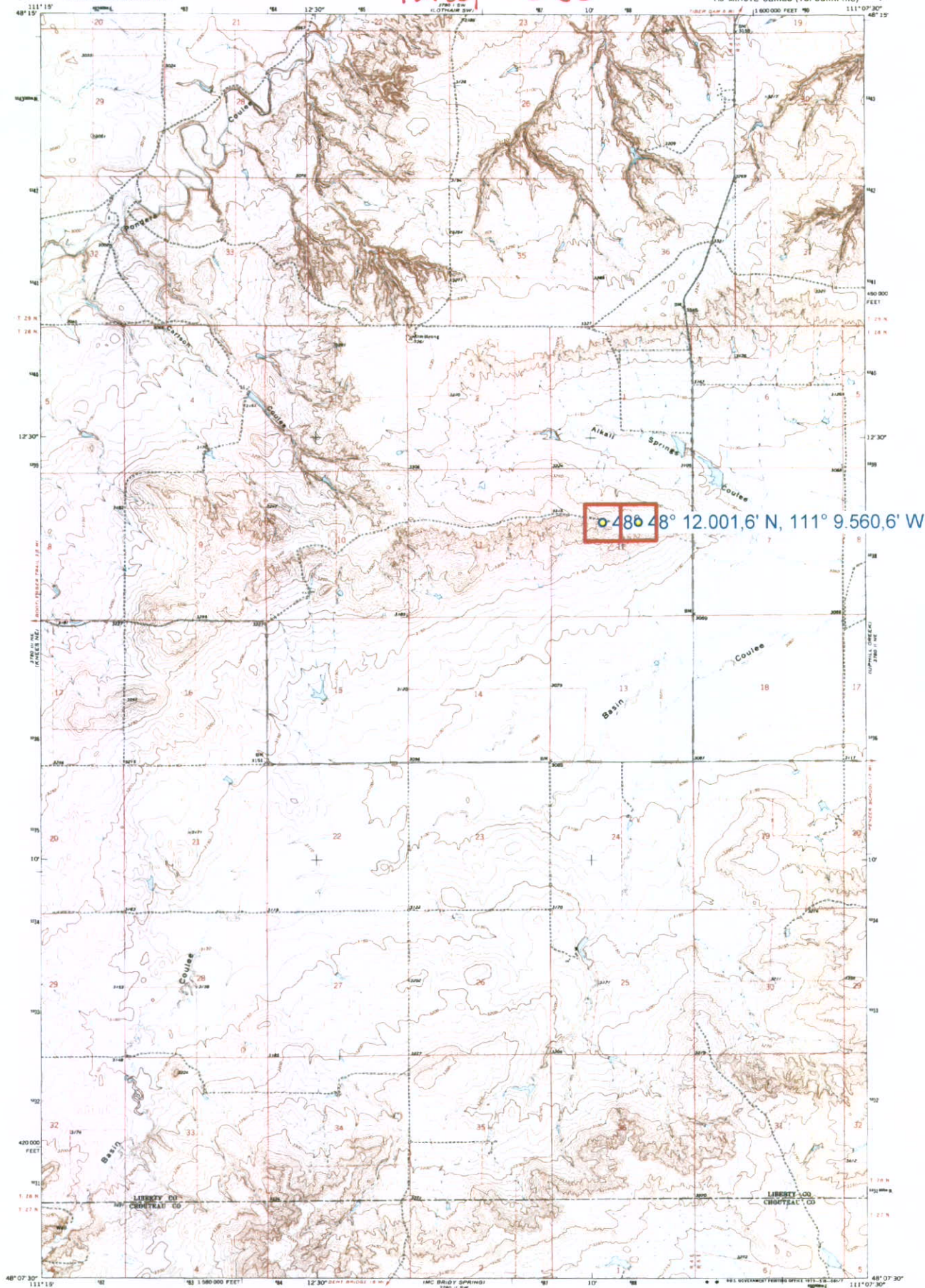








Parcel #583



Mapped, edited, and published by the Geological Survey  
Control by USGS and USC&GS  
Topography by photogrammetric methods from aerial  
photographs taken 1969. Field checked 1970.  
Polyconic projection. 1927 North American datum.  
10,000-foot grid based on Montana coordinate system,  
north zone.  
1:50,000-scale Universal Transverse Mercator grid ticks,  
zone 12, shown in blue.  
Fine red dashed lines indicate selected fence lines.

UTM 28Q AND 1983 MAGNETIC NORTH  
DECLINATION AT CENTER OF SHEET



ROAD CLASSIFICATION  
Primary highway: Light-duty road, hard or  
hard surface: improved surface  
Secondary highway: Unimproved road  
hard surface: Unimproved road  
Interstate Route: U.S. Route: State Route



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS  
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D.C. 20542  
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

CARLSON COULEE, MONT.  
N4807 5-W1107 5/7.5  
1970  
AMS 3780 H NW-SERIES V804



Parcel #583

Armstrong  
3361

BM 3345

3327

3167

Alkali Springs

3105

Cou

3182

48° 11.9' 48" 12.0016' N, 111° 9.5'

BM

3069

Basin

BM

3087

BM

3083

3096

BM

3151

22

23

24

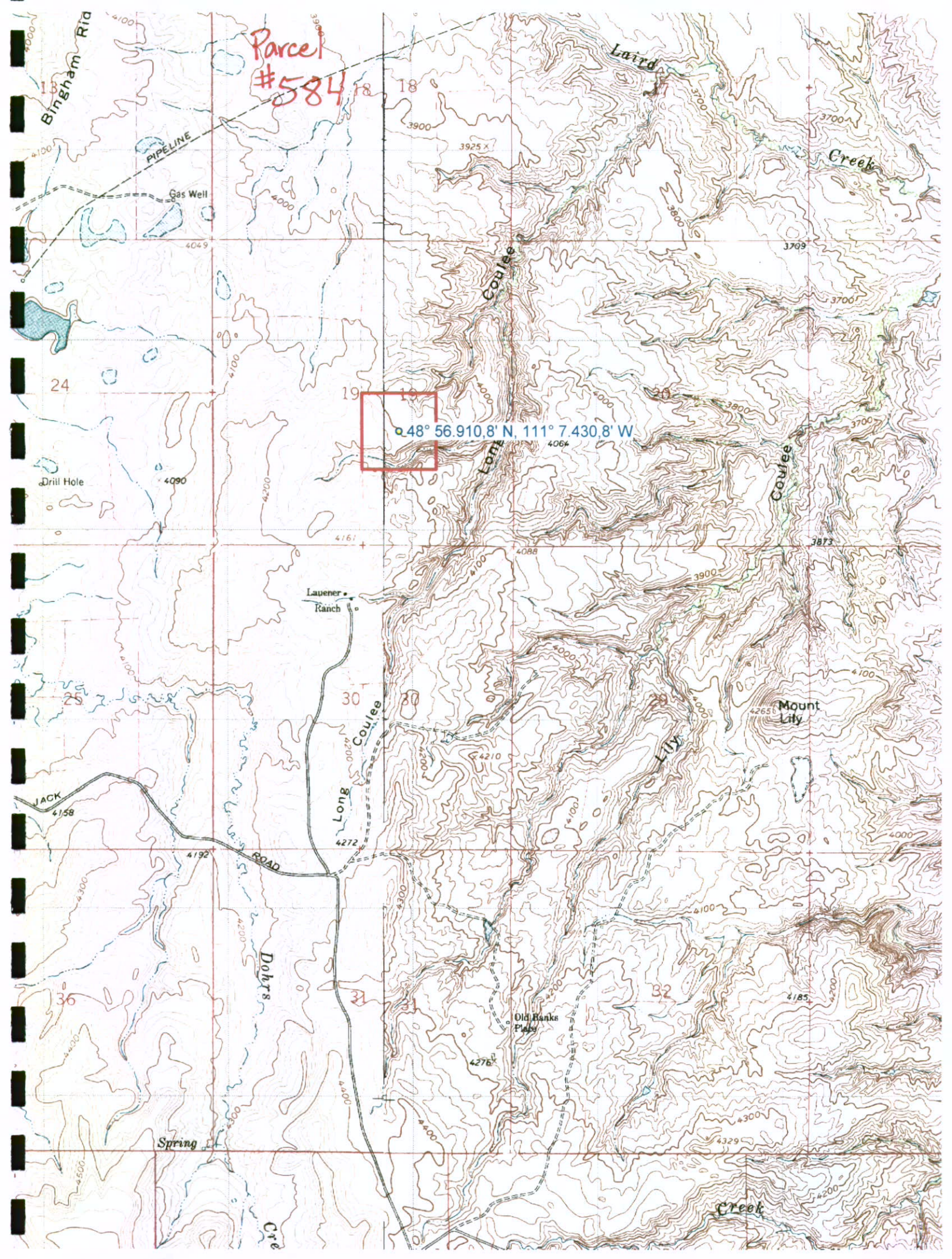
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3122

3170

3150





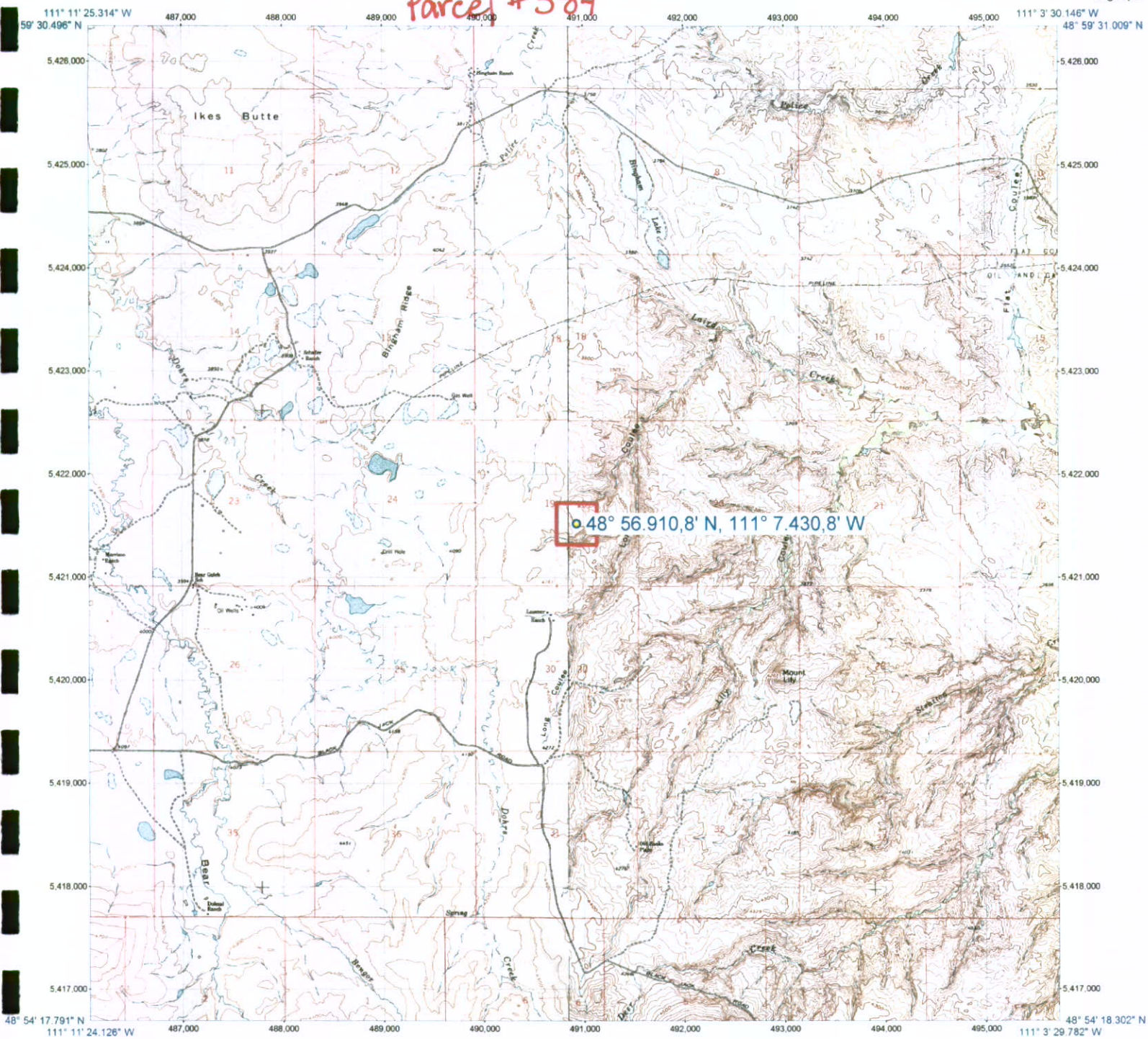
Parcel  
#584

48° 56.910,8' N, 111° 7.430,8' W



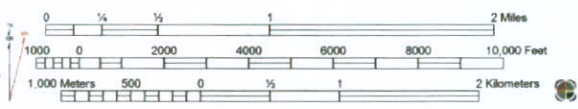
Parcel # 584

BigTopo



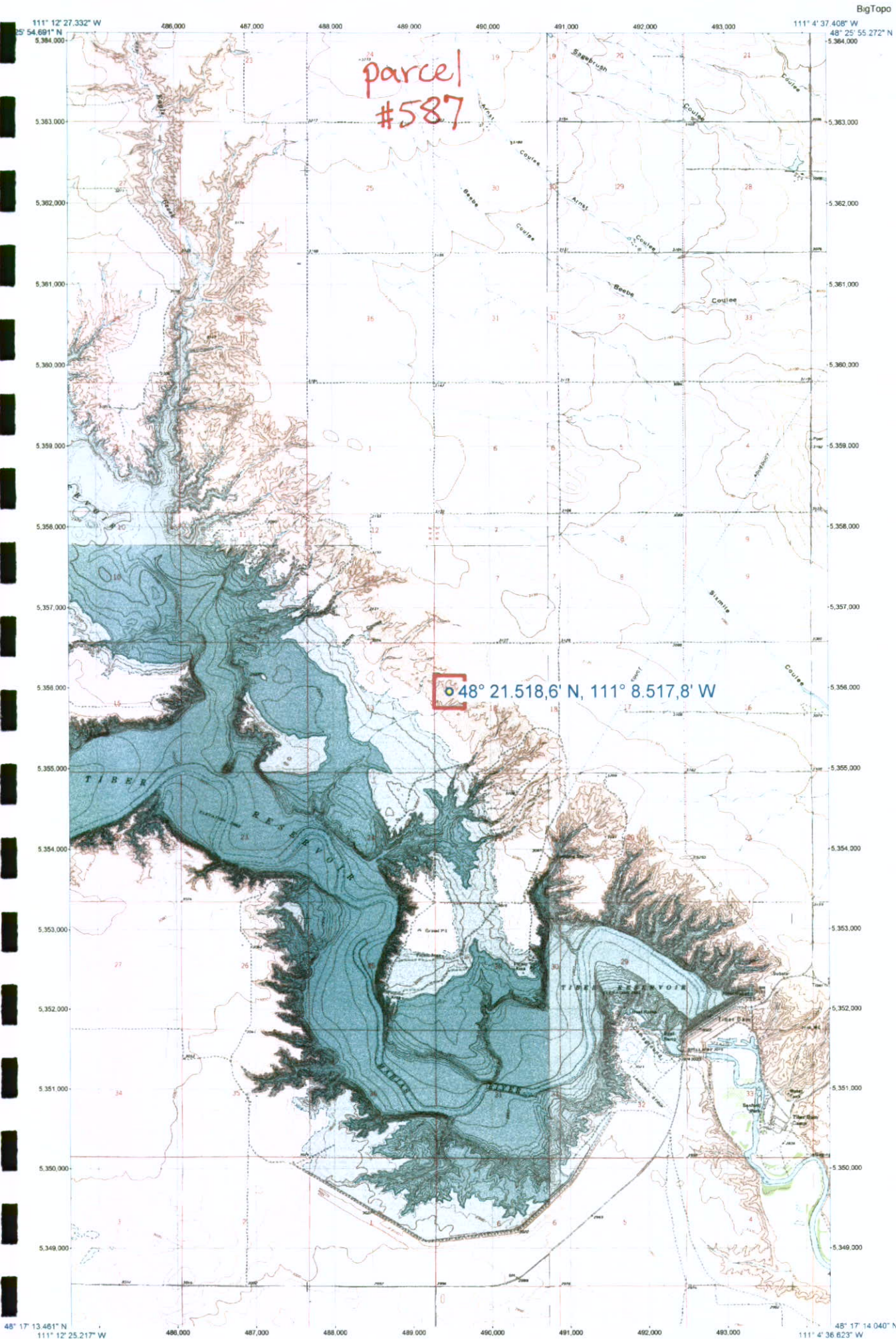
1927 North American Datum, UTM grid zone 12  
Generated by BigTopo7 (www.igage.com)  
Map compiled from USGS Quads: Hawley Hill, MT, AB Bingham Lake, MT, AB

USGS Quad and 2010 Mapbox data  
Copyright © 2010 USGS  
All rights reserved.

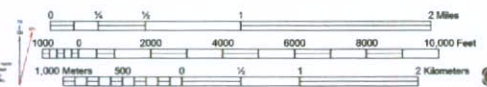


BigTopo Map



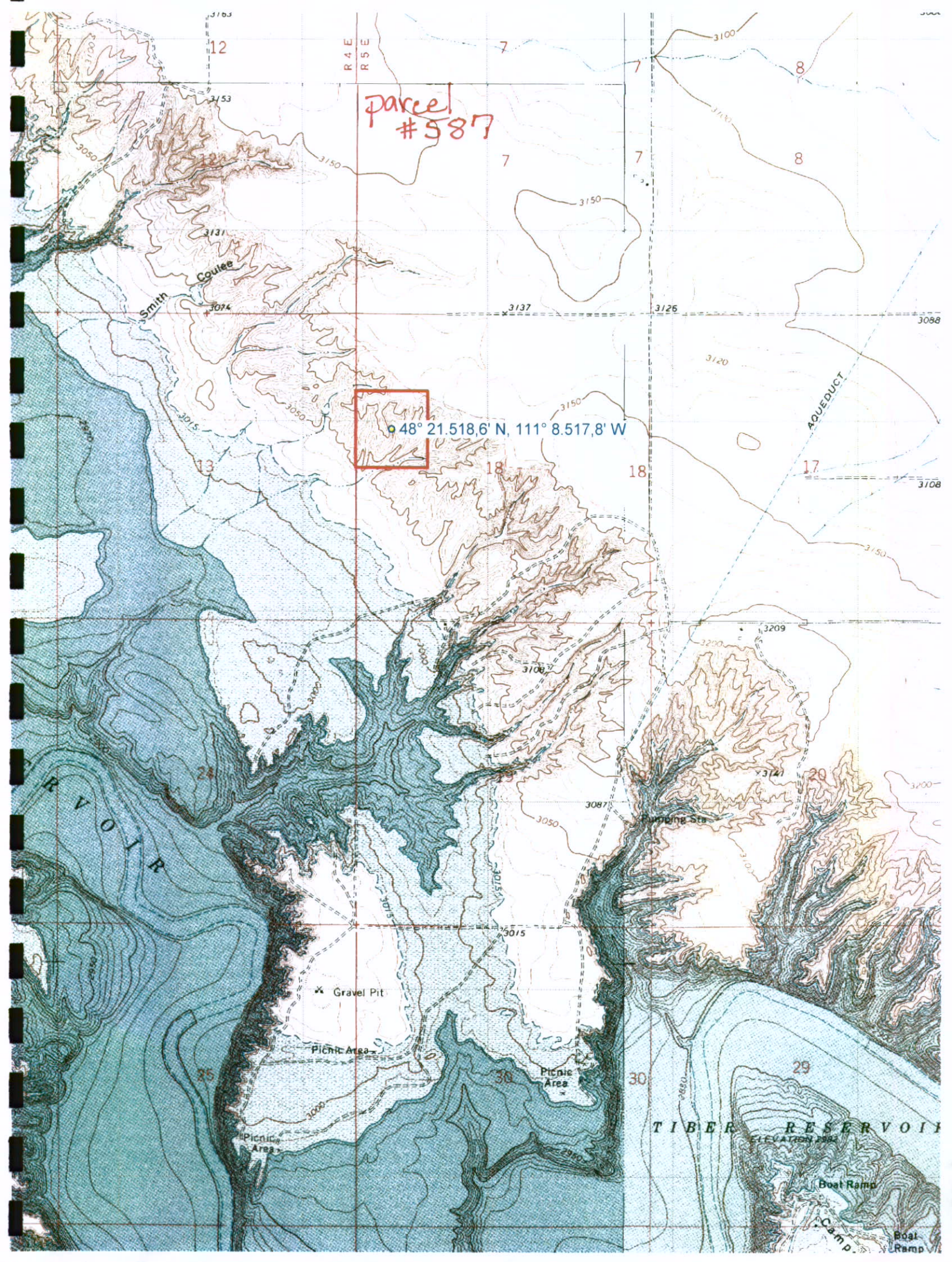


North American Datum: UTM grid zone 12  
Created by BigTopo (www.bigtopo.com)  
Map compiled from USGS Quads: Lothair, MT Sagebrush Coulee, MT Lothair  
SW, MT Tiber Dam, MT



BigTopo Map





parcel  
#587

48° 21.518,6' N, 111° 8.517,8' W

R 4 E  
R 5 E

AQUEDUCT

TIBER RESERVOIR  
ELEVATION 2982

Boat Ramp

Camp

Boat Ramp

Gravel Pit

Picnic Area

Picnic Area

Pumping Sta

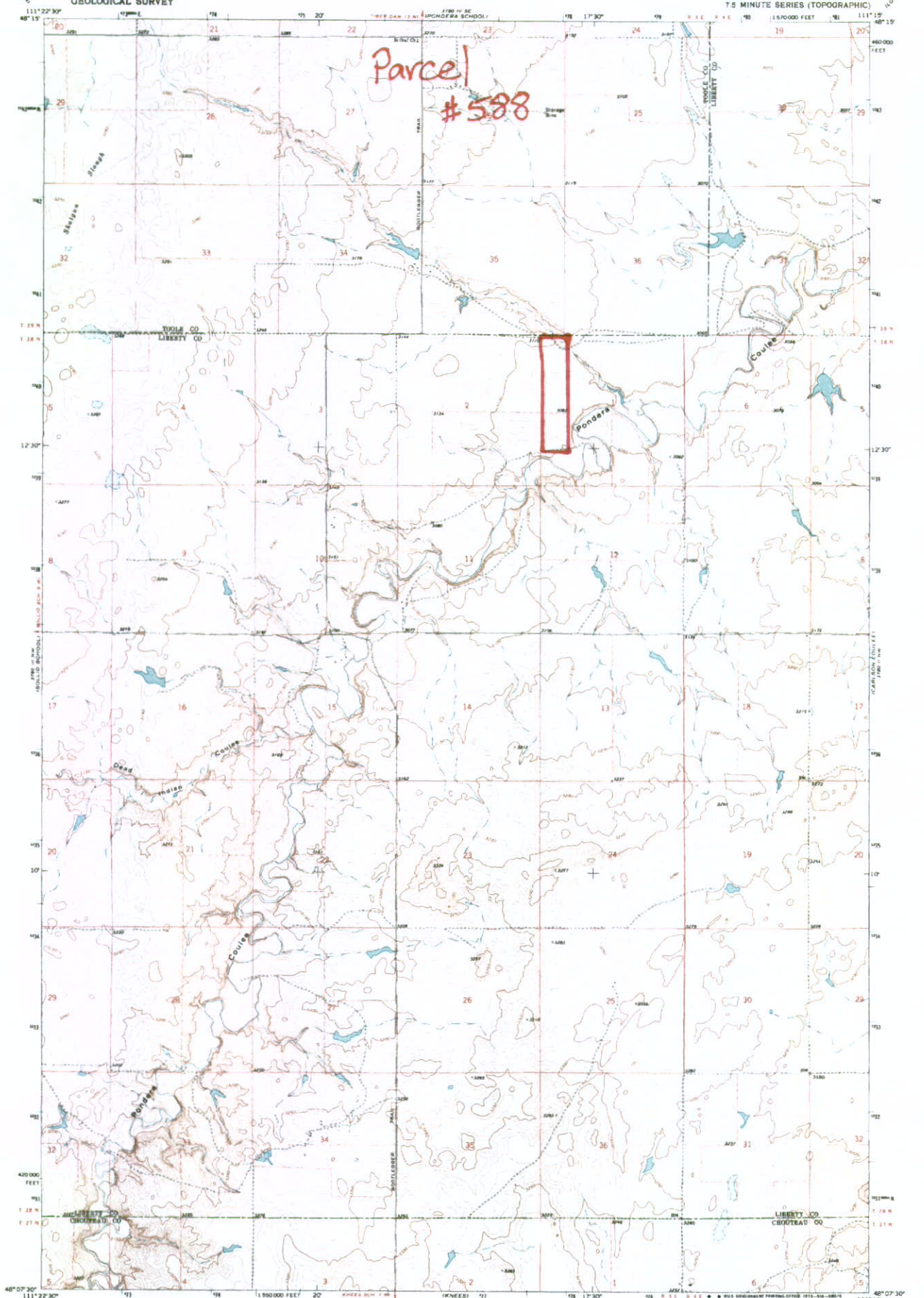
Smith  
Coulee



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

KNEES NE QUADRANGLE  
MONTANA  
7.5 MINUTE SERIES (TOPOGRAPHIC)

Parcel  
#588



Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography by photogrammetric methods from aerial

photographs taken 1969. Field checked 1970

Projection: 1927 North American datum

10,000-foot grid based on Montana coordinate system,

North zone

1000-meter Universal Transverse Mercator grid ticks,

zone 12, shown in blue

Line red dashed lines indicate selected fence lines

SCALE 1:24 000

CONTOUR INTERVAL 10 FEET

DATUM IS MEAN SEA LEVEL

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D.C. 20502

A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

ROAD CLASSIFICATION

Primary highway, hard surface

Light-duty road, hard or improved surface

Secondary highway, hard surface

Unimproved road

Interstate Route

U.S. Route

State Route

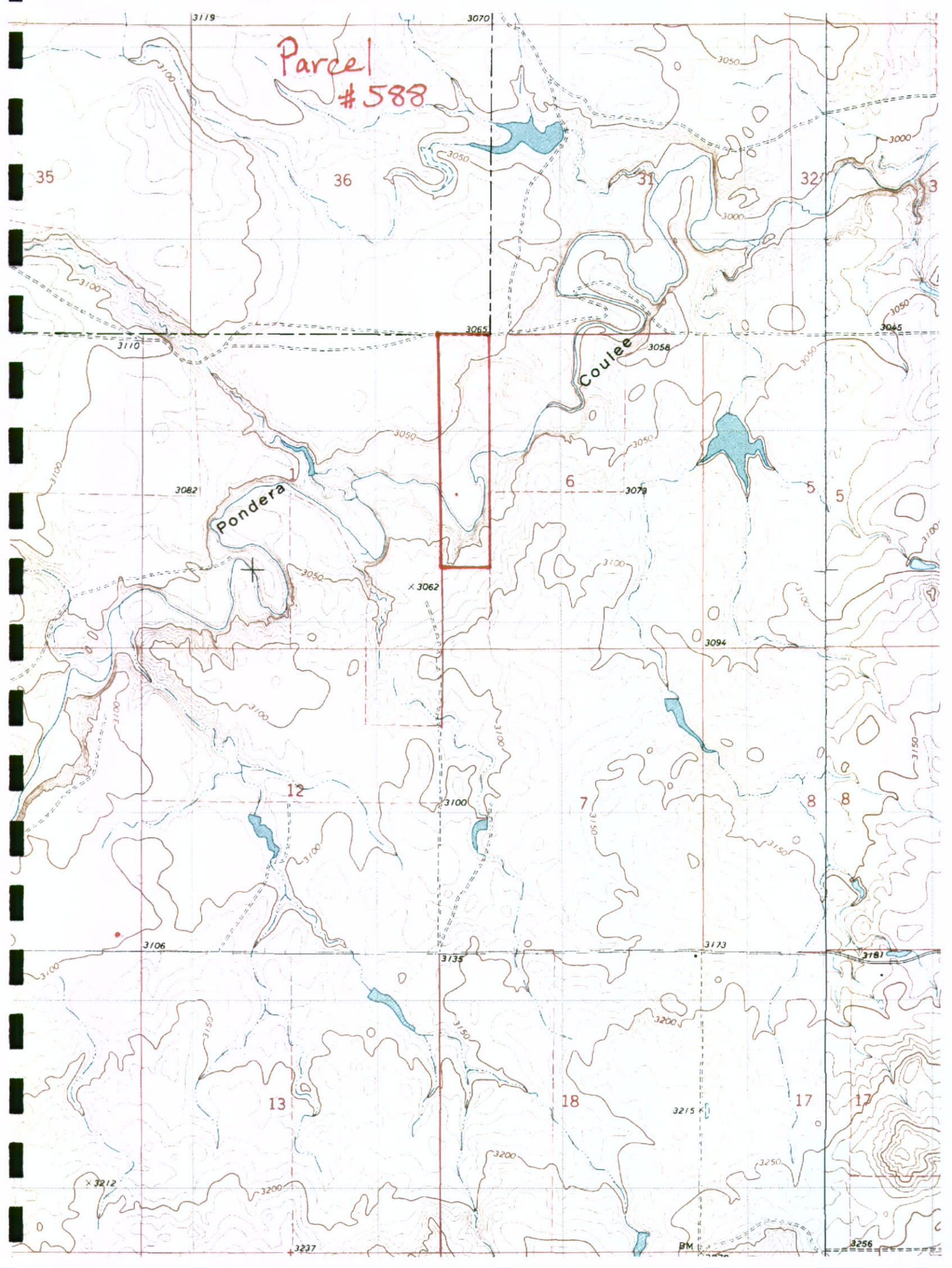
KNEES NE, MONT.

N4807 5-W11115-7.5

1970

AMS 5780 IS NE-SERIES PAGE









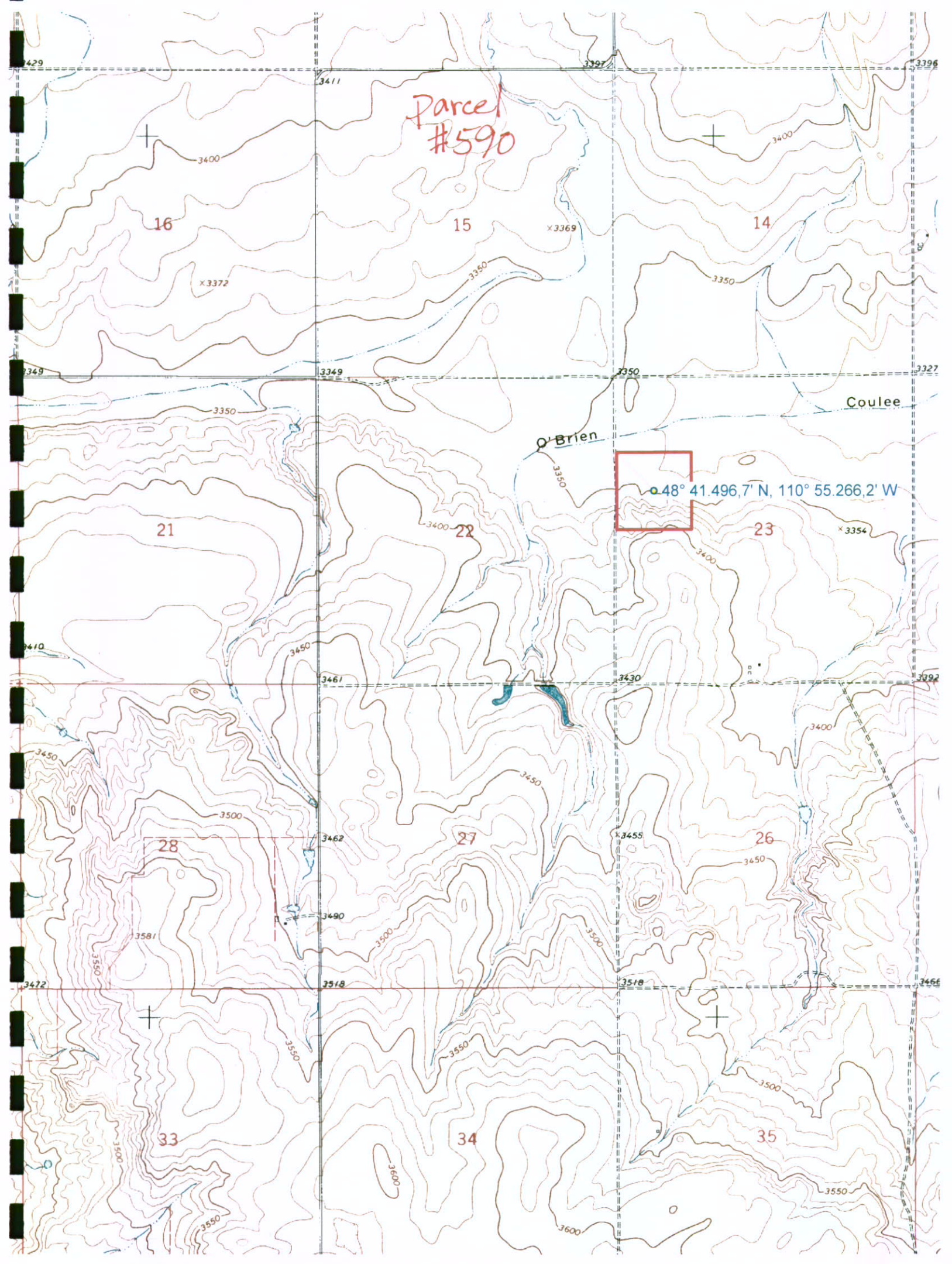
04

MINNEAPOLIS

CHESTER NW, MONT  
N4837 5 - W11052 5/7 5  
1963

AND 3001 III HW-SERIES VDO





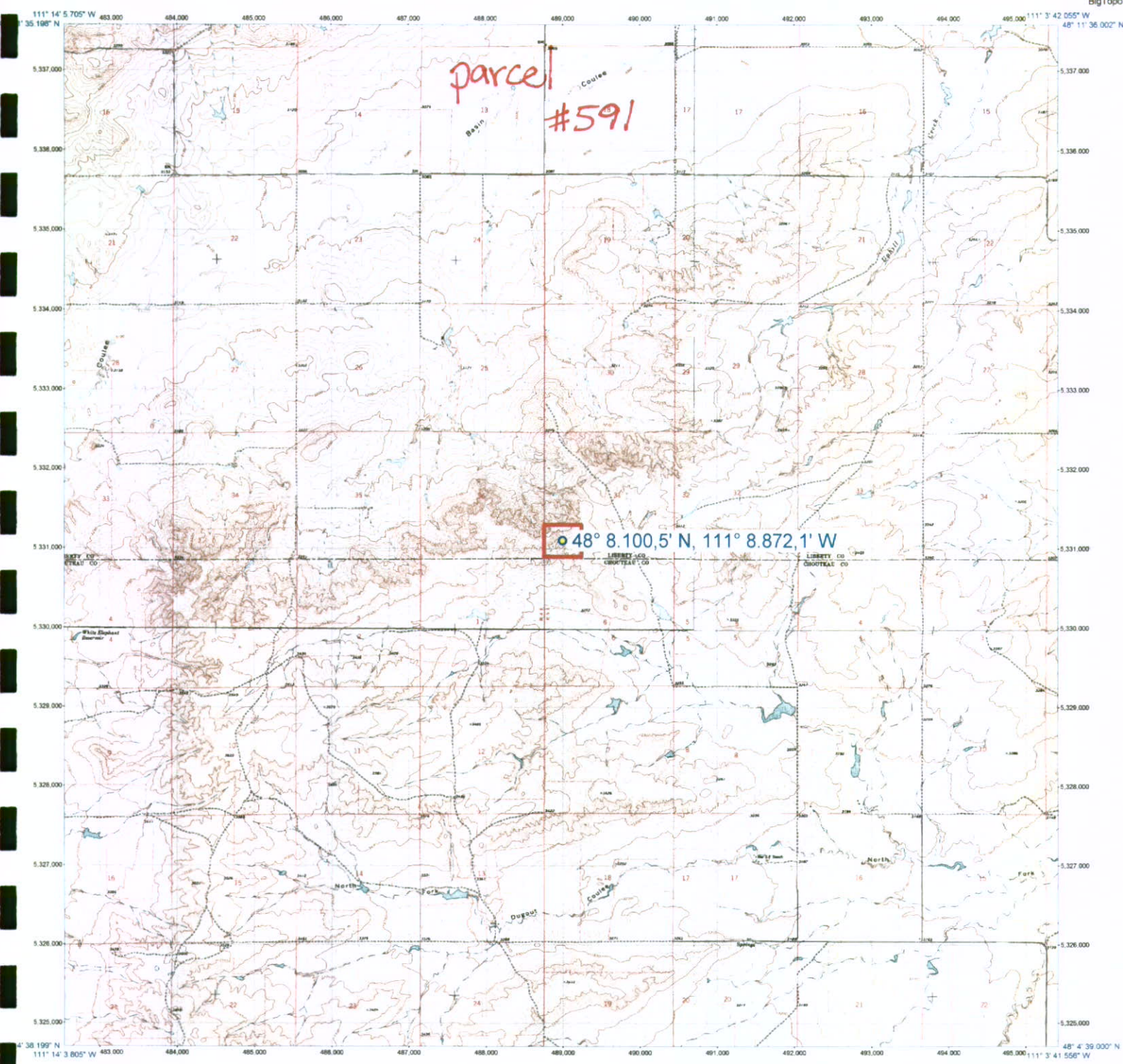
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#590

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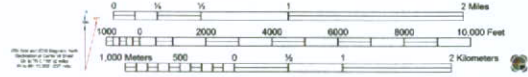
Coulee

O'Brien





1927 North American Datum; UTM grid zone 12  
Generated by BigTopo7 (www.igage.com)  
Map compiled from USGS Quads: Carlson Coulee, MT Uphill Creek; MT McBrister Spring;  
MT, Russell Chapel, MT





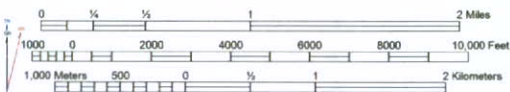
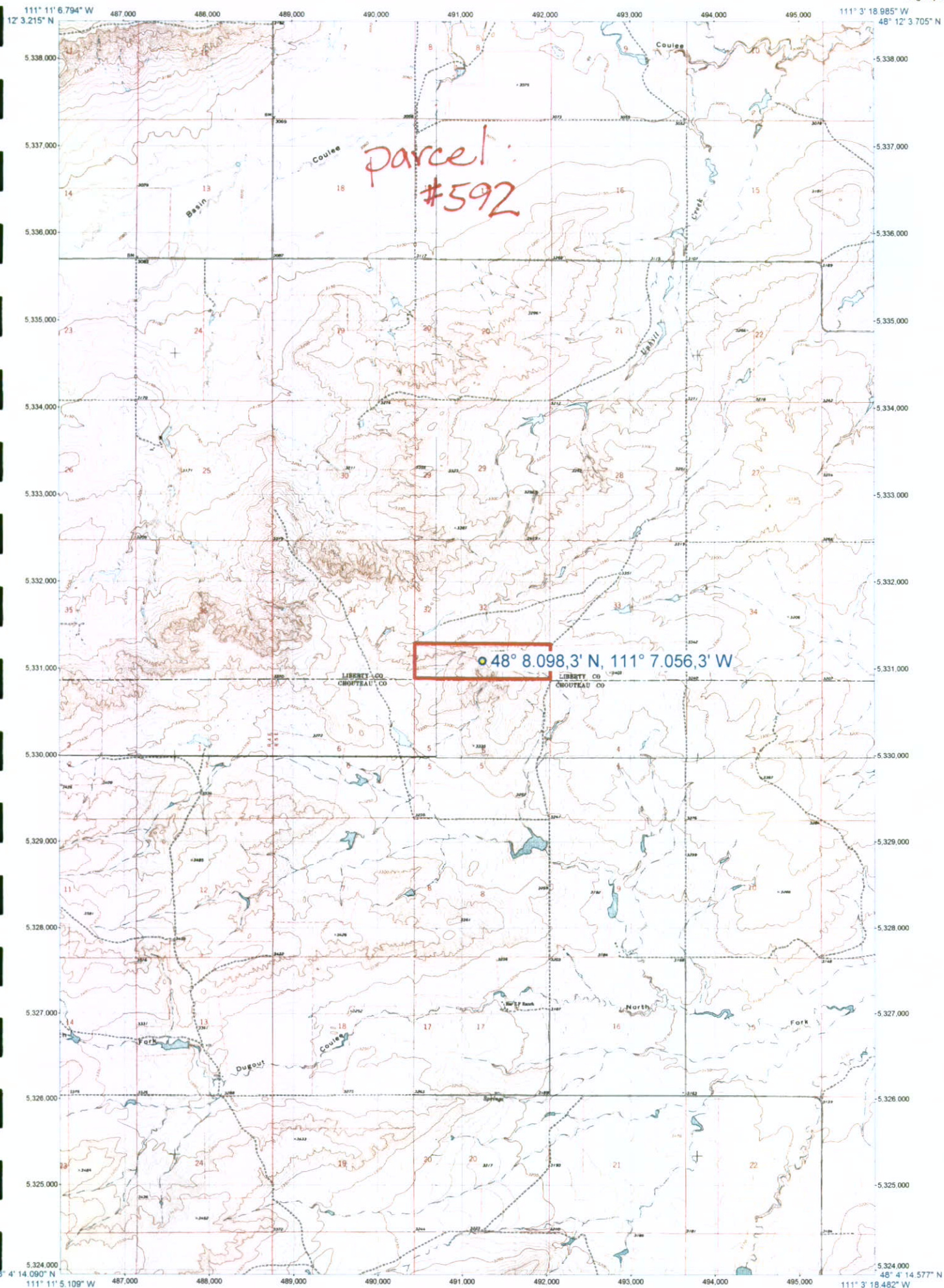
parcel  
#591

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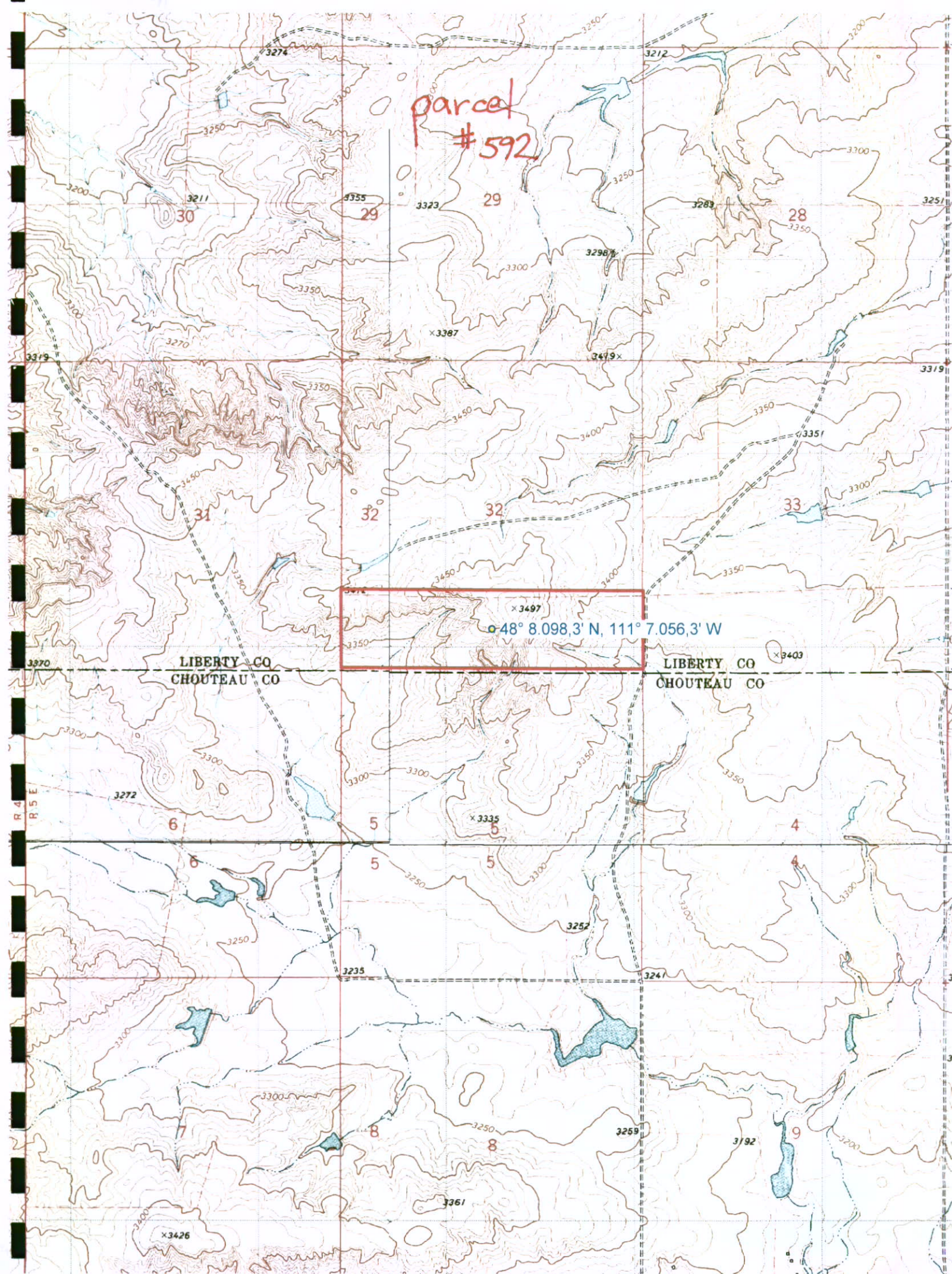
LIBERTY CO  
CHOUTEAU CO

R 4 E  
R 5 E

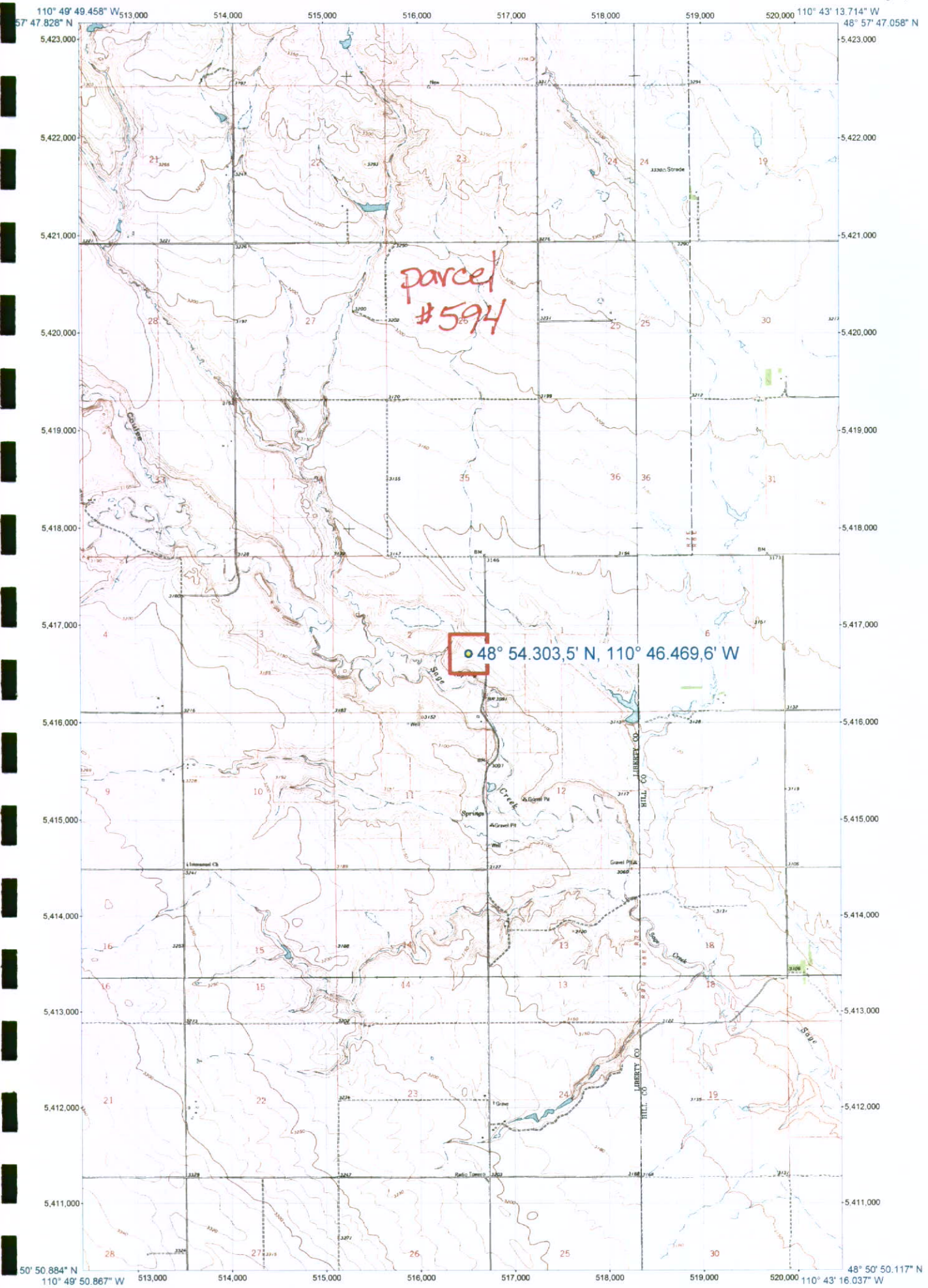








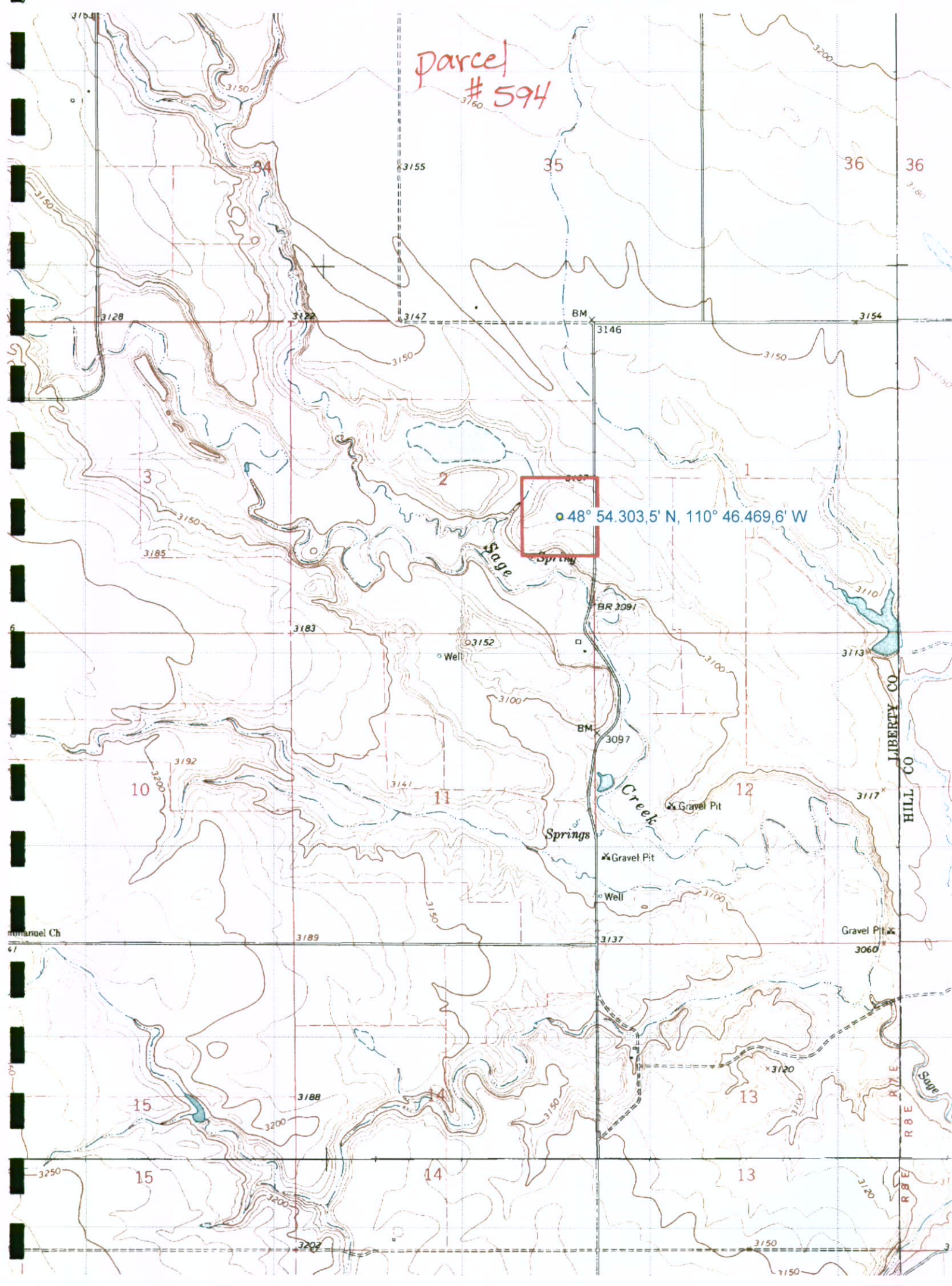






parcel  
# 594

48° 54.303,5' N, 110° 46.469,6' W





## PROPERTY DESCRIPTION

### LOCATION AND DESCRIPTION

LOCATION OF PROPERTY: The property consists of eight separate non contiguous parcels of native range pasture located in Liberty County, Montana in two general areas:

**Sales #584 and 594** are north of Chester, Liberty County, MT. Location of 584 is approximately 24 miles north of Joplin, MT via paved and gravel Highway 224 to the parcel. Location of 594 is approximately 24 miles north of Joplin, MT via paved and gravel Highway 224, then 18 miles west via gravel Bear's Den and Black Jack Roads and trail to within ½ mile of the parcel.

**Sale #590** is located 13 miles north of Chester, Liberty County, MT. Location is approximately 13 miles north of Chester via gravel Laird Road north 12miles, then 1½ miles east and north to the parcel. The parcel is not accessible by dirt road.

**Sales #583, 588, 591, and 592** are 24 to 27 miles southwest of Chester, Liberty County, MT. Location is approximately 24 - 27 miles south of Chester via paved State Highway 223 and gravel Dugout and Broadhurst Roads and field trails to the parcels. None of the parcels are accessible by road.

**Sale #587** is located 13 miles southwest of Chester, Liberty County, MT. Location is approximately 13 miles southwest of Chester via paved State Highway 223 south and gravel Tiber Dam, Tiber Road S. and Tiber Marina Roads west and field trail to the parcel. The parcel is not accessible by road.

**Sale #590** is located 13 miles north of Chester, Liberty County, MT. Location is approximately 13 miles north of Chester via gravel Laird Road north 12miles, then 1½ miles east and north to the parcel. The parcel is not accessible by dirt road.

The subject consists of eight parcels totaling 506.01 acres in basically two different general areas of Liberty County. **Sales # 583, 587, 591 and 592** are 80, 38.61, 48 and 160 acres of native pasture respectively. These four non contiguous sales are located in southern Liberty County. Portions of the parcels are steep and have limited production capabilities. They are all isolated tracks entirely surrounded by private property. Some of the parcels are partially perimeter fenced and are part of a larger pasture unit. No known stock water available on the parcels. The parcels are remote and are not easily accessed.

**Sales # 584, 594 and 590**, which are 40 acres of native pasture and non contiguous, are located in northern Liberty County in the Sweetgrass Hills area. **Sale #588** is 59.4 acres of pasture located in southern Liberty County. These parcels are considered to be more productive than **Sales # 583, 587, 591 and 592** with higher elevation and more rainfall. Sales #590 and 588 are in an area almost entirely cultivated for dry crops. Although it is more than likely that sales 584 and 594 are more productive than sale 590 and 588, roughly half of sales 590 and 588 are 0-4% slopes soil types and are considered potentially partially breakable for dry crop purposes. No known stock water available on the parcels besides Pondera Coulee traversing #588. The soils in the area of #588 that are near the coulee bottom are also potentially highly productive range, with overflow range site potentially producing 3000#/ acre forage. The parcels are part of a larger pasture unit. The parcels are remote and are not easily accessed. All parcels are in Liberty County, MT



## PROPERTY DESCRIPTION LOCATION AND DESCRIPTION CONTINUED

Average annual precipitation is 10-12 inches. Precipitation 4-8 inches higher in the Sweetgrass Hills area. Productivity is estimated at about 4-10 acres per AUM on the pasture portions.

### UTILITIES

Public electrical and telephone are not on the subject parcels but are available or 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.

## PROPERTY DESCRIPTION CONTINUED

### PREDOMINANT SOILS

#### #584, 594, 590 and 588

421C	Joplin-Hillon Loams, 2-8% slopes, Silty range site, Forage potential 1000- 1800 lb/acre. 10-14" precip.
224E	Hillon- Joplin Loams, 8-25% slopes, Forage potential 1000-1800 lb/acre. Silty Range Site. 10-14" precip.
723F	Zahill Cabba complex, 15-45% slopes, Forage potential 1200-2000 lb/acre. Thin Silty and Shallow Clay Range Site. 15-19" precip.
692D	Vida-Bearpaw clay loams, 4-15% slopes, Forage potential 1500-2500 lb/acre. Silty Range Site. 15-19" precip.



## PROPERTY DESCRIPTION CONTINUED

### *PREDOMINANT SOILS*

- 72F      Zahill Clay Loam, 25-60% slopes, Forage potential 1200-2000 lb/acre. Thin Silty Range Site. 15-19" precip.
- 368C      Fort Benton complex, 2-8% slopes, Silty range site, Forage potential 1000-2000 lb/acre. 10-14" precip.
- 521C      Elloam Absher complex, 2-8% slopes, clay pan range site, Forage potential 600- 1200 lb/acre. 10-14" precip.
- 605C      Yamacall - Havre Loams, 0-8% slopes, Forage potential 1000-3000 lb/acre. Silty and Overflow Range Sites. 10-14" precip.
- 47B      Marias Silty Clay, 0-4% slopes, Forage potential 900-1800 lb/acre. Clayey Range Site. 10-15" precip.
- 15E      Lambeth Silt Loam, 8-25% slopes, Forage potential 850-1800 lb/acre. Silty and Thin Silty Range Site. 10-14" precip.

### #583, 587, 591, and 592

- 421C      Joplin-Hillon Loams, 2-8% slopes, Silty range site, Forage potential 1000- 1800 lb/acre. 10-14" precip.
- 503B      Telstad-Joplin Loams, 0-4% slopes, Silty range site, Forage potential 1000- 1800 lb/acre. 10-14" precip.
- 22F      Hillon Loam, 25-60% slopes, Forage potential 1000-1800 lb/acre. Silty Range Site. 10-14" precip.
- 224E      Hillon- Joplin Loams, 8-25% slopes, Forage potential 1000-1800 lb/acre. Silty Range Site. 10-14" precip.
- 79B      Yamacall Loam, 0-4% slopes, Forage potential 1000-1800 lb/acre. Silty Range Site. 10-14" precip.



## PROPERTY DESCRIPTION CONTINUED

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

### *MARKETING PERIOD*

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

### *CURRENT MARKETING CONDITIONS AND TRENDS*

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

### *FUEL TANKS AND GARBAGE DUMPS*

No evidence of 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.



## MAP LEGEND

 Area of Interest (AOI)	 Very Stony Spot
 Soil Map Units	 Wet Spot
<b>Special Point Features</b>	 Other
 Blowout	<b>Special Line Features</b>
 Borrow Pit	 Gully
 Clay Spot	 Short Steep Slope
 Closed Depression	 Other
 Gravel Pit	<b>Political Features</b>
 Gravelly Spot	 Cities
 Landfill	 PLSS Township and Range
 Lava Flow	 PLSS Section
 Marsh or swamp	<b>Water Features</b>
 Mine or Quarry	 Oceans
 Miscellaneous Water	 Streams and Canals
 Perennial Water	<b>Transportation</b>
 Rock Outcrop	 Rails
 Saline Spot	 Interstate Highways
 Sandy Spot	 US Routes
 Severely Eroded Spot	 Major Roads
 Sinkhole	 Local Roads
 Slide or Slip	
 Sodic Spot	
 Spoil Area	
 Stony Spot	

## MAP INFORMATION

Map Scale: 1:3,320 if printed on A size (8.5" x 11") sheet.

The soil surveys that comprise your AOI were mapped at 1:24,000. Please rely on the bar scale on each map sheet for accurate map measurements.

Source of Map: Natural Resources Conservation Service  
 Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>  
 Coordinate System: UTM Zone 12N NAD83

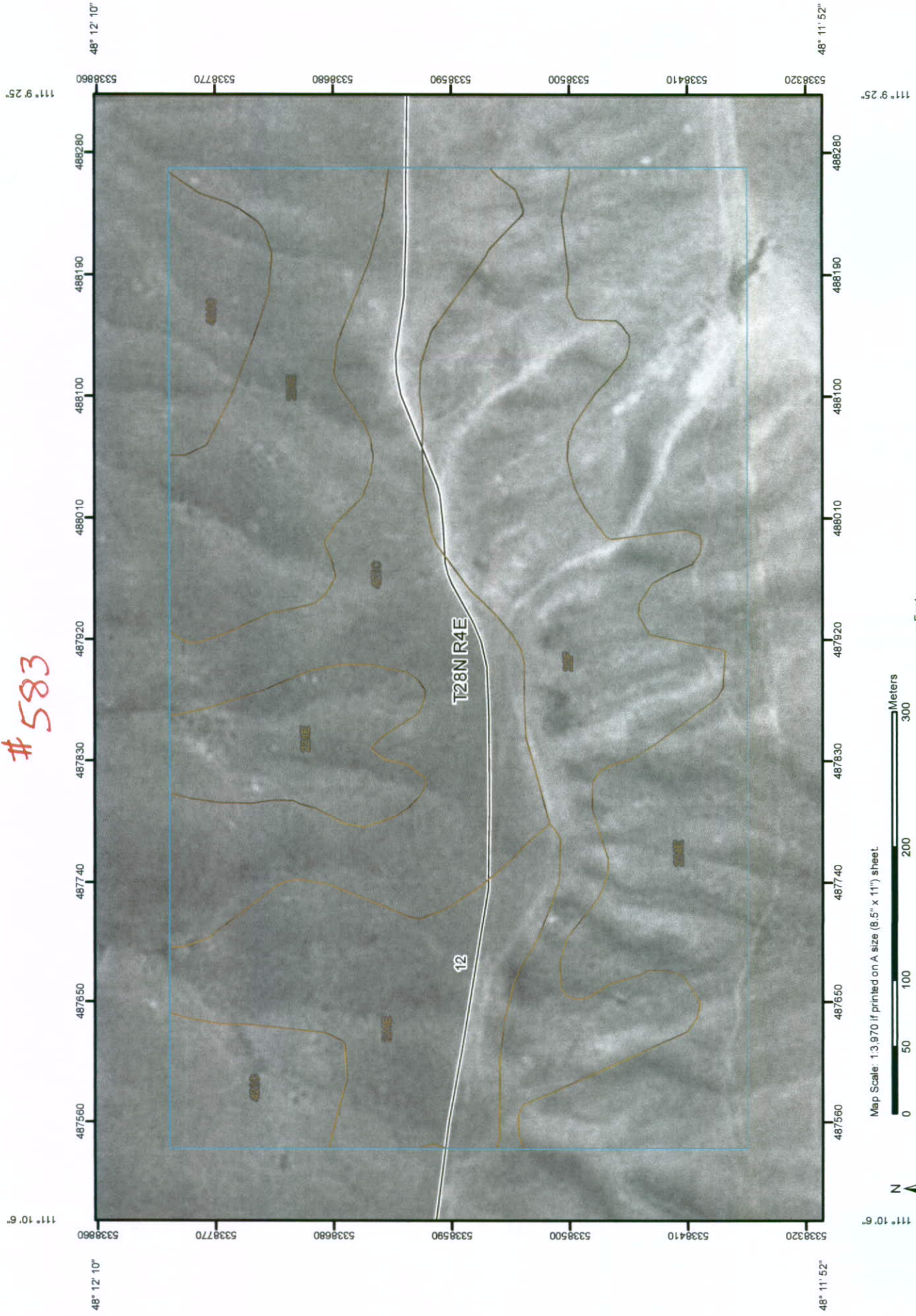
This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Liberty County, Montana  
 Survey Area Data: Version 8, Oct 19, 2010  
 Date(s) aerial images were photographed: 8/22/1997

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.



#583





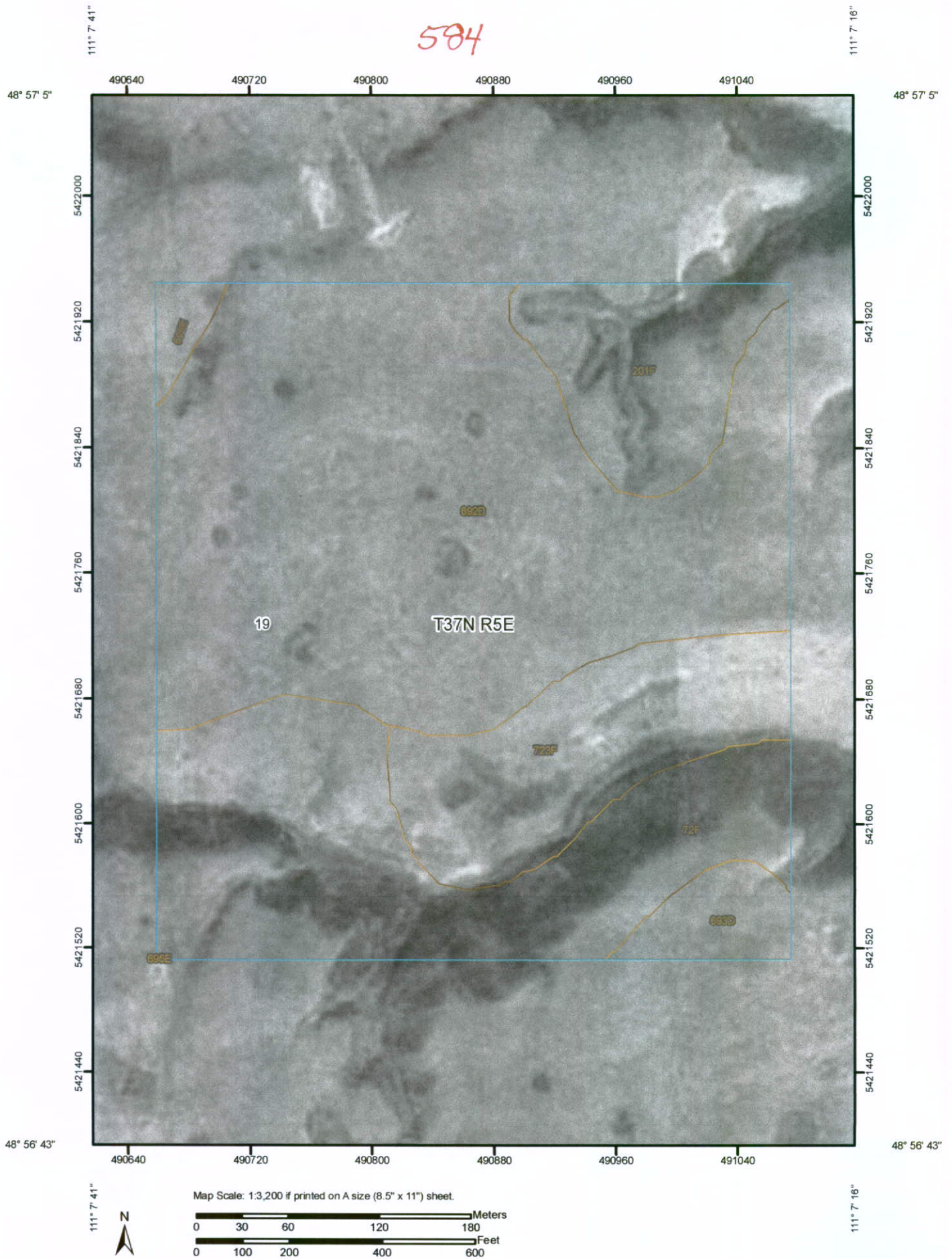
## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
22F	Hillon loam, 25 to 60 percent slopes	16.4	20.6%
224E	Hillon-Joplin loams, 8 to 25 percent slopes	41.1	51.7%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	22.0	27.7%
Totals for Area of Interest		79.4	100.0%



Soil Map—Liberty County, Montana

584



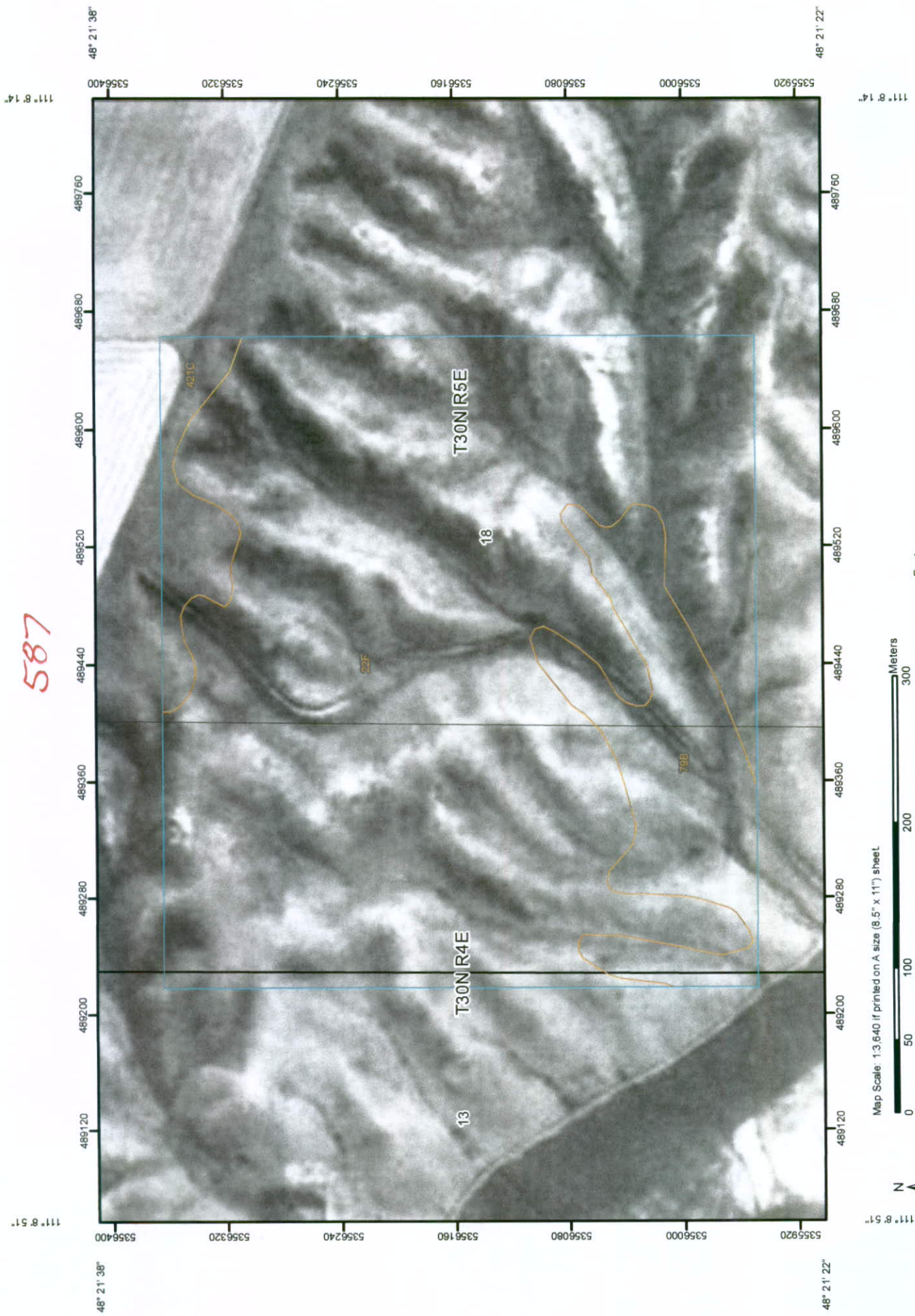


## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
72F	Zahill clay loam, 25 to 60 percent slopes	10.7	24.2%
201F	Cabba-Wayden-Rock outcrop complex, 15 to 60 percent slopes	3.9	8.8%
692D	Vida-Bearpaw clay loams, 4 to 15 percent slopes	22.2	50.0%
693D	Vida-Bearpaw-Nishon clay loams, 0 to 15 percent slopes	1.3	3.0%
695E	Vida-Zahill clay loams, 8 to 25 percent slopes	0.5	1.1%
723F	Zahill-Cabba complex, 15 to 45 percent slopes	5.8	13.0%
Totals for Area of Interest		44.4	100.0%



587





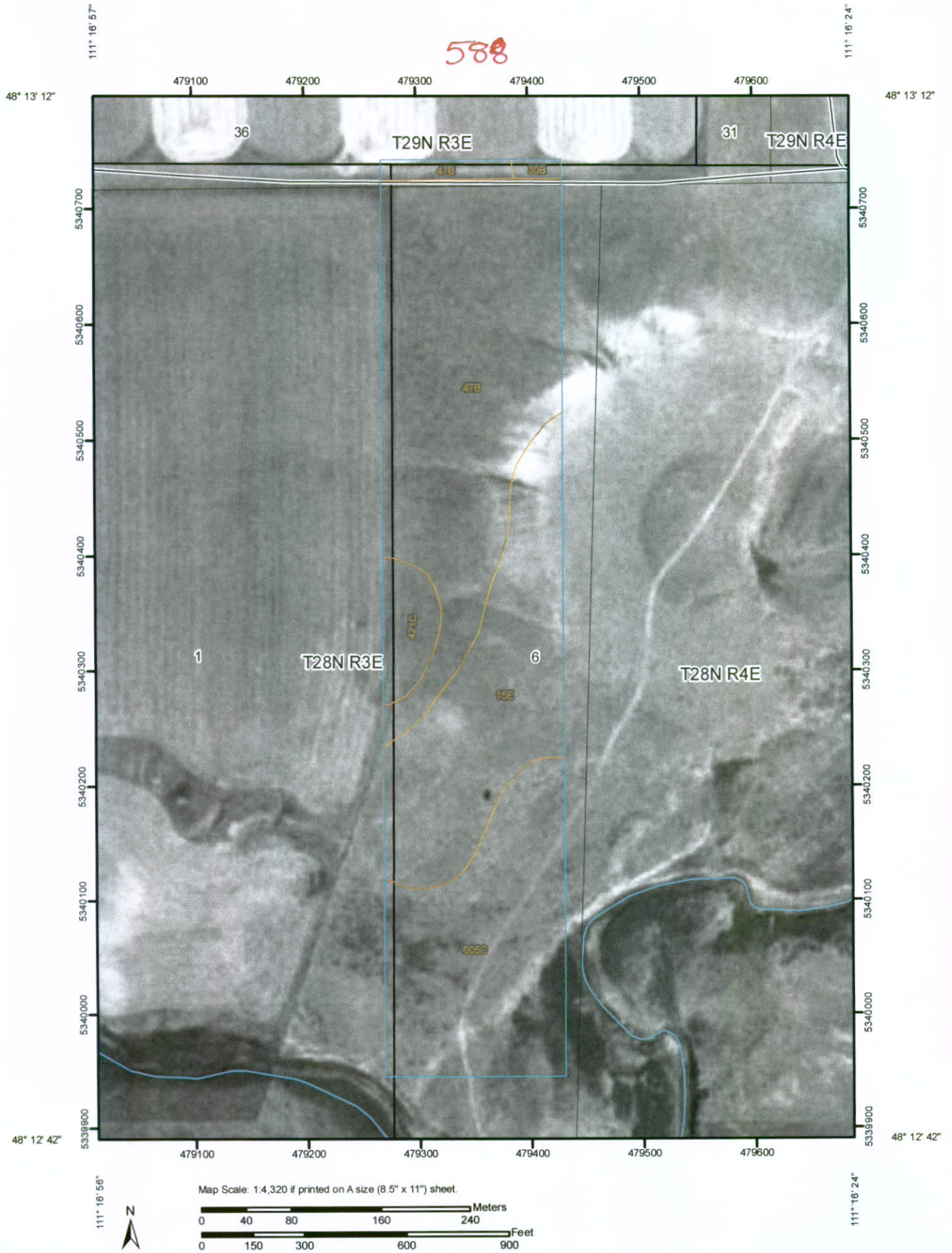
## Map Unit Legend

587

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
22F	Hillon loam, 25 to 60 percent slopes	37.8	82.5%
79B	Yamacall loam, 0 to 4 percent slopes	6.1	13.2%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	1.9	4.2%
Totals for Area of Interest		45.8	100.0%



Soil Map—Liberty County, Montana, and Toole County, Montana





## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
15E	Lambeth silt loam, 8 to 25 percent slopes	8.0	25.2%
47B	Marias silty clay, 0 to 4 percent slopes	13.3	41.9%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	1.3	3.9%
605C	Yamacall-Havre loams, 0 to 8 percent slopes	8.5	26.9%
Subtotals for Soil Survey Area		31.1	97.9%
Totals for Area of Interest		31.7	100.0%

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
30B	Marvan silty clay, 0 to 4 percent slopes	0.2	0.5%
47B	Marias silty clay, 0 to 4 percent slopes	0.5	1.5%
Subtotals for Soil Survey Area		0.7	2.1%
Totals for Area of Interest		31.7	100.0%







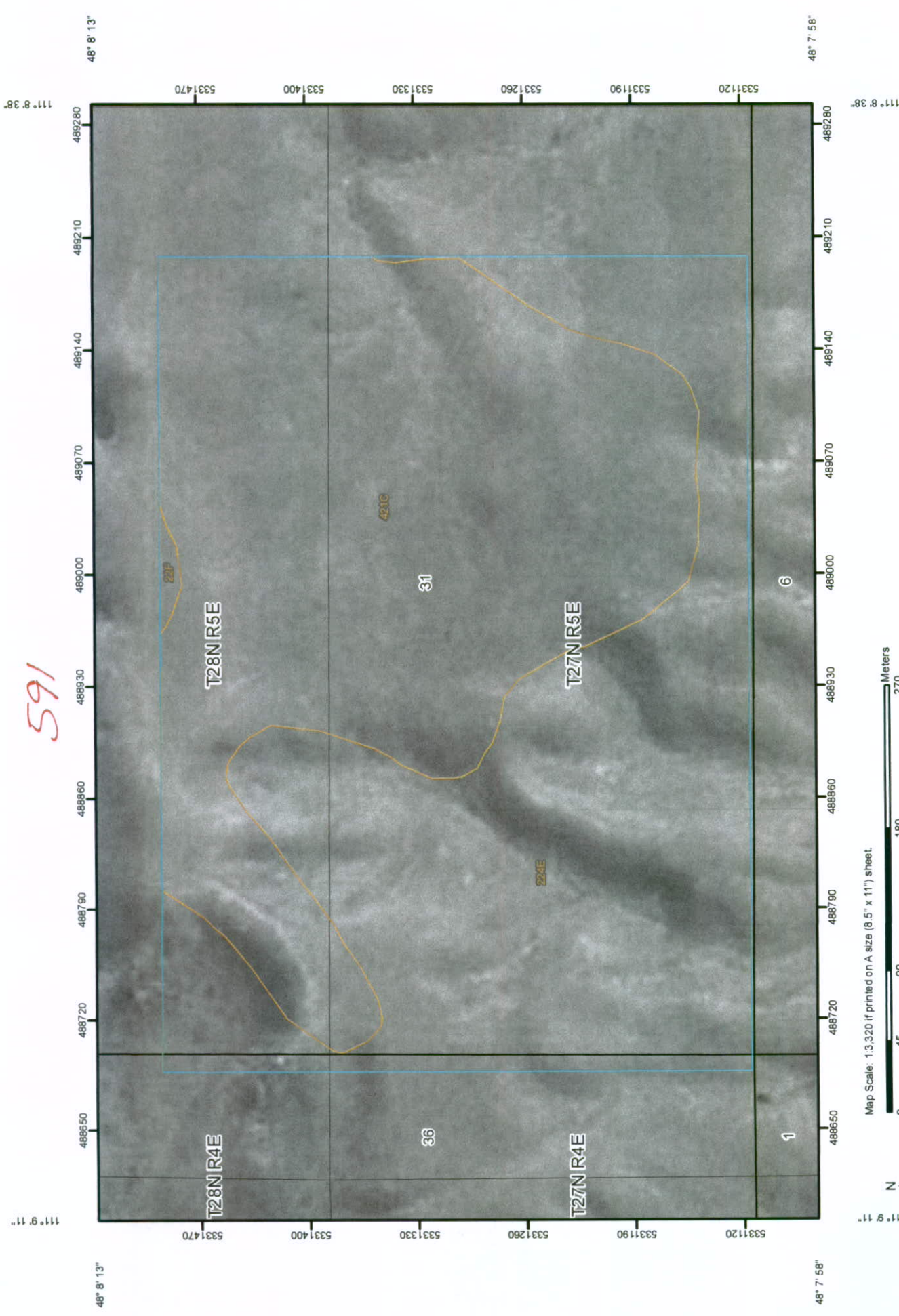
590

## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
30B	Marvan silty clay, 0 to 4 percent slopes	17.7	45.7%
224E	Hillon-Joplin loams, 8 to 25 percent slopes	11.6	30.0%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	9.4	24.3%
Totals for Area of Interest		38.6	100.0%







Map Scale: 1:3,320 if printed on A size (8.5" x 11") sheet.



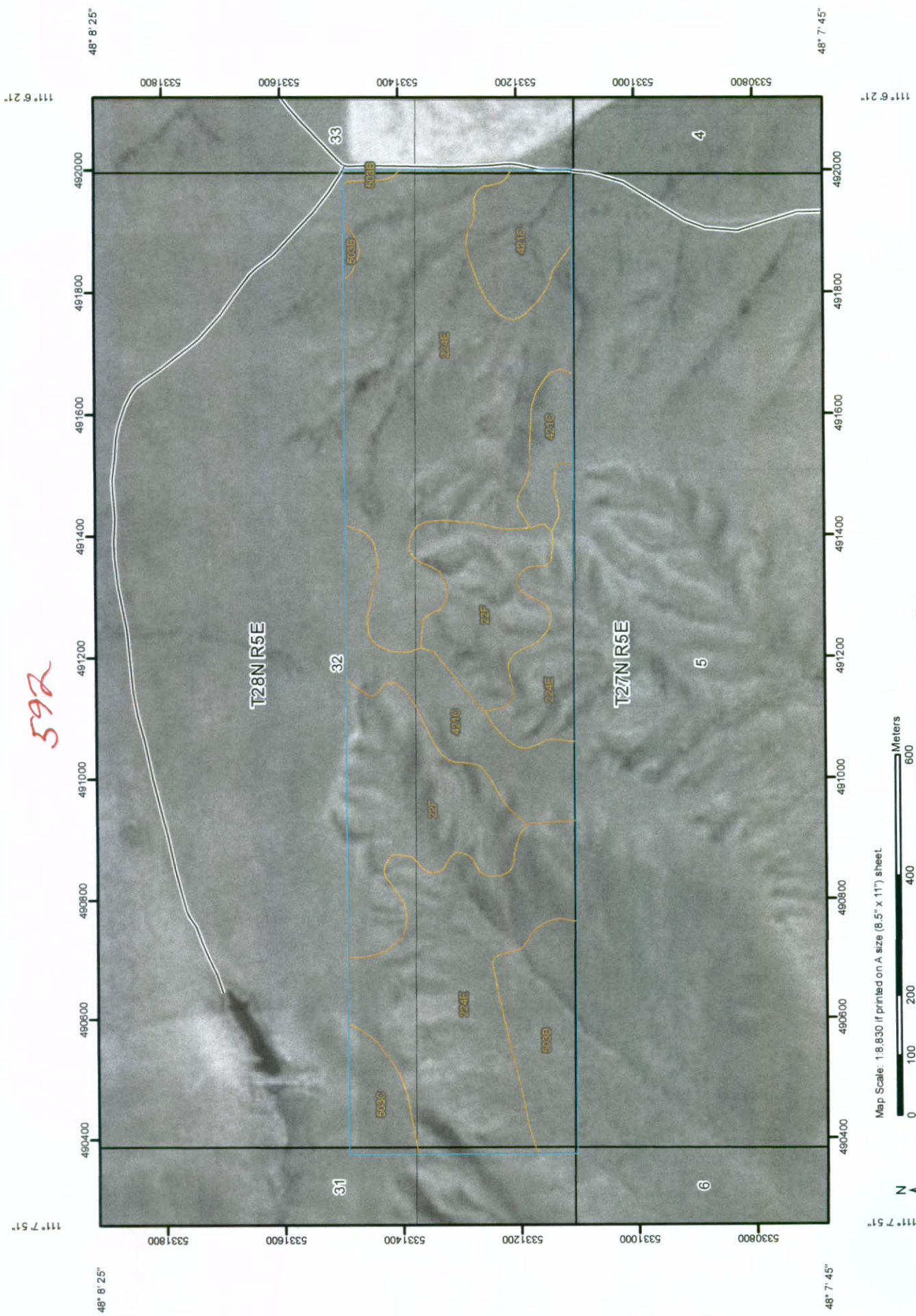


## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
22F	Hillon loam, 25 to 60 percent slopes	0.2	0.3%
224E	Hillon-Joplin loams, 8 to 25 percent slopes	22.5	46.8%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	25.4	52.9%
Totals for Area of Interest		48.0	100.0%



592



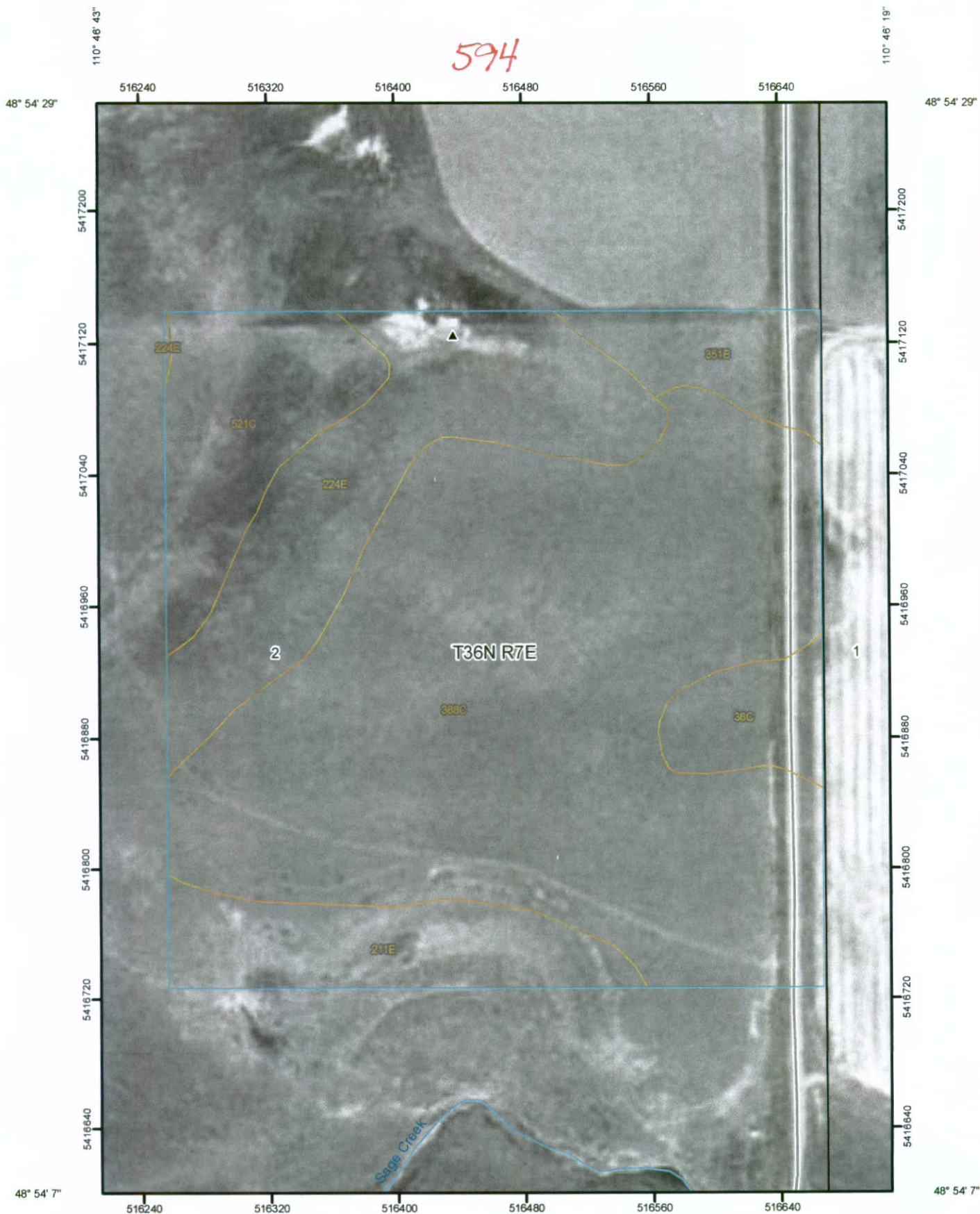


## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
22F	Hillon loam, 25 to 60 percent slopes	30.4	19.5%
224E	Hillon-Joplin loams, 8 to 25 percent slopes	85.3	54.8%
421C	Joplin-Hillon loams, 2 to 8 percent slopes	24.5	15.8%
503B	Telstad-Joplin loams, 0 to 4 percent slopes	10.9	7.0%
503C	Telstad-Joplin loams, 4 to 8 percent slopes	4.5	2.9%
Totals for Area of Interest		155.6	100.0%



594



110° 46' 43"



Map Scale: 1:3,170 if printed on A size (8.5" x 11") sheet.



Natural Resources  
Conservation Service

Web Soil Survey  
National Cooperative Soil Survey

12/14/2010  
Page 1 of 3



## Map Unit Legend

Liberty County, Montana (MT051)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
36C	Chinook fine sandy loam, 2 to 8 percent slopes	1.6	3.8%
211E	Cabbart-Yawdim complex, 8 to 25 percent slopes	3.6	8.6%
224E	Hillon-Joplin loams, 8 to 25 percent slopes	6.8	16.2%
351B	Kenilworth-Fortbenton fine sandy loams, 0 to 4 percent slopes	1.9	4.6%
368C	Fortbenton-Hillon complex, 2 to 8 percent slopes	24.2	57.7%
521C	Elloam-Absher complex, 2 to 8 percent slopes	3.8	9.2%
Totals for Area of Interest		42.0	100.0%



## COMPARABLE SALES APPROACH

A search of the market was made to find recent sales that are similar to the subject property. The area in Toole 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: \$35,000

Sale Date: 1/08

Terms: Cash to Seller

Document: Liberty County

Confirmed: Selling Agent

HBU: Agricultural

Document:

83 Acres Dry Cropland @ \$350/acre = \$29,050

41 Acres Native Pasture @ \$ 145/acre= \$ 5,945

124 \$34,995

### Legal Description:

This sale is located about 14 miles south of Chester. This sale has power available via overhead lines at the paved road that traverses the parcel. This sale has gently undulating topography. Access to this sale is from a paved road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grasses. Long time lessee purchased property. Pasture appeared to be fenced with lessee's bordering pasture. Small residual pasture of the crop land.



## COMPARABLE SALES APPROACH (continued)

### SALE # 2

Seller:

Buyer:

Sale Price: \$71,000

Sale Date: 5/1/08

Terms: Cash to Seller

County: Liberty County

Confirmed: Selling Agent

HBU: Agricultural

Document:

36 Acres Dry Cropland @ \$450/acre = \$16,200

103.26 Acres Native Pasture @ \$270/acre = \$27,880

139.26 Total Deeded Acres \$44,080

Improvements \$26,920  
\$71,000

Legal Description:

Sale property is located about 2 miles southeast of Chester. Consists of two non contiguous parcels. This sale has power available via overhead lines. The sale has gently undulating topography. Access to this sale is from a gravel road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grass. Listed at \$80,000 on 3/26/08. Sale not used on chart as the location was nearly adjacent to the town of Chester and it was an improved sale.

## COMPARABLE SALES APPROACH (continued)

### SALE # 3

Seller:

Buyer:

Sale Price: \$848,810

Sale Date: 3/21/08

Terms: Cash

County: Hill

HBU: Agricultural

Reference: Appraiser

368.50	Acres C.R. P.	@ \$500/acre =	\$184,250
<u>2191.50</u>	Acres Native Pasture	@ \$261/acre =	<u>\$571,982</u>
<b>2564.00</b>	<b>Acres</b>	<b>Total Land Value =</b>	<b>\$756,232</b>

Improvements	<u>\$92,578</u>
--------------	-----------------

Total	\$848,810
-------	-----------

Legal Description:

Located 25 miles north of Havre, MT. Utilities are readily available to the site. Access is by a gravel county road and paved Highway #232. Pits and reservoir water. Buyer motivation was expansion. Improvements include dwelling, garage, barn, shop, imp shed, and various bins.



## COMPARABLE SALES

### Sale #4

Seller:

Buyer:

Sale Price: \$300,000

Sale Date: 7/2009

Terms: Cash

County: Toole

HBU: Agricultural

167.00 Acres Native Range	@ \$160/acre	=	\$ 26,720
<u>455.00 Acres Dry Crop Land</u>	@ \$600/acre	=	<u>\$273,000</u>
<b>622.00 Deeded Acres</b>	<b>Total Land Value</b>		<b>\$299,720</b>

No Improvements

Legal Description:

Located about 7 miles west of Shelby. Access is from gravel county roads. Subject to terms, conditions, restrictions and limitations of the current lease in favor of the current tenant. Existing fences are in disrepair and may not be located on boundary lines.

## COMPARABLE SALES

### Sale #5

Seller:

Buyer:

Sale Price: \$1,250,000

Sale Date: 10/2008

Terms: Cash

County: Toole

HBU: Agricultural

3980.62 Acres Native Range	@ \$110/acre	=	\$ 437,868
1418.00 Acres CRP	@ \$400/acre	=	\$ 567,200
360.00 Acres Dry Crop Land	@ \$400/acre	=	\$ 144,000
18.00 Acres Farmstead	@ \$400/acre	=	\$ 7,200
<b>5776.62 Deeded Acres</b>	<b>Total Land Value</b>		<b>\$1,156,268</b>

Contributory Value of Improvements	\$ 93,732
	<b>\$1,250,000</b>

Improvements are an older dwelling, two quonsets, two machine sheds and grain bins.

Legal Description: Lengthy legals in:

Located about 10 miles north of Ethridge and west of Kevin in scattered tracts. Access is via graveled county roads to most of the property. Seasonal stockwater from springs and creeks. Water also available from spigots on the Kevin water supply. Motivation was for expansion. Buyers are local operators.



## COMPARABLE SALES

### Sale #6

Seller:

Buyer:

Sale Price: \$18,000

Sale Date: 1/2008

Terms: Cash

County: Toole

HBU: Agricultural

<u>120.00 Acres Native Range</u>	@ \$150/acre	=	<u>\$ 18,000</u>
120.00 <b>Deeded Acres</b>	<b>Total Land Value</b>		<b>\$ 18,000</b>

No improvements.

Legal Description:

Located about 4 miles northwest of Sunburst. Does not appear accessible by county road, but it adjoins land owned by the buyer. Some limited water and fencing on the property. Motivation was for expansion. Buyer is a local operator.

## COMPARABLE SALES

### Sale #7

Seller:

Buyer:

Sale Price: \$356,387

Sale Date: 4/2009

Terms: Cash

County: Toole

HBU: Agricultural

479.08 Acres Native Range	@ \$200/acre	=	\$ 95,816
635.80 Acres CRP	@ \$400/acre	=	\$254,320
<b>1114.88 Deeded Acres</b>	<b>Total Land Value</b>		<b>\$350,136</b>

Contributory Value of Improvements	<u>\$ 6,251</u>
	<b>\$356,387</b>

Improvements are two grain bins, not given much consideration in the sale.

### Legal Description:

Located about 18 miles east of Oilmont. Access is legal. Seasonal stock water available for at least part of the growing season. A ½ interest in a State of Montana lease was included with the purchase. Out of state seller. CRP contracts extend into 2018. Buyer receives all of the 2008-2009 CRP payment. Motivation was for expansion. Buyers are local operators.

## COMPARABLE SALES



Sale #8

Seller:

Buyer:

Sale Price: \$350,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

720.00 Acres Native Range  
**720.00 Deeded Acres**

@ \$486/acre = \$349,920  
**Total Land Value \$349,920**

No Improvements

Legal Description:

Located about 25 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to steep. Stock water from two developed springs, a well, two reservoirs and natural springs. Motivation was for expansion. Buyer is a local operator.

## COMPARABLE SALES

### Sale #9

Seller:

Buyer:

Sale Price: \$234,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

520.00 Acres Native Range  
**520.00 Deeded Acres**

@ \$450/acre = \$234,000  
**Total Land Value \$234,000**

No Improvements

Legal Description:

Located about 25 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to steep. Stock water from springs and augmented by Little Sage drainage. Motivation was for expansion. Buyer is a local operator.



## COMPARABLE SALES

### Sale #10

Seller:

Buyer:

Sale Price: \$211,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

578.20 Acres Native Range	@ \$300/acre	= \$173,460
75.60 Acres CRP	@ \$500/acre	= \$ 37,800
<b>653.80 Deeded Acres</b>	<b>Total Land Value</b>	<b>\$211,260</b>

No Improvements

Legal Description:

Located about 23 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to hilly to steep. Stock water from two developed springs and Corral Creek. Motivation was for expansion. Buyer is a local operator.

## COMPARABLE SALES

### Sale #11

Seller:

Buyer:

Sale Price: \$490,000

Sale Date: 9/2010

Terms: Cash

County: Liberty/Hill

HBU: Agricultural

121.56 Acres Native Range	@ \$300/acre	= \$ 36,468
903.15 Acres Dry Crop Land	@ \$500/acre	= \$451,575
<b>1024.71 Deeded Acres</b>	<b>Total Land Value</b>	<b>\$488,043</b>

No value considered for Improvements.

Legal Description in:

Located about 23 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to hilly to steep. Stock water from reservoir in Section . Motivation was for expansion. Buyer is a local operator.



## COMPARABLE SALES APPROACH (continued)

Sale	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Crop	Mix	Per /Acre
# 1	\$ 35,000	124	\$282	----	----	----	----	----	----	-137	\$145
# 4	\$300,000	622	\$482	----	----	----	----	----	----	-322	\$160
# 6	\$ 18,000	120	\$150	----	----	----	----	----	----	-0-	\$150
# 8	\$350,000	720	\$486	----	----	----	----	----	----	-0-	\$486
# 9	\$234,000	520	\$450	----	----	----	----	----	----	-0-	\$450
#10	\$211,000	654	\$323	----	----	----	----	----	----	-23	\$300
#11	\$490,000	1025	\$478	----	----	----	----	----	----	-178	\$300

## OPINION OF VALUE FROM COMPARABLE SALES APPROACH

**506.01    Acres Pasture    @ \$203.20/acre = \$102,820**

### *Reconciliation of Comparable Sales Approach*

Adjusted sales values range from \$145/acre to \$486/acre. One small tract pure native pasture sale was found in the market area. The opinion of value of the subject property is \$203.20/acre. The subject consists of eight parcels totaling 506.01 acres in basically two different general areas of Liberty County. **Sales # 583, 587, 591 and 592** are 80, 38.61, 48 and 160 acres of native pasture respectively. These four non contiguous sales are located in southern Liberty County. Portions of the parcels are steep and have limited production capabilities. They are all isolated tracks entirely surrounded by private property. Some of the parcels are partially perimeter fenced and are part of a larger pasture unit. No known stock water available on the parcels. The parcels are remote and are not easily accessed. Most similar to sales #1, 4 and 6 in production and rainfall. Comparable Sale #6 is the only small tract pure pasture sale found in the subject area with lower production capabilities. Accessibility through adjacent private property. The drainages running through the parcels included breaks type areas and sparsely vegetated areas. The soil types of these parcels have 1000-1800 lbs./acre production capabilities and 10 to 14 inches rainfall. The opinion of value of **Sales # 583, 587, 591 and 592 is \$150/acre.** The parcels are small scattered tracts that are of little economic benefit to anyone but the current owner /operator.

**Sales # 584, 594 and 590**, which are 40 acres of native pasture and non contiguous, are located in northern Liberty County in the Sweetgrass Hills area. **Sale #588** is 59.4 acres of pasture located in southern Liberty County. These parcels are considered to be more productive than **Sales # 583, 587, 591 and 592** with higher elevation and more rainfall. Sales #590 and 588 are in an area almost entirely cultivated for dry crops. Although it is more than likely that sales 584 and 594 are more productive than sale 590 and 588, roughly half of sales 590 and 588 are 0-4% slopes soil type and are

## COMPARABLE SALES APPROACH (continued)

considered potentially partially breakable for dry crop purposes. No known stock water available on the parcels besides Pondera Coulee traversing #588. The soils in the area of #588 that are near the coulee bottom are also potentially highly productive range. Minimal distance between range plants and forbs in this area. Four current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels appear to be very productive with 850-3000 lbs./ acre production capabilities and 15 to 19 inch rainfall. Entirely surrounded by private property. Most similar to sales #8, 9, 10 and 11 in production, Sale #588 and 590 bordering dry crop with level breakable areas, location and 15 to 19 inches rainfall. The opinion of value of **Sales # 584, 594, 588 and 590** is \$300/acre. The parcels are small scattered tracts that are of little economic benefit to anyone but the current owner /operator.

Sales used were deemed the most comparable to the subject parcels. Other sales were not used for a variety of reasons including distance, inappropriate use mix, production, location etc.

Adjustments were made on the following basis:

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.

### OPINION OF MARKET VALUE FROM COMPARABLE SALES APPROACH

#### Pasture

Sale # 583	<u>80</u> Acres Pasture	@ \$150/acre = \$12,000
Sale # 584	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 587	<u>38.61</u> Acres Pasture	@ \$150/acre = \$ 5,800
Sale # 588	<u>59.4</u> Acres Pasture	@ \$300/acre = \$17,820
Sale # 590	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 591	<u>48</u> Acres Pasture	@ \$150/acre = \$ 7,200
Sale # 592	<u>160</u> Acres Pasture	@ \$150/acre = \$24,000
Sale # 594	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
506.01 Acres Pasture @ \$203.20/acre = \$102,820		

### OPINION OF VALUE FROM COMPARABLE SALES APPROACH

506.01 Acres Pasture @ \$203.20/acre = \$102,820

**\$102,820** Rounded



DNRC LIBERTY 2010 - Page 1

Sale # 1 =												
Land Use	Sale Acres:	\$ / Ac	Total	Subject Acr	\$ / Ac	Total	Land Use	Sale Acres:	\$ / Ac	Total	Subject Acr	\$ / Ac
Irrig Crop	0	\$0	\$0	0	\$0	\$0	Irrig Crop	0	\$0	\$0	0	\$0
Irrig Hay	0	\$0	\$0	0	\$0	\$0	Irrig Hay	0	\$0	\$0	0	\$0
Dry Crop	83	\$350	\$29,050	0	\$350	\$0	Dry Crop	455	\$600	\$273,000	0	\$0
CRP	0	\$0	\$0	0	\$0	\$0	CRP	0	\$0	\$0	0	\$0
Imp Pasture	0	\$0	\$0	0	\$0	\$0	Imp Pasture	0	\$0	\$0	0	\$0
Range land	41	\$145	\$5,945	506.01	\$145	\$73,371	Range land	167	\$160	\$26,720	506.01	\$160
Recreation	0	\$0	\$0	0	\$0	\$0	Recreation	0	\$0	\$0	0	\$0
Site	0	\$0	\$0	0	\$0	\$0	Site	0	\$0	\$0	0	\$0
Waste	0	\$0	\$0	0	\$0	\$0	Waste		\$0	\$0	0	\$0
Other-Bldg	0	\$0	\$0	0	\$0	\$0	Other-Bldg	0	\$0	\$0	0	\$0
Total	124	\$282	\$34,995	506.01	\$145	\$73,371	Total	622	\$482	\$299,720	506.01	\$160

[illegible]

Sale #3 =				Land mix = - \$34					
Land Use	Sale Acres:	\$ / Ac	Total	Subject Acr	\$ / Ac	Total			
Irrig Crop	0	\$0	\$0	0	\$0	\$0			
Irrig Hay	0	\$0	\$0	0	\$0	\$0			
Dry Crop	0	\$0	\$0	0	\$0	\$0			
CRP	368.5	\$500	\$184,250	0	\$0	\$0			
Imp Pasture	0	\$0	\$0	0	\$0	\$0			
Range land	2191.5	\$261	\$571,982	506.01	\$261	\$132,069			
Recreation	0	\$0	\$0	0	\$0	\$0			
Site	0	\$0	\$0	0	\$0	\$0			
Waste	0	\$0	\$0	0	\$0	\$0			
Other-Bldg	0	\$0	\$0	0	\$0	\$0			
Total	2560	\$295	\$756,232	506.01	\$261	\$132,069			



**DNRC LIBERTY - Page 2**

<b>Sale # 6 =</b>		<b>Land mix = \$0</b>		<b>Sale # 9 =</b>		<b>Land mix = \$0</b>	
Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac	Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac
Irrig Crop	0	\$0	0	Irrig Crop	0	\$0	0
Irrig Hay	0	\$0	0	Irrig Hay	0	\$0	0
Dry Crop	0	\$0	0	Dry Crop	0	\$0	0
CRP	0	\$0	0	CRP	0	\$0	0
Imp Pasture	0	\$0	0	Imp Pasture	0	\$0	0
Range land	120	\$150	506.01	Range land	520	\$234,000	506.01
Recreation	0	\$0	0	Recreation	0	\$0	0
Site	0	\$0	0	Site	0	\$0	0
Waste	0	\$0	0	Waste	0	\$0	0
Other-Bldg	0	\$0	0	Other-Bldg	0	\$0	0
<b>Total</b>	<b>120</b>	<b>\$150</b>	<b>506.01</b>	<b>Total</b>	<b>520</b>	<b>\$234,000</b>	<b>506.01</b>

<b>Sale # 7 =</b>		<b>Land mix = -\$114</b>		<b>Sale # 10 =</b>		<b>Land mix = -\$23</b>	
Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac	Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac
Irrig Crop	0	\$0	0	Irrig Crop	0	\$0	0
Irrig Hay	0	\$0	0				
Dry Crop	0	\$0	0	Dry Crop	0	\$0	0
CRP	635.8	\$400	0	CRP	75.6	\$500	0
Imp Pasture	0	\$0	0	Imp Pasture	0	\$0	0
Range land	479.08	\$200	506.01	Range land	578.2	\$300	506.01
Recreation	0	\$0	0	Recreation	0	\$0	0
Site	0	\$0	0	Site	0	\$0	0
Waste	0	\$0	0	Waste	0	\$0	0
Other-Bldg	0	\$0	0	Other-Bldg	0	\$0	0
<b>Total</b>	<b>1114.88</b>	<b>\$314</b>	<b>506.01</b>	<b>Total</b>	<b>653.8</b>	<b>\$323</b>	<b>506.01</b>

<b>Sale # 8 =</b>		<b>Land mix = \$0</b>		<b>Sale # 10 =</b>		<b>Land mix = -\$23</b>	
Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac	Land Use	Sale Acre: \$ / Ac	Total	Subject Acr \$ / Ac
Irrig Crop	0	\$0	0	Irrig Crop	0	\$0	0
Irrig Hay	0	\$0	0				
Dry Crop	0	\$0	0	Dry Crop	0	\$0	0
CRP	0	\$0	0	CRP	903.15	\$500	0
Imp Pasture	0	\$0	0	Imp Pasture	0	\$0	0
Range land	720	\$486	506.01	Range land	121.56	\$300	506.01
Recreation	0	\$0	0	Recreation	0	\$0	0
Site	0	\$0	0	Site	0	\$0	0
Waste	0	\$0	0	Waste	0	\$0	0
Other-Bldg	0	\$0	0	Other-Bldg	0	\$0	0
<b>Total</b>	<b>720</b>	<b>\$486</b>	<b>506.01</b>	<b>Total</b>	<b>1024.71</b>	<b>\$323</b>	<b>506.01</b>



## 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.

Native range estimated at 5 ac/aum at \$20/aum. Land owner's share is 100%. CRP \$35/acre minus \$2.50/ acre maintenance cost with 50% landowner share. Management fee is estimated at 5% of gross income. Real estate taxes are not considered.

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

## INCOME APPROACH DATA CAPITALIZATION RATE

	Date	Sales	Total	Dry	Native	CRP or	Gross	Net	Cap.
Sale	of Sale	Price	Acres	Crop	Grass	ImpGrass	Income	Income	Rate
#6	1/08	\$18,000	120	----	120	----	\$ 480	\$ 456	2.53%
#10	6/09	\$211,000	654	----	578	76	\$3,547	\$3,370	1.60%

## INCOME APPROACH

### *Income from Land Resources*

Crop	Acres	Yield /Acre	Amount	Price /Unit	Gross Income	Owner Share	Value
Pasture	<b>506.01</b>	5 ac/aum	101.2aums	\$20.00	\$ 2,024	100%	<u>\$ 2,024</u>
	<b>506.01</b>	<b>TOTAL DEEDED ACRES</b>			<b>GROSS INCOME</b>		<b>\$ 2,024</b>

#### *Expense*

Management Fee	(5%)	<u>\$ 101</u>
	<b>TOTAL EXPENSE</b>	<b>\$ 101</b>

**NET INCOME**    -\$ 101  
**\$ 1,923**

Capitalization Rate 1.9%

Capitalization Value = Net Income \$ 1,923 ÷ Cap Rate .019= \$ 101,210

### **OPINION OF VALUE FROM INCOME APPROACH ROUNDED \$101,200**

The capitalization rate of 1.9% is used based on the necessary blend of the cap rates developed above from a pure pasture sale and a sale comprised of a small amount of CRP and pasture.

The capitalization rate of 1.9% 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*

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

Sale # 583	<u>80</u> Acres Pasture	@ \$150/acre = \$12,000
Sale # 584	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 587	<u>38.61</u> Acres Pasture	@ \$150/acre = \$ 5,800
Sale # 588	<u>59.4</u> Acres Pasture	@ \$300/acre = \$17,820
Sale # 590	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 591	<u>48</u> Acres Pasture	@ \$150/acre = \$ 7,200
Sale # 592	<u>160</u> Acres Pasture	@ \$150/acre = \$24,000
Sale # 594	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
<hr/>		
506.01 Acres Pasture		@ \$203.20/acre = \$102,820

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

**\$ 102,820**

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	\$ 102,820
Income Approach	\$ 101,200
Cost Approach	\$ 102,820

### *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 1.9% of the subject would not be attractive to a long term investor, without an increase in land value. The most likely purchaser would be an owner-operator or a government entity. Thus, less credence is given to the Income Approach in arriving at a final value opinion.

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

Based on the foregoing, the final opinion of market value for the subject property as of 12/13/10 is **\$102,800**.



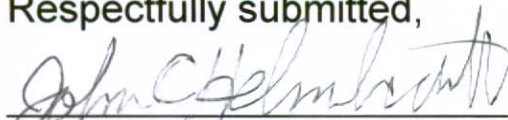
## **FINAL CONCLUSION TO VALUE CONTINUED**

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 12/13/10, described in the foregoing appraisal is as follows:

### **Opinion of Market Value**

<b>Sale # 583</b>	<b><u>80</u> Acres Pasture</b>	<b>@ \$150/acre = \$12,000</b>
<b>Sale # 584</b>	<b><u>40</u> Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>Sale # 587</b>	<b><u>38.61</u> Acres Pasture</b>	<b>@ \$150/acre = \$ 5,800</b>
<b>Sale # 588</b>	<b><u>59.4</u> Acres Pasture</b>	<b>@ \$300/acre = \$17,820</b>
<b>Sale # 590</b>	<b><u>40</u> Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>Sale # 591</b>	<b><u>48</u> Acres Pasture</b>	<b>@ \$150/acre = \$ 7,200</b>
<b>Sale # 592</b>	<b><u>160</u> Acres Pasture</b>	<b>@ \$150/acre = \$24,000</b>
<b>Sale # 594</b>	<b><u>40</u> Acres Pasture</b>	<b>@ \$300/acre = \$12,000</b>
<b>506.01 Acres Pasture @ \$203.20/acre = \$102,820</b>		

Respectfully submitted,



John C. Helmbrecht

Montana Certified General Appraiser

## SUBJECT PHOTOS



Sale #594 Looking west from gravel road bordering subject property..



**SUBJECT PHOTOS**



Sale #594 From west border looking south.

## SUBJECT PHOTOS



Sale #590 Looking south from 1¼ miles away from subject. Subject on left side of road



## **JOHN C. HELMBRECHT**

### **EDUCATION**

Graduated Havre High School, Havre, Montana – 1983

Montana Tech. - 1983-1984

Northern Montana College – 1984

Montana Certified General Appraiser # 738, April 2<sup>nd</sup>, 2007

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

1. Fundamentals of Rural Appraisal – (A-10) – Internet  
University of Missouri Columbia, Sept-Dec 2002  
Successfully completed.
2. Principals of Rural Appraisal – (A-20) – Internet  
University of Missouri Columbia, Sept-Dec 2004  
Successfully completed.
3. The Requirements of UASFLA Yellow Book Oct. 2008  
Successfully completed.

### Courses Presented by the Montana Real Estate Institute

1. USPAP 11/04  
Successfully completed
2. USPAP 11/05  
Successfully completed
3. Advanced Writing 11/05  
Successfully completed
4. Direct Capitalization of Income 3/06  
Successfully completed
5. Yield Capitalization of Income 4/06  
Successfully completed

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

### Courses Presented by McKissock

- |   |  |
|---|--|
| 1. National USPAP Update 2/08<br>Successfully completed | 3. Mortgage Fraud-Protect Yourself 2/08<br>Successfully completed    |
| 2. Appraisal Trends 3/08<br>Successfully completed      | 4. Even Odder-MORE Oddball Appraisals<br>Successfully completed 3/08 |
| 5. National USPAP Update 2/10, Successfully completed   |  |

### **EMPLOYMENT HISTORY**

HS Appraising - June, 2002 to 2006

Helmbrecht Appraising LLC - 2006 to Present

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

### **EXPERIENCE REFERENCES**

Army Corps of Engineers  
Bureau of Reclamation  
Bureau of Land Management  
Montana Department of Natural Resources & Conservation  
Superintendent, Blackfeet Agency  
Bureau of Indian Affairs  
Blackfeet Community College  
USDA Farm Service Agency  
Office of Special Trust  
Fort Belknap Indian Community  
Attorneys  
Banks

## **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.