

**BULLHEAD RANCH**  
**REAL ESTATE APPRAISAL**  
**PONDERA COUNTY, MONTANA**

**Prepared For**

**JOHN GRIMM  
DEPT. OF NATURAL RESOURCES & CONSERVATION  
TRUST LAND MANAGEMENT DIVISION  
PO BOX 201601  
HELENA, MT 59620-1601**

**Prepared By**

**JOHN E. WICKS, ARA  
ACCREDITED RURAL APPRAISER  
MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER  
BILLINGS, MONTANA**

**&**

**J. SCOTT CROSBY  
MONTANA LICENSED APPRAISER TRAINEE  
COWLEY, WYOMING**

**APPRAISAL REPORT**

**DATE OF VALUATION - APRIL 1, 2015**

# Wicks & Associates, LLC

2820 Lyndale Lane, Billings, MT 59102 • Phone: (406) 652-1989 • Fax: (406) 652-6871

April 20, 2015

John Grimm  
Dept. Of Natural Resources & Conservation  
Trust Land Management Division  
P.O. Box 201601  
Helena, MT 59620-1601

Re: Bullhead Ranch Real Estate Appraisal

Dear Mr. Grimm:

Transmitted herewith is our report covering findings and conclusions resultant from my inspection of the above referenced property. The facts and opinions of the Market Value, based on cash, as of April 1, 2015 as follows:

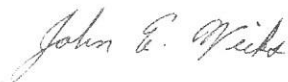
<b>Bullhead Ranch Real Estate</b>	<b>\$2,550,000.00</b>
<b>Buildings and Improvements</b>	<b>\$ 90,000.00</b>

The main body of my report provides you with detailed studies, as well as the assumed limitations placed upon this work product by the undersigned. You will also find the development of Market Value. If any of the Hypothetical Conditions or Extraordinary Assumptions on page 11 are different from what is shown, the market value may change. The Appraiser has not preformed appraisal services regarding the subject property within the three year period immediately preceding acceptance of the appraisal assignment. Please review this material carefully so that you will properly understand my working guidelines.

We trust this report will be found satisfactory for your needs. The appraisal is an appraisal report and the clients are the State of Montana Board of Land Commissioners and the Department of Natural Resources and Conservation. The values of the appraised property are based on cash. If any additional detail is required, please do not hesitate to call upon me. Our conduct in the preparation of this report has been governed by the Code of Ethics of the various professional organizations in which we ascribe.

Your confidence in allowing us to serve you is greatly appreciated, and we have considered this work a privilege.

Respectfully submitted,



John E. Wicks, ARA  
Certified General Real Estate Appraiser  
Montana Certificate #5,  
Wyoming Certificate #93



J. Scott Crosby  
Appraiser Trainee Real Estate Appraiser  
Montana Certificate #5010  
Wyoming Certificate #1256



## TABLE OF CONTENTS

TITLE PAGE-----	1
LETTER OF TRANSMITTAL-----	2
TABLE OF CONTENTS-----	3
SUMMARY AND SALIENT FACTS-----	5
INTRODUCTION-----	6
Authorization-----	6
Statement of Limiting Conditions-----	6
Appraisal Process-----	9
Statement of Competency-----	9
Purpose of Appraisal-----	10
Effective Date of Appraisal-----	10
Estate to be Appraised-----	10
Function of Appraisal-----	11
Sale History of Property-----	11
Hypothetical Conditions-----	11
Extraordinary Assumptions-----	11
Distribution of Value-----	12
Scope of Appraisal-----	12
Map Sources-----	13
LEGAL DESCRIPTION-----	14
STATE LOCATION MAP-----	15
COUNTY LOCATION MAP-----	16
AREA DESCRIPTION-----	17
PROPERTY DESCRIPTION-----	17
Location & Roads-----	17
Markets-----	17
Community Facilities-----	17
Climate-----	18
Ranch Operation-----	18
Land Use-----	18
Flood Plain-----	18
Accessibility-----	19
Physical Features-----	19
Soils-----	19
Vegetation-----	19
Water-----	20
Government Programs-----	21
Livestock Carrying Capacity-----	21
Hazards & Detriments-----	22
Zoning & Mineral Rights-----	22
Fences-----	22
Utilities-----	22
Real Estate Taxes-----	22
Environmental Audit-----	22
VALUATION-----	23
Highest and Best Use-----	23
Market Value-----	25
Marketing Time-----	25
Approach to Value-----	26
Comparable Sales-----	26
Comparable Sales Chart-----	37
Improvement Description & Valuation-----	37
Cost Approach-----	38
Sales Comparison Approach-----	41
Income Approach-----	42
Valuation Summary-----	44

APPRAISAL CERTIFICATE-----	46
IMPROVEMENT CONTRIBUTION TO LAND-----	47
QUALIFICATIONS OF APPRAISERS-----	49
ADDENDUM-----	53
Engagement Letter	
Scope of Work	
Photographs of Property	
Land Adjustments	
Comparable Sales Capitalization Rates	
Water Rights	
156 EZ	
CRP Contracts	
Property Map	
FSA Map	
FSA Irrigable Field Map	
FSA Dry Cropland Field Map	
FSA Field Maps	
Topography Map	
Soils Map	
Buy-Sell Agreement	

**SUMMARY AND SALIENT FACTS**

**Owner of Record:**

Seifert Dale J ETAL  
5700 Fowler Ln  
Bozeman, MT 59718-7850

**Other Names**

Curry Gene R & Cheryl S TC  
Seifert Donald F  
Seifert Lee S  
Starbuck Sandra L Revocable  
Trust  
Starbuck Sandra L Trustee

**Location:**

Approximately 18 miles north  
of Conrad, MT.

**Interest Appraised:**

Fee simple unencumbered  
value of the property as  
a whole.

**Date of Value:**

April 1, 2015

**Property Description:**

2,563.47 acres of deeded  
sprinkler irrigated cropland,  
dry cropland, CRP, Rangeland

**Zoning:**

Agricultural

**Highest and Best Use:**

Agricultural

**Conclusion of Value:**

Land - \$2,550,000.00  
Buildings - \$90,000.00



**Authorization:**

John E. Wicks and Scott Crosby have been authorized to appraise real estate for the Bullhead Ranch. The property is located in Pondera County, Montana. Authorization to do the appraisal was given by John Grimm, Dept. of Natural Resources & Conservation, Trust Land Management Division, P.O. Box 201601, Helena, MT 59620-1601. The clients are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation. The appraisal is written as an Appraisal Report under the guidelines of the Uniform Standard of Professional Appraisal Practice.

**Statement of Limiting Conditions:**

1. The information contained in this report was gathered from reliable sources, but is no way guaranteed.
2. It is assumed that the title of this property is good and merchantable and that there are no encumbrances which cannot be cleared through regular processes.
3. The Appraiser did not search validity of title, nor does he assume responsibility for corrections which survey of the property may reveal. A title report was not provided to the appraiser showing the legal description, easements or any clouds that may be on the title. It is assumed that there are no clouds on the title that would affect value. The legal description of the various properties was taken from the respective County Assessors computer records. It could be possible that not all of the properties were on the computer records. A title search would be the only way to verify the accuracy of the legal description use for this appraisal.
4. This report is not to be reproduced in part without written consent of the Appraiser.
5. The employment of John E. Wicks to make this appraisal is not in any manner contingent upon the value reported.
6. The value of the land and improvements as contained in this report are constituent parts of the total value and neither is to be used in aiming a summation appraisal by a combination of value created by another Appraiser.
7. The total purchasing power of the dollar is the basis for the value reported.
8. I am not required to give testimony in court with

- reference to the subject property unless further written arrangements are made.
9. John E. Wicks and Scott Crosby have personally inspected the appraised property.
  10. Neither all nor any part of the contents of this report shall be used for any purposes by anyone but the client without the previous written consent of the Appraisers; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation and conclusions, the identity of the Appraiser or firm with which they are connected.
  11. The Appraiser assume that there are no hidden or unapparent 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.
  12. Unless otherwise stated in this report, the existence of hazardous or non hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser have no knowledge of the existence of such materials on or in the property. The Appraiser, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde am insulation, pesticides, herbicides, petroleum products, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property (unless specifically identified) that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field.
  13. This appraisal can be reviewed by the American Society of Farm Managers and Rural Appraiser Ethics Committee for compliance with their Code of Ethics and Standards of Professional Practice without permission of the Client.
  14. **Should mathematical, judgmental, or data errors be found in this report the Appraiser reserves the right to make corrections.**
  15. The appraiser is **not responsible** for any Federal or State Income Tax consequences that may result from the values arrived at in this appraisal.
  16. **The liability of the appraiser and employees is**



**limited to the client and to the fee collected.**

Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assume no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and legally.

17. The State of Montana is a "non disclosure" state and as such, sale prices of real estate are not publicly recorded, therefore, few centralized sources of sale prices for real estate transactions exist. In addition no one associated with a real estate sale transaction is obligated to release or verify information. The client is hereby notified that it is possible there may be sales of comparable properties of which we have no knowledge and, therefore, have not been analyzed herein. The information presented herein has been gathered from sources deemed reliable and every effort has been made to insure its accuracy.
18. Furnishing and equipment, personal property or business operations except as specifically indicated and typically considered as part of the real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. **All irrigation equipment including pumps, sprinkler systems, gated irrigation pipe, headgates and any other items required to provide irrigation water to the land are not included in the irrigated land value.**
19. This appraisal is written as an Appraisal Report according to the Uniform Standards of Professional Appraisal Standards. My office file may contain additional information relating to valuation not included in this report.
20. The Appraiser has not provided appraisal services regarding the subject property within the three year period immediately preceding acceptance of the assignment.
21. **ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTE ACCEPTANCE OF THE ABOVE CONDITIONS.**



### **Appraisal Process:**

An appraisal is defined as:

*"An analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interest, or aspects or, identified real estate."*  
(Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Edition)

An appraisal is based on an impartial or unbiased perspective; it is not made for the purpose of favoring a specific cause or any particular part.

The appraisal process is an orderly procedure in which the data used in estimating the value of the subject property is assembled, classified, analyzed, and interpreted into a final opinion or conclusion. The final conclusion of market value is developed through a course of accepted analytical procedure reflecting only the opinion(s) of the appraisers involved in the analysis.

The first step in this process involves defining the appraisal problem: that is, the identification of the real estate, the effective date of value estimate, the identification of the property rights to be appraised, and the type of value sought. Detailed market information pertaining specifically to the subject property's value is then collected and analyzed. This market information includes an area and neighborhood analysis, site and improvement analysis, highest and best use analysis, and the application of specific approaches used in estimating the property's value. The final step in the appraisal process is the reconciliation of correlation of the values as indicated by the applicable valuation approaches. The following report details the entire appraisal process.

### **Statement of Competency:**

The Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP) recognizes that the background and experience of appraisers can vary widely, and that a lack of knowledge or experience can lead to an inaccurate or inappropriate appraisal practice. The Competency Provision states:

*Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively:*

1. *disclose the lack of knowledge and/or experience to the client before accepting the assignment; and*
2. *take all steps necessary or appropriate to complete the assignment competently; and*
3. *describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.*

The knowledge and experience of the signatory of this appraisal in the valuation of agricultural property is well established, it is confirmed through the successful completion of numerous appraisals completed over the last 40 years. The signatory appraiser is certified as a General Real Estate Appraiser by the Montana State Appraisal Board, in addition the appraiser is designated as an Accredited Rural Appraiser by the American Society of Farm Managers and Rural Appraisers. This is the highest designation that can be earned in this organization.

It is the opinion of this appraiser that all necessary and appropriate steps were taken to insure that a properly developed appraisal has been completed. Scott Crosby, appraiser trainee, assisted in arriving at a value and writing this appraisal.

**Purpose of Appraisal:**

The purpose of this appraisal is to determine the Market Value (based on terms of cash) of the property as a whole. The definition of Market Value is included in the section of the report titled "Valuation".

**Effective Date of Appraisal:**

The effective date of the appraisal for the subject property is April 1, 2015. The property was inspected on April 1, 2015. This report was written on April 15, 2015.

**Estate to be Appraised:**

The estate or property right being appraised is the surface right subject to reservations, restrictions, easements, encumbrances and conveyances of record in the real property known as the Bullhead Ranch, hereafter referred to as Bullhead Ranch.

A title search has not been seen by the appraiser. The appraisal assumes that full and complete marketable title is available to the subject property, subject to standard easements, such as power lines and underground oil or gas



access to all parts of the property.

**Function of Appraisal:**

The function (intended use) of the appraisal is to provide the State of Montana, the Montana Board of Land Commissioners, the Department of Natural Resources and Conservation and owners of the Bullhead Ranch (intended users) with a market value estimate of the property to be used for the decision making process concerning the potential acquisition of property through the Land Banking program. This is an **Appraisal Report**. The clients are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation.

**Sales History of Property:**

The appraised property has been owned by Seifert family for more than three years. It is currently under a buy-sell agreement for \$2,500,000 with the State of Montana. This agreement can be found in the Addenda. None of the irrigation equipment or buildings are included in this agreement.

**Hypothetical Conditions:**

Uniform Standards of Professional Appraisal Practice defines a hypothetical condition as "that which is contrary to what exists, but is supposed for the purpose of analysis."

The following are the hypothetical conditions being used in the report:

1. Currently there is a pivot and wheel lines on the property. Under the negotiated contract with the State, the seller will keep the system and the new lessee will install new irrigation equipment. The land will be valued assuming the pivot and wheel lines currently on the property will be replaced by the next lessee with pivots and acres will remain irrigated. The State will retain the water rights.

**Extraordinary Assumptions:**

An extraordinary assumption presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property. Extraordinary assumptions in this report include assumptions that:

1. There is legal access to all parts of the property.



2. No easements exist on the property that have a diminutive effect on the value of the property.
3. No environmental hazards exist on the property that have a diminutive effect on the value of the property.
4. Section 8 currently has 195.9 acres of irrigated land. There are only 136 acres of water rights for section 8. Unused water rights can be transferred pending board approval and typically are if the ditch delivering the water can handle the increase in water. With the ditch already delivering the full 195.9 acres of irrigation water the appraiser will assume the rights can be transferred and will value the full 195.9 acres as irrigable. There are also 28 shares not being used that will not be valued, they could be sold back to ditch company for \$200/share.

The readers of this report needs to be aware that any of the above extraordinary assumptions that are proven to not be true could have an effect on the value of the property.

#### **Distribution of Value:**

Value as assigned in this report applies to the real estate as described and is based on the unencumbered value. It does not consider the value of personal property. As noted herein, a separate contributory value analysis of any existing mineral 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 are considered part of the value identified for the various land classes. The land value includes all livestock water facilities such as dams, wells and spring developments. In addition, fences are included in the land value.

#### **Scope of Appraisal:**

The property was inspected on April 1, 2015. The appraiser was accompanied by Scott Crosby, appraiser trainee, Erik Eneboe, DNRC Unit Manager and Jim Bouma, the realtor, during the inspection. Mr. Bouma represented the land owner. Scott Crosby assisted in analyzing sales comparisons, writing the appraisal, gathering information and creating maps under the direction and/or guidance of John Wicks. The final opinion of value was determined by John Wicks and Scott Crosby. John Wicks, ARA reviewed the appraisal and discussed the report with Scott Crosby. A conversation was had with Mr.

Eneboe and Mr. Bouma, as to the operation of the property, land use and boundaries. We analyzed several real estate sales that have taken place in the area during the last 3 to 4 years. Considered the cost, sales and income approach to value in arriving at the final value of the property

The appraiser was asked to value the property without the buildings. The farmstead is going with the property but the buildings will be torn down except for the shop. A building value will be placed on the buildings and shown on page 49 of this report. Also, none of the irrigation equipment will be included in the sale but irrigated ground will be valued as irrigable because the delivery systems are still in place and it is assumed the new operator will install new irrigation equipment. The irrigation share value will be included in the land value.

Background property information was gathered from several sources including the County Assessor, the County Clerk and Recorder, the USDA Farm Service Agency, the State of Montana Department of Natural Resources, plus personal knowledge of the local and surrounding area.

The sales comparison, cost and income approaches to value were considered. To develop the opinion of value, the appraisers preformed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). In developing the Appraisal Report the appraiser uses (or considers) all applicable approaches to value and the value conclusion reflects all known information about the subject property, the market conditions and all pertinent available information. The appraiser is not responsible for unauthorized use of this report.

**Map Source:**

Included as an integral part of this appraisal report are maps of the appraised property. These maps were prepared by John E. Wicks or others and, although they do not purport to represent a survey accuracy, it is believed that they are substantially correct and therefore adequately serve as visual reference to the property.

**LEGAL DESCRIPTION:**

Following is the legal description of the deeded lands being appraised. The acreage shown are the assessed acres and were verified with Pondera County records.

**Township 30 North. Range 3 West. M.P.M., Pondera County, Montana.**

Section 03: LOT 4	40.510 AC
Section 04: NW,N2SW,SWSW	281.400 AC
Section 04: N2NE,SWNE,W2SE,SESE,SESW	281.400 AC
Section 04: N2SE4NE4	20.000 AC
Section 05: NE4,S2	481.520 AC
Section 06: SESE	40.000 AC
Section 08: N2,N2S2	480.000 AC
Section 09: W2NW	80.000 AC
Section 09: W2NE,NENE,E2NW,W2SW,PT E2SW	338.642 AC
Section 18: SE,S2NE	240.000 AC

**Township 31 North. Range 3 West. M.P.M., Pondera County, Montana.**

Section 33: SW,S2SE,NWSE	280.000 AC
--------------------------	------------

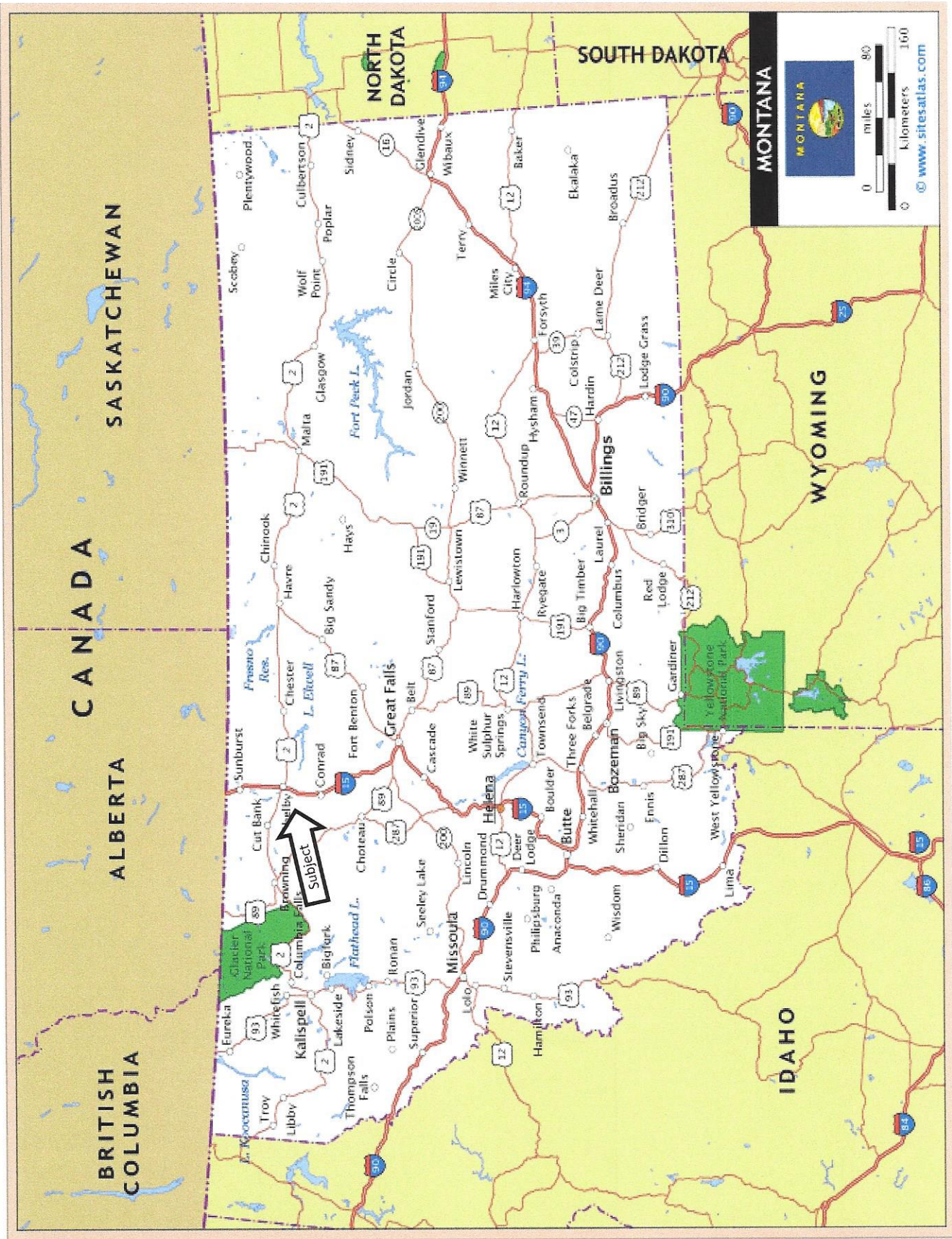
<b>Total Bullhead Ranch Deeded Land</b>	<b>2,563.472 AC</b>
---	---------------------

**Leases**

No Leases are being valued with this appraisal. There is a State Lease with the property but it will not go with the property if sold.

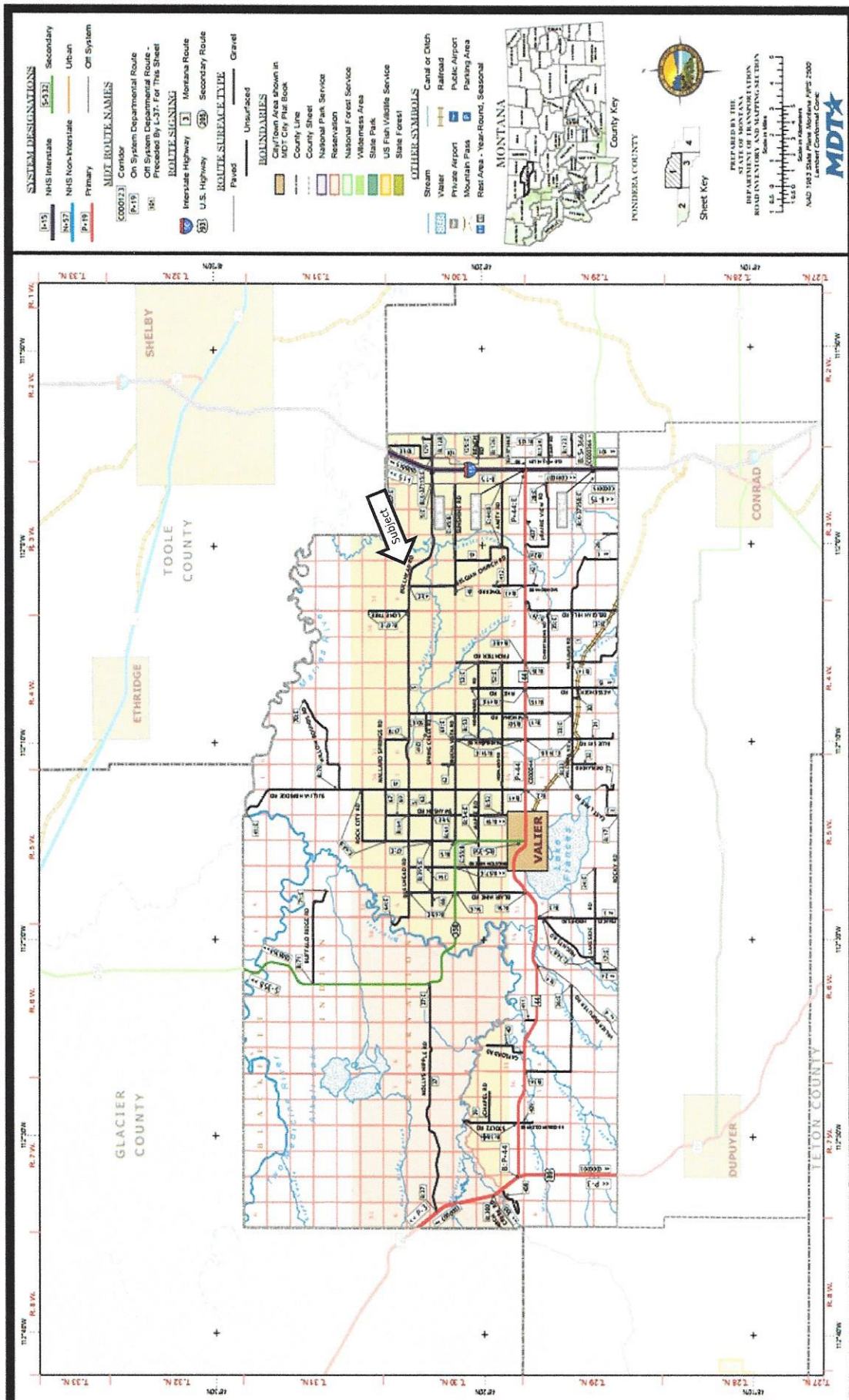


state location map



county location map





## **AREA DESCRIPTION**

Pondera County is located in northwestern Montana. The county seat of Pondera County is Conrad. Conrad had a 2010 population of 2,570 and Pondera County a 2010 population of 6,153. Conrad is located 60 miles north of Great Falls, Montana via Interstate Highway #15.

Pondera County is bordered on the north by Glacier and Toole County, the east by Liberty and Chouteau County, the west by Flathead County and the south by Teton County.

Agricultural is the major contributor to the economy for the county. There are some oil and gas production areas in the county. Interstate #15 crosses the county from north to south at the approximate center of the county. The town of Conrad is the central location in the county and the location of the county courthouse, USDA offices, post office, cafes, several bars, grocery store, machinery dealer, bank and other small businesses. UPS and Fed Ex serve the area. The Marias River makes up the northwest border of the county.

## **PROPERTY DESCRIPTION**

The Bullhead Ranch property headquarters is located approximately 18 miles north of Conrad, MT via I-15 and then Bullhead Road. Bullhead Road is a county graveled road. Headquarters are also located 16 miles northeast of Valier, Montana via Sullivan-Bridge Road and then Bullhead Road. Both are county graveled roads.

State and county location maps are shown on page 14 and 15.

### **Markets:**

Grain markets are located at Conrad, Great Falls and Shelby, Montana.

Livestock auction markets are located at Great Falls and Missoula, Montana.

### **Community Facilities:**

School for grades K-12 are located in Conrad or Valier. School bus service is available.

Medical facilities, including a hospital, are located in Conrad or Shelby. Major medical services are located in Great Falls.

Most supplies are purchased in Great Falls.



**Climate:**

Annual precipitation for the area averages approximately 12 inches. The average precipitation for April 1 to September 31 is 9.12 inches. The frost free period averages 93 days in length.

**Farm Operation:**

The farm has historically been operated as a cropland and cow/calf grazing operation along with wheel line and pivot irrigated hay, wheat and barley operation. The rangeland consists of open pasture and grass land throughout the farm around the fields and a subby pasture next to farmstead. Livestock water is provided by the canal, Bullhead creek and springs throughout the property. There are deer and upland birds on the property.

**Land Use:**

The land current use as a whole is for livestock grazing and small acreage sites.

Rangeland	1,081.75 Ac
Irrigable	362.03 Ac
Dry Cropland	743.56 Ac
CRP	366.13 Ac
Farmstead	<u>10.00 Ac</u>
<b>Total Deeded Land</b>	<b>2,563.47 Ac</b>

The rangeland consists of open native range and areas around fields. The farmland is currently irrigated using sprinklers (pivots & wheel lines). Sprinklers use water delivered by local ditch company. The cropland is flat to slightly sloping and appears to be average farm ground for the area. Grain and hay are grown on the irrigated ground by a lessee. Bullhead Creek flows through the eastern edge of the property through Schultz Coulee and is a reliable source of livestock water being fed by springs. Multiple springs throughout the property provide adequate livestock water. Irrigation water is provided by the Pondera Canal and Reservoir Company. A good reliable water source provides irrigation water.

**Flood Plain:**

There can be some occasional flooding of rangeland in Schultz Coulee. This flooding is generally due to rapid snow melt or heavy thundershowers. This flooding is generally beneficial to the land.



### Accessibility:

Access to the property is from the Bullhead County Road which is accessed from I-15 and multiple other county roads. Most of the farm can be accessed using county roads. A private road goes through the farmstead and to the pivot and dryland fields in the northern part of the property. Access is excellent for machinery and livestock. All of the land is available for livestock grazing during winter months. However, there are not fences in place that would hold cows on most of the dry cropland fields.

### Physical Features:

The rangeland varies from nearly level to sloping. Hilly land make up the eastern boundary but is minimal in acreage and is located in Schultz Coulee. The physical feature does not hinder livestock grazing or farming.

### Soils:

The Soil Conservation Service has completed a published soil survey of Pondera County. The title of the publication is "Soil Survey of Pondera County Area, Montana." A copy of this publication can be had at the FSA office in Conrad.

Following is a brief description of the major soils that make up the Bullhead Ranch property.

MAP SYMB	NAME	CAPABILITY CLASS	SLOPE %	% of Acres
158C	Lonna-Floweree silt loams	IVe	2-8	22.90
58B	Floweree silt loam	IIIe	0-4	21.90
486F	Neldore-Lambeth-Roc outcrop comp.	VIIE	35-70	8.80
403	Haploborolls-Argiborolls complex	Ve	0-4	8.80
257E	Hillon-Lambeth complex	VIe	15-35	8.60
207A	Ryell-Havre loams	IVw	0-2	5.70
165B	Telstad-Joplin loams	IIIe	0-4	5.40

### Vegetation:

Range vegetation includes Western wheatgrass, Needleandthread, Green needlegrass, Bluebunch grass, Western wheatgrass, Crested wheatgrass. The range is in average condition based on USDA Natural Resource and Conservation range guidelines. There is limited tree cover on the ranch with trees only around farmstead as a shelter belt.

**Water:**

Livestock water for the property is provided by the irrigation canal Bullhead Creek and springs. The farm does have adequate livestock water if they are able to use water from Bullhead Creek.

Following is the irrigation water rights filed with the Montana Department of Natural Resources. They are filed under multiple names. These irrigation rights have not been developed and are located in areas that would be difficult to use for irrigation. These irrigation rights will be considered to support the current irrigation acres and not in addition to the current irrigation acres since they are not developed.

13.36 AC	Schultz Coulee	Priority Date 06/03/1972
200.00 AC	Waste & Seepage, Unnamed Of Schultz Coulee	Priority Date 05/31/1922
31.60 AC	Schultz Coulee	Priority Date 06/20/1972
40.00 AC	Schultz Coulee	Priority Date 06/10/1972

The property has irrigation water rights underneath the Pondera Canal and Reservoir Company.

Fees and land shares underneath the Pondera Canal and Reservoir Company are as follows:

<u>Shares</u>	<u>Water Assessment/Share</u>	<u>Total</u>
390	\$19.75	\$7,702.50

A conversation was had with Vern Stokes who is the manager of the Pondera Canal and Reservoir Company concerning the shares under the ditch. Section 8, where the wheel lines are located, has 136 shares/acres of irrigation water. They currently irrigate 195.9 acres in section 8. They do have irrigation shares they are not using in another section but the irrigation board has to approve the transfer. Mr. Stokes informed the appraiser that as long as the ditch can handle the water it usually is approved. Since the ditch is currently handling this amount of water the appraiser will assume the transfer can be approved and all 195.9 acres are irrigated. The current pivot on the property has enough shares to water the field underneath it. Mr. Stokes also informed the appraiser that the water rights can only be sold back to the ditch company at the rate of \$200 per share. They cannot be sold on the open market. There are currently 28 shares of water not being utilized on the property that will not be valued separately.

A copy of the water rights filed with the Montana Department of Natural Resources for this property can be found in the addenda.

**Government Programs:**

Following is the FSA grain base with the property.

**Farm #4198**

	<u>Base Acreage</u>	<u>Direct Yield</u>
Wheat	640.9	38
Barley	265.1	42

CRP Contracts for the Bullhead Ranch under the name Curry Cattle Inc. are as follows.

<u>Number</u>	<u>Acres</u>	<u>Rental Rate</u>	<u>Annual Payment</u>	<u>Expire</u>
1131A	25.8	\$31.34	\$ 809	9/30/2017
10021A	9.4	\$31.00	\$ 291	9/30/2021
1132A	41.5	\$32.31	\$1,341	9/30/2017
1133A	121.2	\$31.85	\$3,860	9/30/2017
1130A	168.2	\$33.62	\$5,655	9/30/2017
<b>782B</b>	35.0	\$47.00	\$1,645	EXPIRED

**Livestock Carrying Capacity:**

An animal Unit (AU) is the annual feed required to maintain one mother cow or the equivalent in thrifty condition. A Animal Unit Month (AUM) is one-twelfth of an animal unit, or the feed required to maintain a mother cow in thrifty condition for an average month of the year. Carrying capacity is that portion of the animal units of the maximum feed production that can be utilized after consideration of all limiting factors and customary operation practices.

I have rated the rangeland as being in average condition. Based on this range condition the following AUMs and AUs were arrived:

**CARRYING CAPACITY**

Rangeland 1,081.75 Ac @ .25 AUMs/Ac	270 AUMs
Irrigated Crop Aftermath 362.03 Ac @ .40 AUMs/Ac	145 AUMs
Dry Crop/CRP Aftermath 743.49 Ac @ .40 AUMs/Ac	<u>297 AUMs</u>
<b>Total Grazing</b>	<b>713 AUMs</b>
Irrigated Crop - 362.03 Ac @ 3T/Ac @ 2.5 AUMs/Ac	<u>2,715 AUMs</u>
<b>Total</b>	<b>3,428 AUMs</b>

Based on a 8 month grazing period the land would carry approximately 89 AUs. The grazing AUM's is the limiting factor. You could produce enough feed with excess for the winter months of off the cropland. The dry cropland acreage is based off of 2/3 being in production and 1/3 being fallow.



#### **Hazards and Detriments:**

The main hazards in the area of the subject property consist of normal climate problems such as frost, severe winters and drought. Hail also can be a problem. These hazards are normal for this area of Montana. Winds can be severe in the area.

#### **Zoning and Mineral Rights:**

There are no zoning ordinances in the area and the property is classified as agriculture land.

No opinion of value for any mineral rights with the property is being given in this appraisal.

#### **Fences:**

There are perimeter fences around the property as well as cross fences. Fences seen were constructed of wood and steel post and 1 to 4 barbed wire and or one wire electric fence. The fences that were inspected were in fair to poor condition. Most of the fences around the dry cropland fields had one strand of wire and would have a hard time holding livestock.

#### **Utilities:**

There is electricity and telephone service at the farmstead. Heat is provided by propane. The pivot has a diesel pump and the wheel lines have electricity to them to operate the pump.

#### **Real Estate Taxes:**

The real estate taxes for Bullhead property in 2014 were \$5,562.87.

#### **Environmental Audit:**

The appraiser is not an expert in the field of environmental hazards or toxic substances and has not completed an environmental audit of the subject property. During the property inspection no visible environmental hazards were evident and no buried fuel tanks were observed on the property. The property is being appraised assuming there are no toxic or hazardous substances located on the subject property that would render the property more or less valuable. Should it be discovered that there are toxic or hazardous substances located on the subject property,

the appraiser reserves the right to re-analyze the situation and adjust values if deemed necessary.

## **VALUATION**

### **Highest and Best Use:**

The determination of the 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

Consideration is given to trends of 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 the 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 appraisers' 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. Consideration has to be given to alternative uses, as well as existing use.

The property has a current existing use of agricultural. The grazing of livestock and the growing of hay and grain crops are the agricultural use.

#### **Highest and Best Use As Vacant**

The land value is based on a premise of the Highest and Best Use of the property as though vacant. The four test of Highest and Best Use, as stated above, have to be considered.

This use is legally permissible in this area of Pondera County, as the land is classified as agricultural.

The use is physically possible as it is developed at this time.

The use for agricultural use is financially feasible.

The current use of the property, as a whole, is maximally productive as an agricultural farm.

Much of the surrounding area land is being used for the same purposes as the subject.

There is no demand for industrial use for land in the immediate area of the property. There are some small acreage home sites in the area but this is not the major use of land in the area.

The Highest and Best Use of the land as vacant is for a agricultural.

#### **Highest and Best Use As Improved**

The last step in the highest and best use analysis is to consider the existing improvements in light of the highest and best use conclusion of the underlying land value as vacant.

The buildings currently on the land conform to agricultural use.

The land, with buildings, has no physical limitation for the type of agricultural buildings located on the land.

The highest and best use of the Bullhead Ranch Real Estate as improved is for agricultural.



## **Conclusion**

The conclusion is that the highest and best use of the Bullhead Ranch Real Estate property is for agricultural both as **unimproved** and **improved**.

## **Market Value:**

FIRREA defines market value "as 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 good title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable period of 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 normal consideration for the property sold unaffected by special or creative financing or sales concessions granted to anyone associated with the sale."

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.

## **Marketing Time:**

The amount of time that a property such as this can be expected to stay on the market is no more than

one year.

**Approach to Value:**

There are three major factors that must be considered in arriving at an estimate of value of real estate. These are: (1) The Cost Approach, (2) The Sale Comparison Approach and (3) The Income Approach. **All three methods are based on comparable sales.**

The cost approach includes estimating the reproduction or replacement cost of all improvements new, subtracting from these costs any accrued depreciation, and adding the various land class values.

The sale comparison approach is the comparison of the appraised property with recently sold, similar properties. This comparison includes a specific consideration of each sale as it relates to the market at the time of the sale and a specific comparison of each sale as it relates to the appraised property.

The income approach or earning power of the property is based on an accurate measurement of the property's productivity under typical management, a conversion of the yields into gross and net income, and capitalization of this net income at the current market rate of interest. This method normally indicates the lower limits of value of property, particularly in an area where non-income factors affect value.

It should be emphasized these approaches are actually three different methods of market analysis. No one of these factors should be used alone in estimating the value of the property. But it needs to be emphasized that in contemporary appraisals all three approaches to value may not necessarily apply to all types of real property due to the market available. The appraiser must decide whether or not a particular approach is applicable to the assignment.

All three approaches to value will be **considered** but may not be used in this appraisal.

**Comparable Sales:**

Following is a summary of the comparable sales that have taken place in the area and will be used to value the Bullhead Ranch real estate.

**SALE #1**

**SALE DATE:** 11/13

**GRANTOR:** Betty Hofland Estate

**GRANTEE:** D&J Bagley Partnership

**DEED:** Warranty Deed (4) and Personal Representative or Executor's Deed of Distribution (1)

**DOCUMENT #:** WD-325089/325091/325092/325093; 325090

**SALE PRICE:** \$612,000

**COUNTY:** Pondera

**ACREAGE:** 680.00

**LOCATION:** This property is located 3 miles southwest of Brady, MT.

**LEGAL DESCRIPTION:** T26N,R2W, Sec 20: SE4, Sec 21:

W2E2,NE4SE4,E2NE4,NW4SW4,E2NW4,E2SW4,SW4SW4

**COMMENTS:** Sale of an unimproved dry crop tract located approximately 3 miles southwest of Brady at the very southern border of Pondera County. Legal and physical access is provided by 26th Rd NE and Shining Mt Rd, both county gravel roads. This property was gifted to children and then sold. There are 5 different deeds. The buyer had leased the property for many years. The ground is reported to produce 50 bushel yields. The assessed acres for this property total 680 acres, and FSA aerial maps indicate 679.4 dry crop acres, so since the numbers are within 1 acre of each other, all 680 assessed acres are considered dry crop, even though there appears to be some pasture/waste acreage in a small coulee in the SE1/4 of Section 20 and some pasture/waste acreage at the corners of the property. The sales price appears to be agreed upon at \$900 per acre for 680 crop acres, so all of the 680 acres are considered dry crop in the above allocation.

Dry Cropland

680.00 Ac @ \$900/Ac





**SALE #2**

**SALE DATE:** 1/13

**GRANTOR:** Hood, Janis

**GRANTEE:** Han, Jarod

**DEED:** Warranty Deed

**DOCUMENT #:** 323640/323639

**SALE PRICE:** \$594,150

**COUNTY:** Pondera

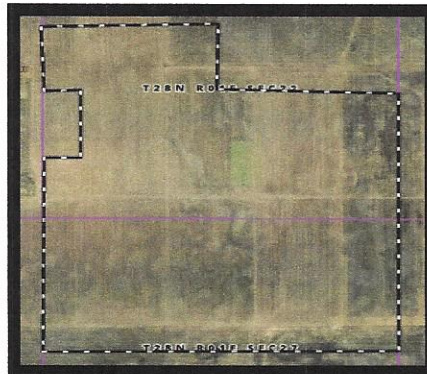
**ACREAGE:** 700.00

**LOCATION:** This property is located approximately 17 miles east of Conrad, MT.

**LEGAL DESCRIPTION:** T28N,R1E, Sec: S2NW,SE,E2SW, E2W2SW,W2SWSW, Sec 27: N2

**COMMENTS:** Sale of an minimally improved tract of dry cropland located East of Conrad off of Christensen School Road. This property had been farmed by the buyers family for many years and was sold by the heirs of an estate. The buyers were a young couple that had been leasing the property and had a lease through 2018. The price was reported at \$850/ac on all deeded acres (which includes some grass and buildings). The buyers felt the property was good with 40 +/- bushels yields over the past five years. The buyers felt their lease position might have helped to get them a more favorable purchase price. The buildings were reported to be in poor condition and not usable with the exception of a quonset that held some value to the buyers. The allocation represented in this sale is the appraisers. This property is mostly a larger well-blocked fields with gentle topography. This property was transferred in two deeds within a couple days of each other (12/31/2012 and 01/02/2013) but it was negotiated as one purchase.

Rangeland	11.51 Ac @ \$ 300/Ac
Dry Cropland	686.49 Ac @ \$ 850/Ac
Farmstead	2.00 Ac @ \$ 850/Ac
Improvements	\$5,480



**SALE #3**

**SALE DATE:** 4/12

**GRANTOR:** JB&J Farms

**GRANTEE:** Wheeler, Ken

**DEED:** Warranty Deed

**DOCUMENT #:** 81882

**SALE PRICE:** \$475,000

**COUNTY:** Pondera

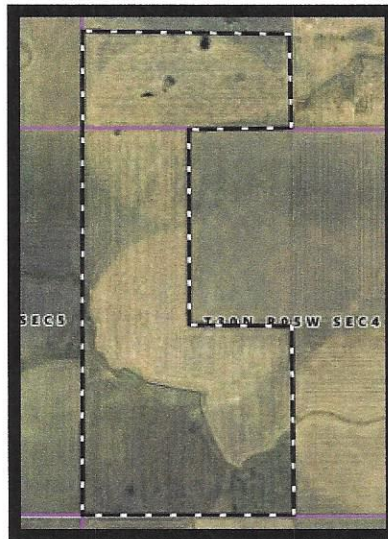
**ACREAGE:** 319.46

**LOCATION:** This property is located approximately 6 miles north of Valier, MT.

**LEGAL DESCRIPTION:** T30N,R5W, Sec 4: SW4,LOT4,SW4NW4;  
T31N,R5W, Sec 33: S2SW

**COMMENTS:** Access to this tract is by the Bullhead Road. The tract includes two pivots covering 140 acres approximately, 176 acres of dry crop, and the balance as canals, low spots, or knolls. The crop ground is continuous cropped, which is typical for irrigated ground in the area. Although the subject only has 51 shares of irrigation water, the property was purchased as if all 140 acres under pivot had water. The buyer had excess water he could move (Expenses reflect water costs for 140 acres, not just the 51 shares). Grain bins considered uvo, irrigation equipment includes a 40 hp motor and pump and (2) 7-tower pivots with end guns.

Irrigated Crop	140.00 Ac @ \$2,200/Ac
Dry Cropland	179.46 Ac @ \$ 931/Ac



**SALE #4**

**SALE DATE:** 10/12

**GRANTOR:** JB&J Farms

**GRANTEE:** Wheeler, Ken

**DEED:** Warranty Deed

**DOCUMENT #:** 323175/323177

**SALE PRICE:** \$1,200,000

**COUNTY:** Pondera

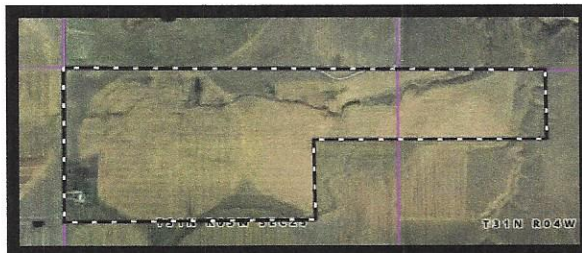
**ACREAGE:** 392.85

**LOCATION:** This property is located approximately 10 miles northeast of Valier, MT.

**LEGAL DESCRIPTION:** T31N,R5W, Sec 25: NW,N2NE,SWNE,NWSW;  
T31N,R4W Sec 30: N2NW

**COMMENTS:** Sale of a farm to a area producer. Access is provided by county roads on the west and north ends of the property. The cropland is mostly irrigated via four center pivots but also includes a 1/4 mile wheel line that can be used on a small portion of the property. Irrigation water is provided by water shares from PCCRC. There are over 300 acres of land under the pivots with some additional land irrigable by the wheel lines. There are only about 222 water shares associated with the property. However, this property is located at the end of a PCCRC canal and is entitled to any excess water in the ditch. It is reported that the amount of excess water has traditionally been significant and irrigating all acres of the property has not been a problem. The dry cropland is nearly all corners that are not reachable with the sprinkler irrigation systems. The entire property is perimeter fenced and can be utilized for aftermath grazing with water available in the reservoir and in ditches. This is a high quality irrigated property with an above average water supply even though it is lacking some shares.

Rangeland	41.56 Ac @ \$ 600/Ac
Irrigated Crop	305.00 Ac @ \$3,300/Ac
Dry Cropland	31.80 Ac @ \$1,000/Ac
Farmstead	7.00 Ac @ \$3,300/Ac
Waste	7.49 Ac @ \$0
Improvements	\$113,664





**SALE #5**

**SALE DATE:** 12/12

**GRANTOR:** King, Raleigh

**GRANTEE:** Wheeler, Ken

**DEED:** Warranty Deed

**DOCUMENT #:** 323438

**SALE PRICE:** \$747,264

**COUNTY:** Pondera

**ACREAGE:** 474.51

**LOCATION:** This property is located approximately 5 miles northwest of Valier, MT.

**LEGAL DESCRIPTION:** T30N,R5W, Sec 7: S2NE,E2SW,SE, Sec 19: NE

**COMMENTS:** Two tracts of good quality cropland located north of Valier in northern Pondera County. Access to the properties is provided by a mix of county gravel and paved roads. The crop acreage is characterized by level to undulating topography with good quality soils. The north tract was most recently enrolled in CRP (expired) and had not been farmed in many years. This property is bisected by irrigation ditches/canals that can help facilitate future irrigation enhancements if water shares are obtained and transferred. The south tract is good quality land with an irrigation canal and 3-phase power available in the northeast corner. Both tracts are perimeter fenced for aftermath grazing. No water shares. The buyer was approached by the seller and the price was negotiated privately. The buyer is interested in transferring water shares onto this property from other land he already owns and developing it into an irrigated property. This purchase will also allow him to do some land trading with neighbors to square up some of his land holdings.

Dry Cropland  
Waste

467.04 Ac @ \$1,600/Ac  
7.47 Ac @ \$0/Ac



**SALE #6**

**SALE DATE:** 11/12

**GRANTOR:** Swanson & Fitzp.

**GRANTEE:** Arnst & Deboo

**DEED:** Warranty Deed

**DOCUMENT #:** 323383/323869/323868

**SALE PRICE:** \$935,000

**COUNTY:** Pondera

**ACREAGE:** 994.579

**LOCATION:** This property is located approximately 2 miles west of Valier, MT.

**LEGAL DESCRIPTION:** T30N,R6W, Land in section 31; T29N,R6W, Land in sections 1, 2, 10, 11; T29N,R5W, Land in section 6

**COMMENTS:** Sale of a two tract unit located west of Valier along the Valier Hwy and the Valier-Dupuyer Road. The property was purchased by the two tenants who had been farming the property. It was negotiated as one deal. The property was bid on by a neighboring operator with the tenants matching his bid. The tenants had originally offered a bid that was approximately 86% of the final purchase price. The acres and allocations used in the sale write up were provided by the buyer. The land classified as irrigated is irrigable land with no irrigation equipment. The tenants owned the equipment. The buyer indicated he was motivated to purchase the property since he could make a full circle with a pivot centered on adjoining land. The land classified as hayland is lower quality dry crop. The land classified as other is swampy ground as well as the old Valier dump site. The east tract has better quality land than the west tract. The buyer did not feel the price was at the top of the market but felt it was fair.

Rangeland	310.00 Ac @ \$ 350/Ac
Irrigated Cropland	344.56 Ac @ \$1,635/Ac
Dry Cropland	223.00 Ac @ \$ 935/Ac
Hayland	67.00 Ac @ \$ 700/Ac
Other	50.02 Ac @ \$ 150/Ac





**SALE #7**

**SALE DATE:** 12/12

**GRANTOR:** Vanden Bos, Harry

**GRANTEE:** Kingsbury Colony

**DEED:** Warranty Deed

**DOCUMENT #:** 323617

**SALE PRICE:** \$950,470

**COUNTY:** Pondera

**ACREAGE:** 631.00

**LOCATION:** This property is located approximately 1 mile north & 10 miles south of Valier, MT.

**LEGAL DESCRIPTION:** T29N,R5W, Sec 32: N2NE,SENE,NENW,NESE, Sec 33: NW,W2NE,NWSW; T30N,R5W, Sec 34: N2NW,SWNW, Part of SENW; T31N,R5W, Sec : S2SW

**COMMENTS:** Sale of two non-adjoining properties in the Valier area. The north tract is a pivot irrigated property located directly north of Valier. There are 151 PCCRC shares with this tract. There are 129 +/- acres under the pivots and some of the corner acreage appears irrigable. The sale was analyzed based on aerial photos with the acknowledgment that some of the corners may not be irrigated. This property included a grain bin, the pivot, and pump. The south tract is located on Sagebrush Road south of Lake Frances. This property is a mix of dry cropland and pasture. From aerial maps it appears that there are about 354 tillable acreage but the aerial photos indicate that field edges do not follow property lines so this acreage calculation is subject to change. The balance of this tract is pasture that appears to be a mix of native and tame pasture. The buyers gave the seller a life estate in the house and garage. This property was marketed locally by the sellers and was sold through a bid sale. The buyers bid on the north tract and then worked out a deal on the entire property privately with the sellers.

Rangeland	119.30 Ac @ \$ 500/Ac
Irrigated Cropland	148.00 Ac @ \$3,000/Ac
Dry Cropland	354.00 Ac @ \$ 960/Ac
Farmstead	7.50 Ac @ \$3,000/Ac
Waste	2.20 Ac @ \$ 0/Ac
Improvements	\$84,480





**SALE #8**

**SALE DATE:** 12/12

**GRANTOR:** Yeager, Gerald

**GRANTEE:** Rambo, Tyson

**DEED:** Warranty Deed

**DOCUMENT #:** 323602

**SALE PRICE:** \$800,000

**COUNTY:** Pondera

**ACREAGE:** 665.86

**LOCATION:** This property is located approximately 12 miles north of Conrad, MT.

**LEGAL DESCRIPTION:** T30N,R3W, Land in Sections 21,22,24

**COMMENTS:** Sale of three non-adjoining tracts located north of Conrad near the Bullhead Exit. The east tract is bisected by I-15. The two west tracts are good quality cropland that have shares in PCCRC and are potentially irrigable. These irrigable acres are broke out as irrigated land which is consistent with other sales in the area. The east tract has a high percentage of smaller fields and lower quality soils. Drainage also appears to be an issue. This east tract borders other land owned by the buyer and it appears that strong buyer motivation may have influenced this sale. It is significantly higher than any other sales in the immediate vicinity. This property was not fully exposed to the open market. The original purchase price was \$840,000 but that was negotiated down to \$800,000 during the financing process.

Improved Pasture	134.40 Ac @ \$ 750/Ac
Irrigated Crop	157.00 Ac @ \$2,200/Ac
Dry Cropland	246.19 Ac @ \$1,000/Ac
Hayland	125.98 Ac @ \$ 850/Ac
Waste	2.29 Ac @ \$ 0/Ac



**SALE #9**

**SALE DATE:** 5/14

**GRANTOR:** AMS Ranch, INC

**GRANTEE:** Jones Farms, LLC

**DEED:** Warranty Deed

**DOCUMENT #:** 437497

**SALE PRICE:** \$2,800,000

**COUNTY:** Teton & Pondera

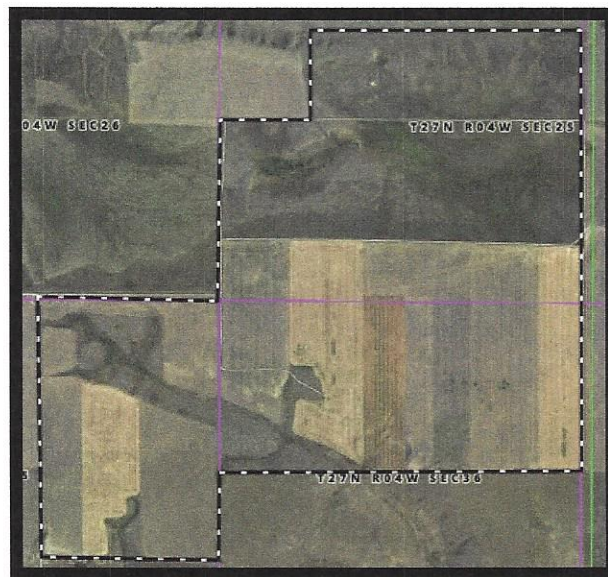
**ACREAGE:** 3,241.42

**LOCATION:** This property is located approximately 12 miles south of Conrad, MT.

**LEGAL DESCRIPTION:** Teton County, T27N,R4W, Land in Sections 25,27,29,32,34,35,36; Pondera County, T28N,R8W, Land in Sections 2,3,4. Complete legal on file.

**COMMENTS:** This property is located on benchland. A large portion of the cropland has a high percentage of gravel. The sellers also utilized this property with another livestock operation. This property included significant sets of improvements. This property was actively marketed. Water primarily comes from wells and small drainages.

Rangeland	388.60 Ac @ \$ 500/Ac
Dry Cropland	2,505.10 Ac @ \$ 850/Ac
CRP	282.12 Ac @ \$ 700/Ac
Farmstead	45.60 Ac @ \$ 850/Ac
Waste	20.00 Ac @ \$ 0/Ac
Improvements	\$240,121



**SALE #10**

**SALE DATE:** 10/14

**GRANTOR:** Ostle-Zahn, Nancy

**GRANTEE:** Hodgskiss, Brad

**DEED:** Warranty Deed

**DOCUMENT #:** 438365

**SALE PRICE:** \$1,200,000

**COUNTY:** Teton

**ACREAGE:** 720.00

**LOCATION:** This property is located approximately 3 miles east of Bynum, MT.

**LEGAL DESCRIPTION:** T26N,R5W, Sec 28: W2,S2SE, Sec 33: N2

**COMMENTS:** This is the sale of a flood irrigated property located three miles east of Bynum, MT. The property is accessed by 26th Road NW, which runs along the north boundary. Muddy Creek bisects the property and the majority of the subject's pasture acreage is located on and associated with the creek. There are many Cottonwood trees along the creek, providing good wildlife habitat and shelter for livestock. There is a private irrigation water right off Muddy Creek associated with this property. This right is for 200 acres. The diversion for the Muddy Creek water is located approximately a mile west of the subject. The irrigated acreage is quite level and has very gravelly soils. The subject has a sufficient water allocation to irrigate a total of 469.75 acres, assuming adequate water supply. According to FSA information, only 390.07 acres of the subject are being irrigated and it was reported that in years of water shortage, there is typically not sufficient water to irrigate the existing irrigated acreage. Irrigation water availability is considered to be average to below average on this property. This property is reportedly adequately watered for livestock.

Rangeland	325.42 Ac @ \$ 750/Ac
Irrigable	390.07 Ac @ \$1,850/Ac
Farmstead	4.51 Ac @ \$1,850/Ac
Improvements	\$225,961





SALES CHART

SALE NUMBER	1	2	3	4	5	6	7	8	9	10
GRANTOR	Hofland	Hood	JB&J	JB&J	King	Swanson	Vanden	Yeager	AMS	Ostle
GRANTEE	D&J	Han	Wheeler	Wheeler	Wheeler	Arnst	Kingsbury	Rambo	Jones	Hodgskiss
DATE OF SALE	11/13	1/13	4/12	10/12	12/12	11/12	12/12	12/12	5/14	10/14
SALE PRICE	\$612,000	\$594,150	\$475,000	\$1,200,000	\$747,264	\$935,000	\$950,470	\$800,000	\$2,800,000	\$1,200,000
ACRES	680.00	700.00	319.46	392.85	474.51	994.58	631.00	665.86	3,241.42	720.00
PRICE/AC	\$900	\$849	\$1,487	\$3,055	\$1,575	\$940	\$1,506	\$1,201	\$864	\$1,667
PRICE/AC										
UNIMPROVED	\$900	\$841	\$1,502	\$2,765	\$1,575	\$940	\$1,372	\$1,201	\$790	\$1,353
IMPROVEMENTS	\$0	\$5,480	\$0	\$113,664	\$0	\$0	\$84,480	\$0	\$240,121	\$225,961
NATIVE RANGE	-	11.51/\$300	-	41.56/\$600	-	310/\$350	119.30/\$500	-	388.6/\$500	325.42/\$750
IRRIGATED CROP	-	-	140/\$2,200	305/\$3,300	-	344.56/\$1,635	148/\$3,000	157/\$2,200	-	390.07/\$1,850
DRY CROPLAND	680/\$900	686.49/\$850	179.46/\$931	31.8/\$1,000	467.04/\$1,600	223/\$935	354/\$960	246.19/\$1,000	2,505.1/\$850	-
HAYLAND	-	-	-	-	-	67/\$700	-	125.98/\$850	-	-
CRP	-	-	-	-	-	-	-	-	282.12/\$700	-
IMPROVED PAST.	-	-	-	-	-	-	-	134.4/\$750	-	-
OTHER	-	-	-	-	-	50.02/\$150	-	-	-	-
WASTE	-	-	-	7.49/\$0	7.47/\$0	-	2.2/\$0	2.29/\$0	20/\$0	-
FARMSTEAD	-	2/\$850	-	7/\$3,300	-	-	7.5/\$3,000	-	45.6/\$850	4.51/\$1,850

Improvement Description and Valuation:

There are two generally accepted methods of establishing the contributory value of building improvements. The first uses a **reproduction** cost which is the dollar amount required to exactly duplicated an improvement at today's prices. Second, **replacement** cost is a dollar amount needed to replace the present structure with a building of equal utility. Since actual duplication is often prohibitory, if not impossible to estimate for agricultural buildings, the replacement cost new (RCN) is generally the preferred standard of measure for rural appraisals. To arrive at the improvement value on the subject I have reviewed the Marshall Valuation Service Guide as the basis for replacement costs.

Depreciation consists of physical, functional and external components.

Depreciation is defined as "A loss of utility and hence value from any cause. An effect caused by deterioration and or obsolescence. Deterioration or

physical depreciation is evidenced by wear and tear, decay, dry rot, cracks, and structural defects. Obsolescence is divisible into two parts; functional and economic. Functional obsolescence may be due to poor plan, mechanical inadequacy or superadequacy due to size, style, age, etc. It is evidenced by conditions within the property. Economic obsolescence is caused by changes outside to the property, such as neighborhood infiltrations, or inharmonious groups or property use, legislation, etc. It is also the actual decline in the market value of the improvement from time of purchase to the time of resale"... (Boise: Real Estate Appraisal Terminology, revised addition, 1981).

Following is a brief description, the RCN, depreciation (physical, functional, external), and **contributory value** of the improvements located on the property.

The physical depreciation was based on effective age and remaining age. The Marshall Valuation Service Guide depreciation schedules were used as a guideline for physical depreciation as well the analysis of approximately 40 sales as to contributory value of various types of farm buildings to the land.

#### **IMPROVEMENT DESCRIPTION**

A building value will be placed on the buildings and shown on page 48 of this report.

#### **COST APPROACH:**

In my opinion the best measurement of market data value of the property, in comparison to the sales, is to value the various land classes of the subject based on the land class values as reflected by the comparable sales.

This relieves the appraiser from having to make a series of adjustments for comparability factors which the market is not specific enough to isolate in most instances. Many times these adjustments have to be made as a matter of judgement rather than being based on documented market evidence.

In order to value the subject property I have investigated the area market to ascertain market activity

and values. This area is influenced by recreational investment and in such markets values tend to be disjointed.

In consideration of the subjects location and features I have concluded that the value should be estimated by sales which are reflective of similar highest and best use.

Valuation under this premise is based on the principle of substitution in that the sales reflect the facts associated with alternative choices that existed in the market and which would hypothetically compete with the subject if exposed to the market, thus directing value. It is valuation approach based on historical data of actual sales.

My primary reasons for selecting the chosen comparable sales are:

1. All are considered comparable in location and market demands.
2. All are or could be reasonable expected to be utilized for purposes comparable to the subject.
3. All lie within the market area of the subject.
4. All have adequate access, marketable title and were not affected by any unusual sale condition.

An adjustment for time of sale will be made. The market does show an increase since 2012. A 10% increase will be applied to years 2012 and %5 to 2013.

The range of value per acre for the comparable sales is as follows, these sales have been adjusted for time:

Land (Site)

Rangeland	\$ 315/Ac to \$ 750/Ac
Irrigated Crop	\$1,799/Ac to \$3,630/Ac
Dry Cropland	\$ 850/Ac to \$1,760/Ac
CRP	\$ 700/Ac to \$ 700/Ac

The subject property consists of 1,081.75 acres of pasture land, 362.03 acres of sprinkler irrigated cropland, 743.56 acres of dry cropland and 366.13 acres



of CRP. The rangeland would be around the middle of the range. The irrigated cropland is in an area getting above average prices. Since the irrigated land class does not have sprinklers after the sale the cost of putting on two pivot systems will be subtracted from the irrigation value.

Based on these facts I have valued the Bullhead property land by the Cost Approach as follows:

**Bullhead Value**

CLASS	ACRES	PER AC.	VALUE
RANGELAND	1,081.75	\$ 500	\$ 540,876
IRRIGATED	362.03	\$3,000	\$1,086,090
IRRIGATION EQUIPMENT COST	362.03	\$ -718	\$ -260,000
DRY CROPLAND	743.56	\$1,000	\$ 743,560
CRP	366.13	\$ 950	\$ 347,824
FARMSTEAD	10.00	\$3,000	\$ 30,000
<b>TOTAL DEEDED LAND</b>	<b>2,563.47</b>	<b>\$ 971</b>	<b>\$2,488,350</b>
<b>ROUNDED TO</b>			<b>\$2,500,000</b>

The irrigated cropland after irrigation equipment costs are deducted ends up being \$2,282 per acre. The irrigated cropland is most similar to sales 3, 5, 6 and 8. Sale 3 is irrigating more acres than there are shares for but the buyer believed he could transfer shares to the property. This is similar as the subject with water shares needing transferred. Sales 5, 6 and 8 have land that is irrigable but do not have the equipment on them which will be the case with the subject property. These sales range from \$1,600 to \$2,200 and confirms the irrigable cropland value for the subject.

The irrigation equipment costs are for two new pivots. These costs were obtained by the irrigation dealer in Conrad. They already had all of the figures for putting new irrigation equipment on the property in their system because they were approached to put together a bid. These costs include a new pivot where the current one is which will cost \$109,000. This pivot has a lower cost because it would require a diesel engine (\$10,000 and no electrical wiring costs) and water is supplied directly to pivot and piping is not required. The other pivot would replace the wheel lines and would cost \$151,000. It is more expensive because a electric pump would be used (\$26,000) and pipe would be needed to take water to pivot. This would also water more acres then the first pivot.

### Sales Comparison Approach:

The Sales Chart on page 37 shows the unadjusted value of each of the sales on a overall value per acre and by component land class.

A direct comparison on a overall value per acre of the sales with the subject will be made.

The range in value per overall acre for the comparable sales used to value the appraised property is \$849 to \$3,055. These sales represent a combination of land class percentages which are subject to many variables. Thus applicable adjustments to the total sale are difficult to document by data. Some of the adjustments will be based on the appraisers experience and knowledge of the area.

The following shows the sales adjustment chart used to arrive at the Sales Comparison Approach value.

SALES ADJUSTMENT CHART

SALE	1	2	3	4	5	6	7	8	9	10
SALE PRICE/AC	900	849	1,487	3,055	1,575	940	1,506	1,201	864	1,667
TIME %	5%	5%	10%	10%	10%	10%	10%	10%	0%	0%
TIME \$	45	42	149	305	157	94	151	120	0	0
SUB TOTAL	945	891	1,636	3,360	1,732	1,034	1,657	1,322	864	1,667
BUILDINGS	35	27	35	(254)	35	35	(99)	35	(39)	(279)
SUB TOTAL	980	919	1,671	3,106	1,767	1,069	1,558	1,357	825	1,388
LAND ADJ.	143	95	(548)	(1,607)	(329)	(143)	(312)	(242)	195	(342)
SUB TOTAL	1,123	1,013	1,123	1,498	1,439	927	1,246	1,115	1,020	1,046
IRR. ADJ.	(101)	(101)	(101)	(101)	-	-	(101)	-	(101)	(101)
SUB TOTAL	1,022	912	1,021	1,397	1,439	927	1,145	1,115	918	944
LEASE ADJ.	-	-	-	-	-	-	-	-	-	-
VALUE/AC	1,022	912	1,021	1,397	1,439	927	1,145	1,115	918	944

Time Adjustment: A time adjustment was made and explained in the cost approach section.

Building & Improvement Adjustment: The building and improvement adjustments were based on the value of the building per acre in comparison to the subject. The subject has a building value of approximately \$35/Ac but the buildings are being valued separately and are not included in the chart above. The sales are adjusted based on a per acre value of the buildings in each sale.

Land Adjustment: Adjustments were made and the adjustment spreadsheet can be found in the addenda.



Irrigation Equipment Adjustment: An adjustment was made to account for the irrigation equipment cost to put new pivots on the irrigated land of the subject. The 2 new pivots that would be needed will cost approximately \$260,000. This will cost \$101 per acre and will be made to all sales except for #5, #6 and #8. These sales already are missing irrigation equipment and the irrigated land value already shows a deduction being made.

Lease Adjustment: An adjustment was not made. The comparable sales did not have any leases and no leases were being valued for the subject.

Summary of Adjustments: Based on the adjusted comparable sales and comparing each adjusted sale with the subject I have valued the Bullhead deeded land \$2,563,472.00 (2,563.47 Ac x \$1,000/Ac). Rounded to \$2,600,000.

**INCOME APPROACH:**

In arriving at a value based on the income approach the Appraiser should not consider management ability of a farm or ranch operator when projecting income and expenses, but should consider the typical income and expenses for like operations.

The income approach will be based on a cash lease for grazing. Irrigated cropland will be considered on hay production of 3 tons to the acre. Dry cropland and CRP will be considered on wheat production of 40 bushels to the acre at \$5.50 per bushel and 2/3 in production with 1/3 in summer fallow. The CRP land is valued near the same as dry cropland and CRP land is being converted back into dry cropland throughout the state.

The native pasture lands will be considered grazed at a rate of \$23/AUM. This is close to the average rate across the state of Montana.

Hay will be considered sold at a rate of \$125 per ton. Producers are currently getting a higher price in Montana and Wyoming (\$150/ton) but the price of hay appears to be on a downward trend.

Buildings are not being considered in the value estimation for the property. Any rental income from the buildings that could be received will, therefore, not be included in the income approach.

The management fee is based on 8% of the total income. Management fees will range from 5% to 10% of the



gross income when a property is managed by a professional farm management firm.

Property insurance and repairs to permanent improvements are based on the appraisers analysis of farm and ranch expenses taken from tax returns.

The income and expense for the comparable sales will be analyzed the same as the appraised property.

Following are the estimated income and expenses for the Bullhead property:

#### INCOME APPROACH

INCOME							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
GRAZING (AUMs)	713.00	1.00	713.00	\$ 23	\$ 16,399	100%	\$ 16,399
IRRIGATED CROPLAND	362.03	3.00	1,086.09	\$ 125	\$ 135,761	50%	\$ 67,881
DRY CROPLAND	498.19	40.00	19,927.41	\$ 5.5	\$ 109,601	25%	\$ 27,400
HOUSE RENTAL	-	-	-	\$ -	\$ -	0%	\$ -
CRP	243.30	40.00	9,731.88	\$ 5.5	\$ 53,525	25%	\$ 13,381
TOTAL INCOME							\$ 125,061
EXPENSES							
R. E. TAXES							\$ 5,563
INSURANCE							\$ 750
IRRIGATION DIST.							\$ 7,703
REPAIRS IMPROV.							\$ 1,000
MANAGEMENT							\$ 10,005
TOTAL EXPENSE							\$ 25,021
NET INCOME							\$ 100,040

The remaining step in this analysis is to convert the projected income stream of the appraised property into an indication of value through the following formula:

Income divided by Capitalization Rate  
equals Value Indication

Following is a chart showing the capitalization rate for each sale. The Addenda has a chart that shows how the capitalization raters were calculated.

#### CAPITALIZATION RATE CHART

SALE					CAP.
#	INCOME	EXPENSE	NET INC	SALE PRICE	RATE
1	\$ 25,058	\$ 6,265	\$ 18,794	\$ 612,000	3.1%
2	\$ 25,363	\$ 6,341	\$ 19,023	\$ 594,150	3.2%
3	\$ 36,120	\$ 9,030	\$ 27,090	\$ 475,000	5.7%
4	\$ 58,567	\$ 14,642	\$ 43,925	\$ 1,200,000	3.7%
5	\$ 17,210	\$ 4,303	\$ 12,908	\$ 747,264	1.7%
6	\$ 78,560	\$ 19,640	\$ 58,920	\$ 935,000	6.3%
7	\$ 41,391	\$ 10,348	\$ 31,044	\$ 950,470	3.3%
8	\$ 47,459	\$ 11,865	\$ 35,594	\$ 800,000	4.4%
9	\$ 106,909	\$ 26,727	\$ 80,182	\$ 2,800,000	2.9%
10	\$ 74,765	\$ 18,691	\$ 56,074	\$ 1,200,000	4.7%

Comparable sales show of capitalization rates of 1.7% to 6.3%. The subject property is average for the area and will be given the average capitalization rate. The average capitalization rate is 3.9%. Based on a capitalization rate of 3.9%, I have arrived at the following value for the subject using the Income Approach.

\$100,040 divided by 3.9% equals \$2,565,129.06  
**Rounded to \$2,600,000.00**

#### Valuation Summary:

The final step in the appraisal process is termed Reconciliation; it is defined in the "Dictionary of Real Estate Appraisal", P.296, The Appraisal Institute as:

*"The last phase of any valuation assignment is which two or more value indications derived from market data are resolved into a final value estimate, which may be either a final range of value or a single point estimate"*

The objective of this appraisal was to estimate the market value of the subject properties assuming cash or equivalent financing terms. The Cost, Sales Comparison and the Income Approaches were considered.

Following are the rounded values arrived at by each approach:

Cost Approach	\$2,500,000.00
Sales Comparison Approach	\$2,600,000.00
Income Approach	\$2,600,000.00

The difference between the highest and lowest value is approximately 3.85%. The cost approach will be given the greatest weight. The varying percentages of comparable land classes often require adjustments that are difficult to substantiate with the limited data available using the sales approach and income approach.

Based on the comparable sales data I have arrived at a Market Value, as of April 1, 2015 for the Bullhead Ranch property, real estate of \$2,550,000.00.

The contributory building value, which was valued separately and can be found on page 48 of this report, as of April 1, 2015, is \$90,000.00.



## APPRAISAL CERTIFICATE

The undersigned hereby certify that to the best of his knowledge and belief the statements contained in this appraisal report are correct.

- : The statements of fact contained in this report are true and correct.
- : The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- : We 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.
- : We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- : We engagement in this assignment was not contingent upon developing or reporting predetermined results.
- : Our 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 values opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- : Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- : We have made a personal inspection of the property that is the subject of this report.
- : No one provided significant real property and business appraisal assistance to the persons signing this certification..
- : Unless otherwise disclosed in this report, we have provided no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year (36-months) period immediately preceding acceptance of the assignment that resulted in this report.

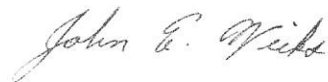
This report is subject to confidential peer review for Standards and Ethics compliance. The appraisal is a complete appraisal communicated by a appraisal report. John E Wicks is currently certified under the continuing education program of the American Society of Farm Managers and Rural Appraisers through December 31, 2016.

Scott Crosby, Appraiser Trainee, assisted in analyzing sales comparisons, writing the appraisal, gathering information and creating maps under the direction and/or guidance of John Wicks. The final opinion of value was determined by John Wicks and Scott Crosby. John Wicks, ARA reviewed the appraisal and discussed the report with Scott Crosby.

After weighing all of the factors herein reported, to the best of my knowledge and belief, it is the Appraisers' opinion that the Market Value, based on cash, of the Bullhead Ranch real estate as of April 1, 2015 is as follows:

Real Estate & Leases	\$2,550,000.00
Buildings and Improvements	\$ 90,000.00

Respectfully submitted,



John E. Wicks, ARA  
Certified General Real Estate Appraiser  
Montana Cert. #5, Wyoming Permit #89



J. Scott Crosby  
Appraiser Trainee Real Estate Appraiser  
Montana Cert. # 5010, Wyoming Cert. #1256

## IMPROVEMENT CONTRIBUTION TO LAND VALUE

The DNRC requested that th buildings be valued even though they are not purchasing the improvements.

**DWELLING:** Built 1955, remodeled in 1976, 2,536 sq. ft., frame construction, concrete foundation, asphalt covered shingle roof, living rooms, kitchen, dining area, 4 bedrooms, 1 full bath, 1 half bath, central air. Fair condition.

**DWELLING:** Built 1955, in poor condition and not being given a contributory value to the property.

**LIVESTOCK BUILDING:** Built in 1955, 3,456 sq. ft., metal siding and roof covering, electricity. Fair condition.

**SHOP:** Built in 1976, 4,050 sq. ft., prefab construction with slanting walls, metal siding and roof covering, electricity, partial cement floor, entry door and overhead doors. Average condition.

**GRAIN BIN:** Built 1955, approximately 3,200 bushels. Steel construction, no aerator, cement floors. Fair condition.

**GRAIN BIN:** Built 1950, approximately 3,200 bushels. Steel construction, no aerator, cement floor. Fair condition.

**GRAIN BIN:** Built 1968, approximately 3,200 bushels. Steel construction, no aerator, cement floor. Poor condition due to structural damage.

**GRAIN BIN:** Built 1966, approximately 3,200 bushels. Steel construction, no aerator, cement floor. Average condition.

**GRAIN BIN:** Built 1978, approximately 6,800 bushels. Steel construction, no aerator, cement floor. Average condition.

**GRAIN BIN (4):** Approximately 4,500 bushels. Steel construction, no aerator, cement floor. Average condition.

**GRAIN BIN:** Built 1978, approximately 6,800 bushels. Steel construction, no aerator, cement floors. Fair condition.

**MISC. OUTBUILDING:** Includes older wood structures of little contributory value.

## Improvement Valuation

The following chart provides the contributory value of the improvements.

## IMPROVEMENT VALUE

	YEAR		SIZE	SIZE	SIZE			PERCENT	DOLLAR	CONTRI.	VALUE
BUILDING	BUILT	CONST.	MAIN SF	2ND SF	BASE SF	COND.	RCN	DEPREC.*	DEPREC.	VALUE	PER FT
HEADQUARTERS											
DWELLING	1955	FRAME	2,536	-	-	FAIR	\$ 212,314	80%	\$ 169,851	\$ 42,463	\$ 16.74
LIVESTOCK BUILDING	1955	METAL	3,456	-	-	FAIR	\$ 34,560	75%	\$ 25,920	\$ 8,640	\$ 2.50
SHOP	1976	METAL	4,050	-	-	AVG	\$ 51,516	75%	\$ 38,637	\$ 12,879	\$ 3.18
GRAIN BINS	1955	METAL	3,200	BU	-	FAIR	\$ 8,955	70%	\$ 6,716	\$ 2,239	\$ 0.70
GRAIN BINS	1950	METAL	3,200	BU	-	FAIR	\$ 8,955	70%	\$ 6,716	\$ 2,239	\$ 0.70
GRAIN BINS	1968	METAL	3,200	BU	-	POOR	\$ 8,955	95%	\$ 8,507	\$ 448	\$ 0.14
GRAIN BINS	1966	METAL	3,200	BU	-	AVG	\$ 8,955	75%	\$ 6,716	\$ 2,239	\$ 0.70
GRAIN BINS	1978	METAL	6,800	BU	-	AVG	\$ 12,290	70%	\$ 8,603	\$ 3,687	\$ 0.54
GRAIN BINS (4)	NA	METAL	4,500	BU	-	AVG	\$ 41,480	70%	\$ 29,036	\$ 12,444	\$ 2.77
GRAIN BINS	NA	METAL	3,200	BU	-	FAIR	\$ 8,955	75%	\$ 6,716	\$ 2,239	\$ 0.70
MISC. OUTBUILDINGS	OLDER	-	-	-	-	FAIR	\$ 500		\$ -	\$ 500	
TOTAL							\$ 397,435		\$ 307,419	\$ 90,016	
ROUNDED TO										\$ 90,000	

Based on the contributory valued, the Bullhead property improvements comes to \$90,000.00.



## QUALIFICATIONS

JOHN E. WICKS

### EDUCATION:

**MONTANA STATE UNIVERSITY**, Bozeman, Montana. Graduated with a M. S. Degree in Agricultural Economics.

**COLORADO STATE UNIVERSITY**, Fort Collins, Colorado. Graduated with a B. S. Degree in Dairy Science.

Numerous seminars and schools on the subjects of appraising and farm and ranch management. A partial list is shown at the end of this document.

### DESIGNATIONS:

**ACCREDITED RURAL APPRAISER (ARA)**, Certificate #971, American Society of Farm Managers and Rural Appraisers.

**MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER**, Certificate #5

**WYOMING CERTIFIED GENERAL REAL ESTATE APPRAISER**, Permit #89, Certificate #93.

**MONTANA REAL ESTATE BROKER**, License #4439.

### PUBLICATIONS:

MANAGEMENT ALTERNATIVES OF A COW-CALF RANCH, Roger Brownson and John E. Wicks; Montana State University, Bulletin 1090, September 1971.

ECONOMICS OF SPRINKLER IRRIGATION, John E. Wicks; Montana State University, April 1972.

INTERPRETING ECONOMIC, FEED AND LIVESTOCK OUTLOOK  
INFORMATION FOR THE COW-CALF RANCH MANAGER, John E. Wicks; Montana State University, August 1971.

COST OF PRODUCING A CALF, Limousine Journal, John E. Wicks; 1979.

FARM AND RANCH MANAGEMENT MANUAL, American Society of Farm Managers and Rural Appraisers, Co-Author, John E. Wicks, 1980.

### EXPERIENCE:

1981 to Present: Wicks & Associates, LLC (Formally Wicks Agri Services), Billings, Montana.

I am currently self employed and doing work in the areas of real estate appraisals, farm and ranch management, agricultural economic and financial consulting.

Appraisal assignments include appraising the value of partial interests in property, valuation of corporation stock for farm and ranch corporations, business valuation of agricultural related businesses, conservation easement appraisals, estate, lender appraisals; and valuation and

partition analysis for agricultural properties.

Completed management plans for dry and irrigated farms and ranches for owners and potential owners of agricultural land.

I have calculated and testified as to economic damages in various types of litigation related to agricultural and the death of agricultural employees and operators.

Prepared the economic and cost analysis for agricultural justification section for the enlargement of the North Fork Dam Smith River.

1979 to 1981: Doane-Western, Inc., Billings, Montana and Fort Collins, Colorado.

During this time period, as manager of the Fort Collins office and then the Billings, Montana office, I was involved in corresponding long-term loans for Aetna and Mutual of New York Insurance Companies in Montana, Wyoming, North and South Dakota and Colorado. This included doing the appraisal work for these companies. In addition, I did fee appraisals, farm and ranch management and consulting work.

1973 to 1979: Western Agri Services, Billings, Montana.

I originated this firm and owned it until I sold the firm to Doane-Western in 1979. During this time period I was doing land appraisals, farm and ranch management and economic consulting work.

1963 to 1973: Montana State University, Bozeman, Montana.

I was a County Extension Agent for seven years and then Extension Economist for three years, specializing in farm and ranch management education.

#### **SUMMARY OF KINDS OF WORK COMPLETED**

I am a qualified expert witness in the areas of land valuation and earning capacities of real estate. I have testified and completed damage calculations in numerous lawsuits related to agricultural and real estate in the Montana and Wyoming Federal and State Courts and the U.S. Court of Claims, Washington D.C. In addition I have completed damage calculations in many lawsuits that were later settled out of court. I have testified in approximately 90 agricultural Chapter 12 or Chapter 11 Bankruptcy hearing on either real estate appraisals or the Debtors financial plan analysis. I have managed a 2,200 cow/calf ranch; a 200 cow/calf, 4,000 head feedlot and 2,000 acre irrigated cropland ranch; a 3,000 acre dry farm operation; a 800 cow/calf and 1000 acre irrigated hayland ranch; a 1,200 acre irrigated corn and hay ranch; and several small irrigated or dryland farms.

I have completed approximately 1,226 real estate appraisals as of March 3, 2013 with a total of approximately 5,180,000+/- acres and a total value of \$1,635,175,700+/- **These appraisals included Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) appraisals.** These appraisals include agricultural, commercial and subdivision analysis and conservation easements. I completed 45 conservation easement appraisals. There are some personal property (machinery, equipment, vehicles, livestock) valuations included in the total number of appraisals completed.

## **PROFESSIONAL SOCIETIES**

**American Society of Farm Managers and Rural Appraisers, Montana Chapter:** Accredited Member, President Montana Chapter in 1976, National Board of Directors in 1976, Past member of the National Farm Management Committee, Member of Montana Chapter Board of Directors 1998-2001.

I am current and in compliance with the Mandatory Continuing Education Program of the American Society of Farm Managers and Rural Appraisers through December 31, 2016.

## **PARTIAL LIST OF REAL APPRAISAL COURSES COMPLETED**

A-15 Report Writing  
A-20 Principles of Rural Appraising  
A-25 Eminent Domain Appraising (Included some Yellow Book discussion)  
A-30 Advanced Rural Appraising  
A-12 Standards and Ethics School-1/2005  
Applied Sales Comparison  
Valuation Using Spreadsheets  
Valuation of CRP Contracts  
The Appraiser As A Witness In Civil Litigation  
Mineral Appraising Seminar  
Farm and Ranch Management Course  
Environmental Liabilities and Risk Management in  
Real Estate - Realities and Practicalities  
Discounted Cash Flow Analysis  
Subdivision Analysis  
Business Valuation - 201  
Business Valuation - 202  
Income Capitalization Unleveraged - A-27  
Conservation Easements Seminar (Included some Yellow Book discussion)  
Highest & Best Use Course - A29  
Rural Residential Appraisal  
Instructed ASFMRA Farm & Ranch Management Course  
FannyMae Appraisal Guidelines  
Subdivision Analysis  
Appraisal of Transitional Properties  
Land Access Seminar  
Uniform Appraisal Standards for Federal Land Acquisitions (Yellowbook)  
Update of Uniform Standards of Professional Appraisal Practice (10/06)  
Discounting and Leases Seminar  
Valuation of Conservation Easements (1/08)  
ASFMRA Code of Ethics (2/08)  
Subdivision Regulations (2/08)  
Update of Uniform Standards of Professional Appraisal Practice (2/08)  
Requirements of UASFLA (10/08)  
Cost Approach (2-09)  
Wind Leases (2/09)  
Cost Estimating (2/3/10)  
Update of Uniform Standards of Professional Appraisal Practice 2010-2011 (2/4/10)  
Sales Comparison Approach (2/8/11)  
Montana Navigable Waterways & Origins of Ownership (2/9/11)  
CAFO & AFO (Animal Feeding & Concentrated Animal Feeding Operations State Regs. (2/9/11)  
Trends in Agricultural Finance (2/9/11)  
Update of Uniform Standards of Professional Appraisal Practice 2012-2013 (2/8/12)  
Land Easement Seminar (2-9-12)  
Cadastral Seminar (2-9-12)  
Appraising Natural Resources (2-5-13)  
Wind Power (2-6-13)  
ASFMRA Ethics (2-4-14)



**CONTINUING EDUCATION**

I am currently certified under the continuing education program of the American Society of Farm Managers and Rural Appraisers through December 31, 2016.

**TYPICAL CLIENTS ECONOMIC CONSULTING & APPRAISAL WORK HAS BEEN COMPLETED FOR:**

1. Various private farm, ranch and commercial property owners located in Montana, Wyoming, Colorado, S. Dakota and Mississippi including sole proprietors, partnerships and corporations. Properties ranged in size from a few acres to 180,000 acres.
2. Government Agencies including, Farmers Home Administration, Internal Revenue Service, Bureau of Reclamation, Bureau of Indian Affairs, Bureau of Land Management, FDIC, Montana Fish & Wildlife and City of Billings, Montana.
3. Various private institutions such as banks located in Montana, Wyoming and South Dakota; Farm Credit Services, The Northern Trust Company, private trust organizations, Peabody Coal Company, Cargill Grain Company, Land Trust Organizations, Westmorland Coal, Conoco Pipeline and Cenex Pipeline, Pacific Power and Light.

## **QUALIFICATIONS**

**J. SCOTT CROSBY**

### **EDUCATION:**

**UNIVERSITY OF UTAH**, Salt Lake City, UT. Graduated with an MBA Degree.

**BRIGHAM YOUNG UNIVERSITY-IDAHO**, Rexburg, Idaho. Graduated with a B.A. Degree in Agricultural Business, Minored in Economics.

### **DESIGNATIONS:**

**MONTANA APPRAISER TRAINEE REAL ESTATE APPRAISER**, Certificate #5010

**WYOMING APPRAISER TRAINEE REAL ESTATE APPRAISER**, Certificate #1256.

### **PROFESSIONAL SOCIETIES**

**American Society of Farm Managers and Rural Appraisers, Montana Chapter:** Accredited Member

**American Society of Farm Managers and Rural Appraisers, Wyoming Chapter:** Accredited Member

### **LIST OF REAL APPRAISAL COURSES COMPLETED**

Basic Appraisal Principles  
Basic Appraisal Procedures  
National Uniform Standards and Professional Appraisal Practices  
Commercial Appraisal Review  
Expert Witness for Commercial Appraisers  
General Appraiser Market Analysis Highest and Best Use  
General Appraiser Sales Comparison Approach  
General Appraiser Site Valuation and Cost Approach  
Statistics, Modeling and Finance  
ASFMRA Ethics (2-4-14)  
DNRC Water Rights Education (2-4-14)  
Update of Uniform Standards of Professional Appraisal Practice 2014-2015 (2-5-14)  
Valuation of Conservation Easements and Partial Interests

ADDENDA



ADDENDA



**FOR DNRC USE ONLY**

Maximum amount under this agreement: \$8,000.00

Source of Funds

<u>Fund Name</u>	<u>Fund No.</u>
Trust Administration Account	02938
<u>Subclass</u>	<u>Org. No.</u>
555HA	6044-01
	<u>Percent</u>
	100%

Approved

No. 150045  
Division J.G.  
Legal THB  
F.S.O. CR



**TRUST LAND MANAGEMENT DIVISION**

**APPRAISAL OF POTENTIAL PROPERTY ACQUISITION THROUGH THE LAND BANKING  
PROGRAM IN PONDERA COUNTY**

**THIS CONTRACT** is entered into by and between the State of Montana/Department of Natural Resources and Conservation, (State/DNRC), whose address and phone number are P.O. Box 20160, Helena, MT 59620-1601, (406) 444-2074, and Jack Wicks, Wicks and Associates LLC, (Contractor), whose address and phone number are 2820 Lyndale Lane, Billings, MT. 59102 and (406) 652-1989.

**1. EFFECTIVE DATE, DURATION, AND RENEWAL**

**1.1 Contract Term.** The contract's initial term is upon contract execution, through June 30, 2015, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has executed it in Section 27. **The appraisal report is to be completed and forwarded to Montana DNRC, John Grimm, and P.O. Box 201601, Helena, MT 59620-1601 by May 15, 2015.**

**2. SERVICES AND/OR SUPPLIES**

Contractor agrees to provide to the State the following: The Contractor shall be responsible for providing a credible appraisal, in an appraisal report format, conducted and prepared in compliance with the current Uniform Standards of Professional Appraisal Practice, for a parcel in Treasure County, as described in Attachment A, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions.

The appraisal must comply with the instructions in Attachment A, Scope of Work for Appraisal of Potential Property Acquisition through the Land Banking Program, and all provisions in the body of this contract including the following:

- 1) The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value for the parcels. If deemed necessary by the contractor rather than including the specific market data in the appraisal update report, a separate addendum may be submitted containing

the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal update report.

2) The definition of market value is that as defined in 70-30-313 M.C.A.

### **3. CONSIDERATION/PAYMENT**

**3.1 Payment Schedule.** In consideration of the appraisal update reports to be provided, together with all the tasks and services described herein above, the State shall pay Contractor **Eight Thousand Dollars (\$8,000.00)**. Upon the successful completion of all tasks and services described herein above, the Contractor shall submit an invoice with the submission of the final appraisal report to the DNRC for payment for services rendered. The Contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made. Payment shall be made within 30 days of the Contractor's submission of an invoice to DNRC. In any instance, the DNRC's total cumulative payments to the Contractor under this contract shall not exceed Three Thousand Dollars (\$8,000.00).

**3.2 Payment Terms.** Unless otherwise noted in the solicitation document, the State has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

**3.3 Reference to Contract.** The contract number **MUST** appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

### **4. ACCESS AND RETENTION OF RECORDS**

**4.1 Access to Records.** Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 21, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

**4.2 Retention Period.** Contractor shall create and retain all records documenting the Summary Appraisal Report for a period of eight years after either the completion date of this contract or termination of the contract should such action arise.

### **5. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING**

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract.

### **6. HOLD HARMLESS/INDEMNIFICATION**

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the State, its elected and appointed officials, officers, agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of Contractor's negligent acts, errors, or omissions in work or services performed under this Contract, including but not limited to, the negligent acts, errors, or omissions of any Subcontractor or anyone directly or indirectly employed by any Subcontractor for whose acts Subcontractor may be liable.



## **7. REQUIRED INSURANCE**

**7.1 General Requirements.** Contractor shall maintain for the duration of this contract, at its sole cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

**7.2 Primary Insurance.** Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

**7.3 Specific Requirements for Automobile Liability.** Contractor shall purchase and maintain coverage with split limits of \$50,000 per person (personal injury), \$100,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$100,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

**7.4 Specific Requirements for Professional Liability.** Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of **\$300,000** per occurrence and **\$500,000** aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If "occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of this contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

**7.5 Certificate of Insurance/Endorsements.** A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

**7.6 Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be declared to and approved by the State. At the request of the State either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as pertain to the State, its officers, officials, employees, or volunteers; or (2) at the expense of Contractor, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

**7.7 Certificate of Insurance/Endorsements.** A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

## **8. COMPLIANCE WITH WORKERS' COMPENSATION ACT**

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This



insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the Department of Natural Resources and Conservation PO Box 201601, Helena, MT 59620-1601.

#### **9. COMPLIANCE WITH LAWS**

Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and without discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing this contract.

#### **10. DISABILITY ACCOMMODATIONS**

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

#### **11. REGISTRATION WITH THE SECRETARY OF STATE**

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

#### **12. OWNERSHIP OF WORK PRODUCT**

Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the State may reasonably request, to perfect the State's ownership of any Work Product.

**12.1 Copy of Work Product.** Contractor shall, at no cost to the State, deliver to the State, upon the State's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the State's request, or such expiration or termination.

**12.2 Ownership of Contractor Pre-Existing Materials.** Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the State (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, Contractor fails to disclose to the State such Contractor Pre-Existing Materials, Contractor shall grant the State a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the State to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided herein or



as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

### **13. CONTRACT TERMINATION**

**13.1 Termination for Cause with Notice to Cure Requirement.** The State may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

**13.2 Reduction of Funding.** The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

### **14. EVENT OF BREACH – REMEDIES**

**14.1 Event of Breach by Contractor.** Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- products or services furnished fail to conform to any requirement;
- failure to submit any report required by this contract;
- failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior State approval and breaching Section 27.1 obligations; or
- voluntary or involuntary bankruptcy or receivership.

**14.2 Event of Breach by State.** The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

**14.3 Actions in Event of Breach.** Upon the Contractor's material breach, the State may:

- terminate this contract under section 21; or
- treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the State's material breach, the Contractor may:

- terminate this contract after giving the State written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period; or
- treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.



## **15. WAIVER OF BREACH**

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

## **16. FORCE MAJEURE**

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

## **17. CONFORMANCE WITH CONTRACT**

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department of Natural Resources and Conservation prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

## **18. LIAISONS AND SERVICE OF NOTICES**

**18.1 Contract Liaisons.** All project management and coordination on the State's behalf must be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the State's liaison and Contractor's liaison.

John Grimm, Chief – Real Estate Mgt Bureau is the State's liaison.

(Address): P.O. Box 201601

(City, State, ZIP): Helena, MT 59620-1601

Telephone: (406) 444-3844

Cell Phone:

Fax: (406) 444-2684

E-mail: [jgrimm@mt.gov](mailto:jgrimm@mt.gov)

Jack Wicks, Wicks and Associates LLC, is Contractor's liaison.

(Address): 2820 Lyndale Lane,

(City, State, ZIP): Billings, MT 59102

Telephone: (406) 652-1989

Cell Phone:

Fax:

E-mail: [wicksassoc@bresnan.net](mailto:wicksassoc@bresnan.net)

**18.2 Notifications.** The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three (3) business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

## **19. MEETINGS**

**19.1 Technical or Contractual Problems.** Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the contract.

## **20. TRANSITION ASSISTANCE**

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees, for a reasonable period of time after the expiration or termination of this project or contract. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

## **21. CHOICE OF LAW AND VENUE**

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

## **22. TAX EXEMPTION**

The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

## **23. AUTHORITY**

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

## **24. SEVERABILITY CLAUSE**

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

## **25. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT**

**25.1 Contract.** This contract consists of eight numbered pages, Attachment A, Scope of Work and Supplemental Appraisal Instructions, pages 9-13. In the event of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same order as this contract.



**25.2 Entire Agreement.** These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by all the parties.

**26. WAIVER**

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

**27. EXECUTION**

The parties through their authorized agents have executed this contract on the dates set out below.

STATE OF MONTANA  
Dept. of Natural Resources & Conservation  
Trust Land Management Division  
P.O. Box 201601  
Helena, MT 59620-1601

Wicks and Associates, LLC  
2820 Lyndale Lane  
Billings, MT 59102

FEDERAL ID #: 81-0521990

BY: John Grimm, Chief – Real Estate Mgt Bureau  
(Name/Title)

BY: John E. Wicks owner  
(Name/Title)

\_\_\_\_\_  
(Signature)

John E. Wicks  
(Signature)

DATE: \_\_\_\_\_

DATE: 3/19/15



## Attachment A

# Scope of Work for Appraisal of a Potential Property Acquisition through a Land Banking Purchase

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

The clients are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners, the Department of Natural Resources and Conservation (DNRC), and owners of the Bullhead Ranch. 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 acquisition of said subject property through a Land Banking purchase.

### 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:

The subject property is to be appraised in Fee Simple interest.

### 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 potential acquisition 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 Montana certified general appraiser, 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 property. (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.)

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), 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 an Appraisal Report as per USPAP, that 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.

The appraisal on the subject property should exclude the value of personal property used for irrigation in the valuation; specifically the center pivot, motor, and pumps, and wheel lines used for irrigation, as that property is owned by the current lessee. The value of the irrigation water shares should be included in the valuation of the property, as the shares will be transferred to a new owner. The appraisal should describe the market value trends, and provide a rate of change, for the markets of each subject property. Comparables sales used should preferably have sales dates not over three years old. The comparable sales must be in reasonable proximity to the subject.



## 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 Property: The subject property is located 3.5 miles west of Interstate 15, between Conrad and Shelby, in Pondera County. The property consists of 2,563.47± deeded acres; approximately 390 acres of irrigated crop land, 1,023 acres of dry land farm ground, 1,146.2 of pasture/hay land, and 4 acres of farmstead. The sale includes 390 shares of water from the Pondera Canal and Reservoir Company.

Property legal descriptions:

TWNS	RNGE	SEC	Description	Acres
30N	3W	9	W2NE, NENE, E2NW, W2SW, PART E2SW	338.642
30N	3W	4	N2NE, SWNE, W2SE, SESE, SESW	281.4
30N	3W	3	LOT 4	40.51
31N	3W	33	SW, S2SE, NWSE	280
30N	3W	18	SE, S2NE	240
30N	3W	9	W2NW	80
30N	3W	8	N2, N2S2	480
30N	3W	6	SESE	40
30N	3W	5	NWSE, NE, SW, S2SE, NESE	481.52
30N	3W	4	N2SENE	20
30N	3W	4	NW, N2SW, SWSW	281.4

Appraiser will need to coordinate field review of the subject property with the DNRC Area Office contact listed below.

DNRC Area Office Contact Information:

Erik Eneboe, Unit Manager  
600 S. Main Suite 10  
P.O. Box 961  
Conrad, MT 59425  
Phone: 406/278-7869

---

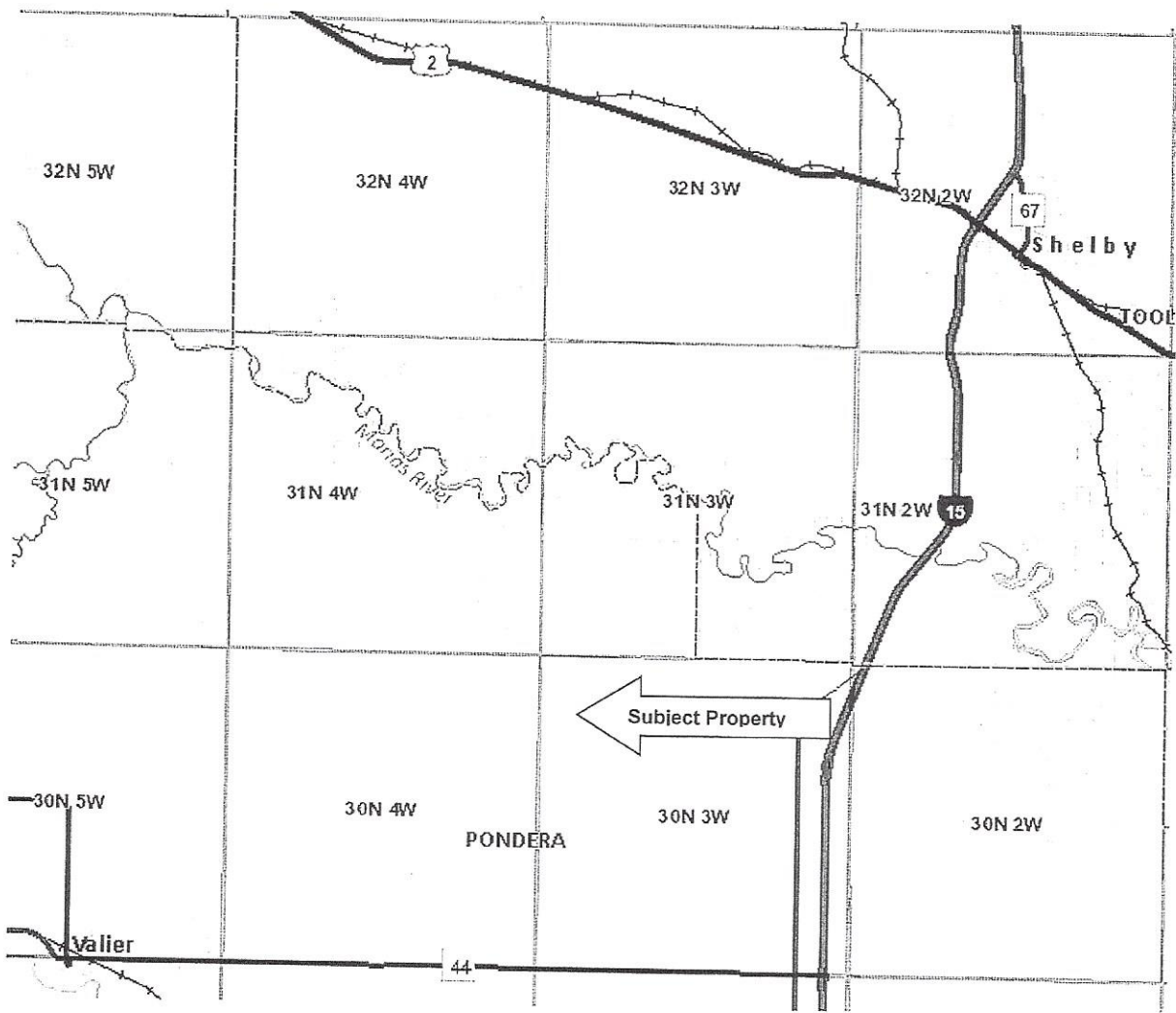
***The following will be located in the body of the contract:***

If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

The definition of market value is that as defined in 70-30-313 M.C.A.



# Bullhead Ranch Location Map

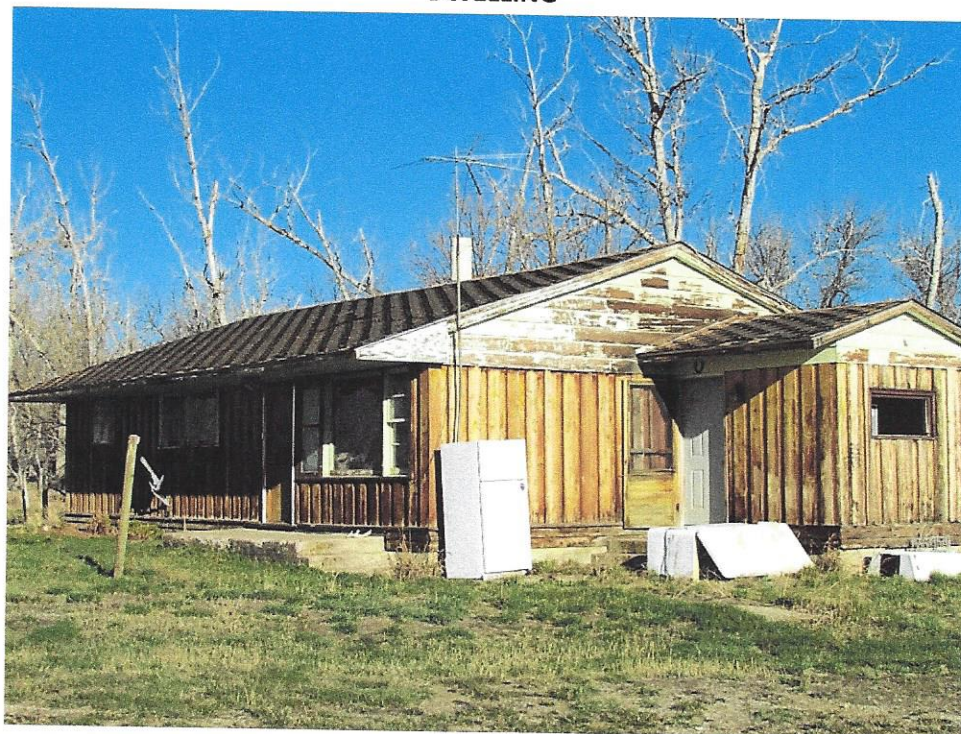


# BULLHEAD PROPERTY PHOTOGRAPHS

DWELLING



DWELLING

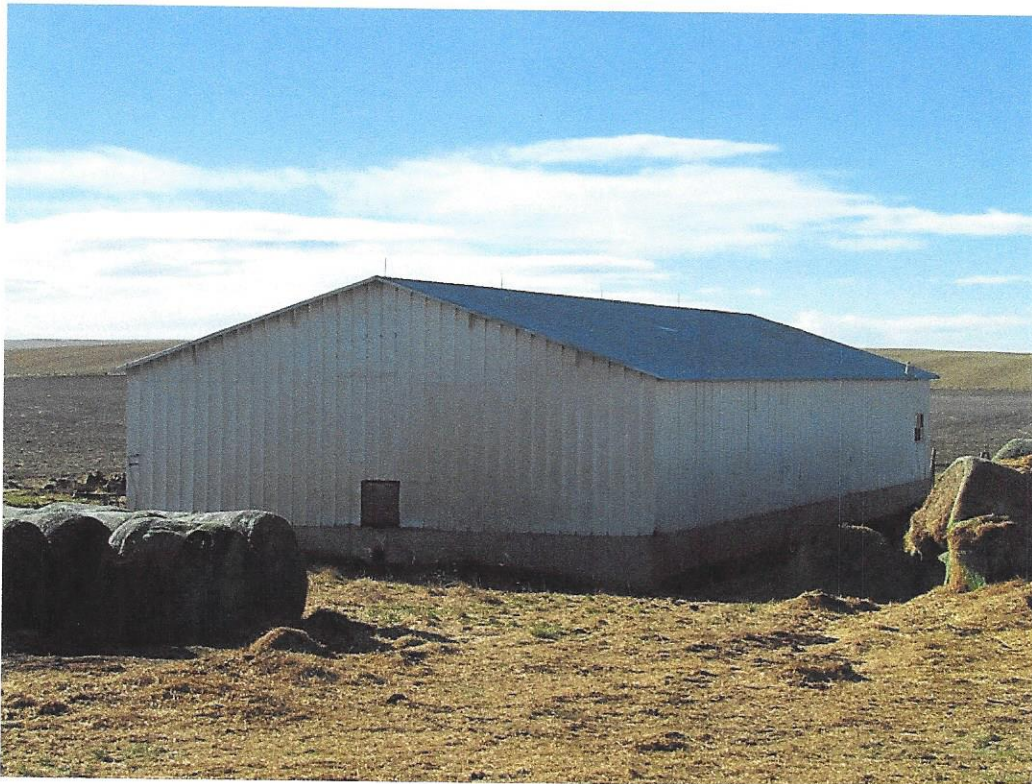




**SHOP**

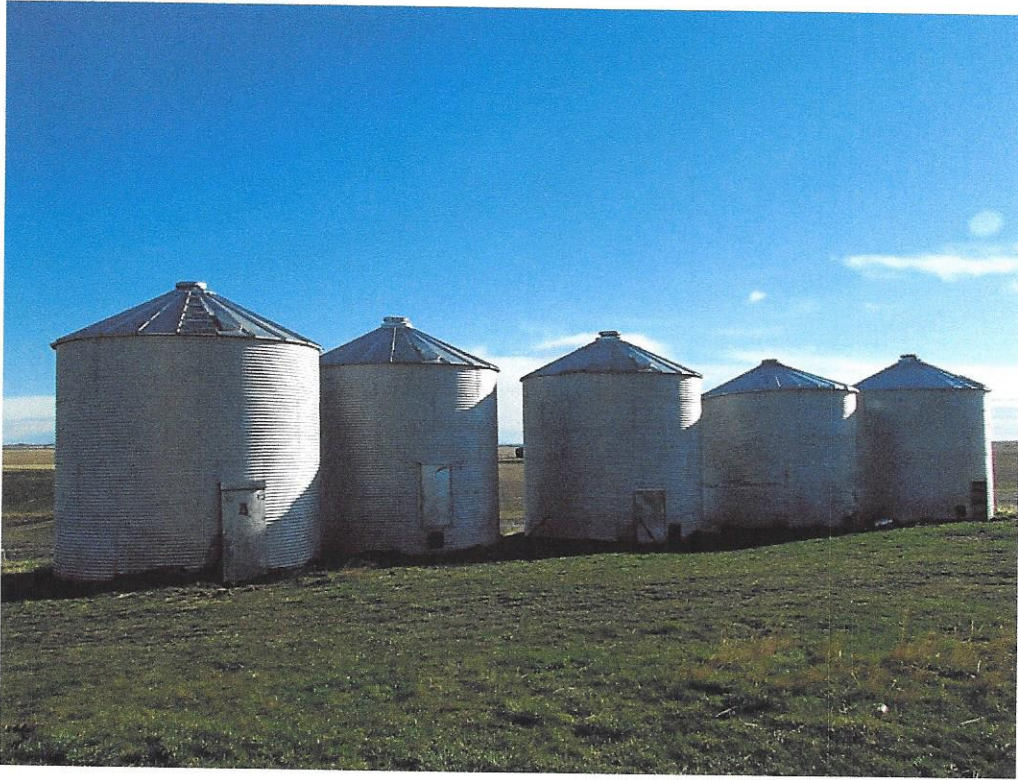


**LIVESTOCK BUILDING**





**GRAIN BINS**



**GRAIN BINS**





**IRRIGATED**



**IRRIGATED**

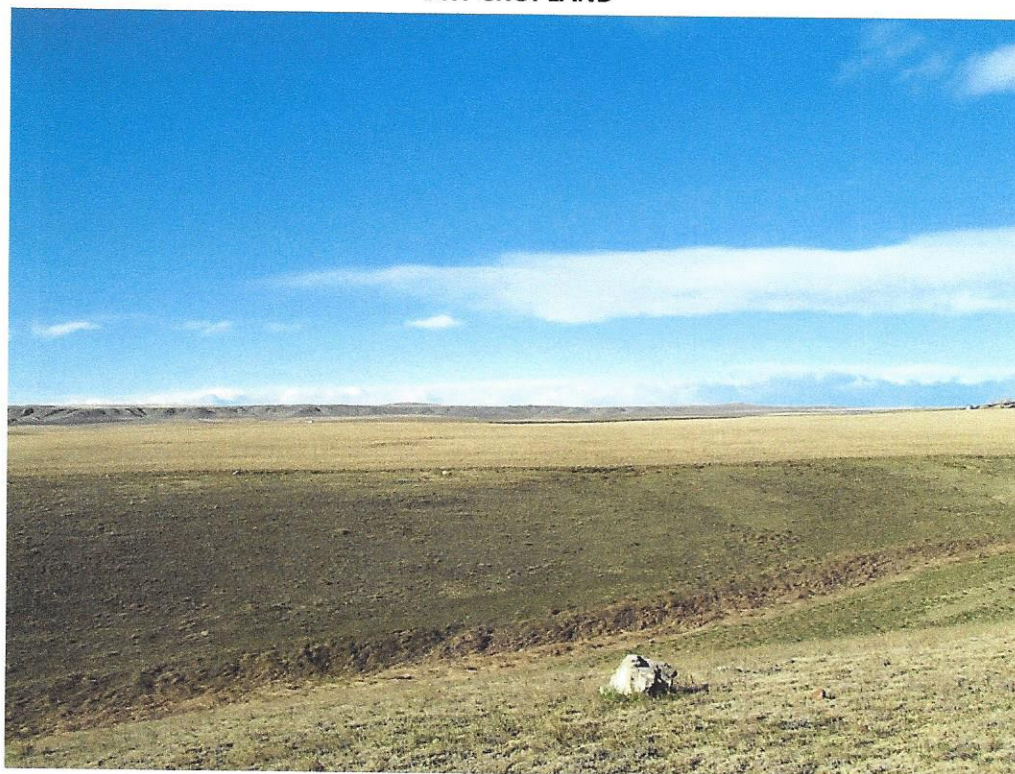




**DRY CROPLAND**



**DRY CROPLAND**





**DRY CROPLAND**



**CRP**





**CRP**

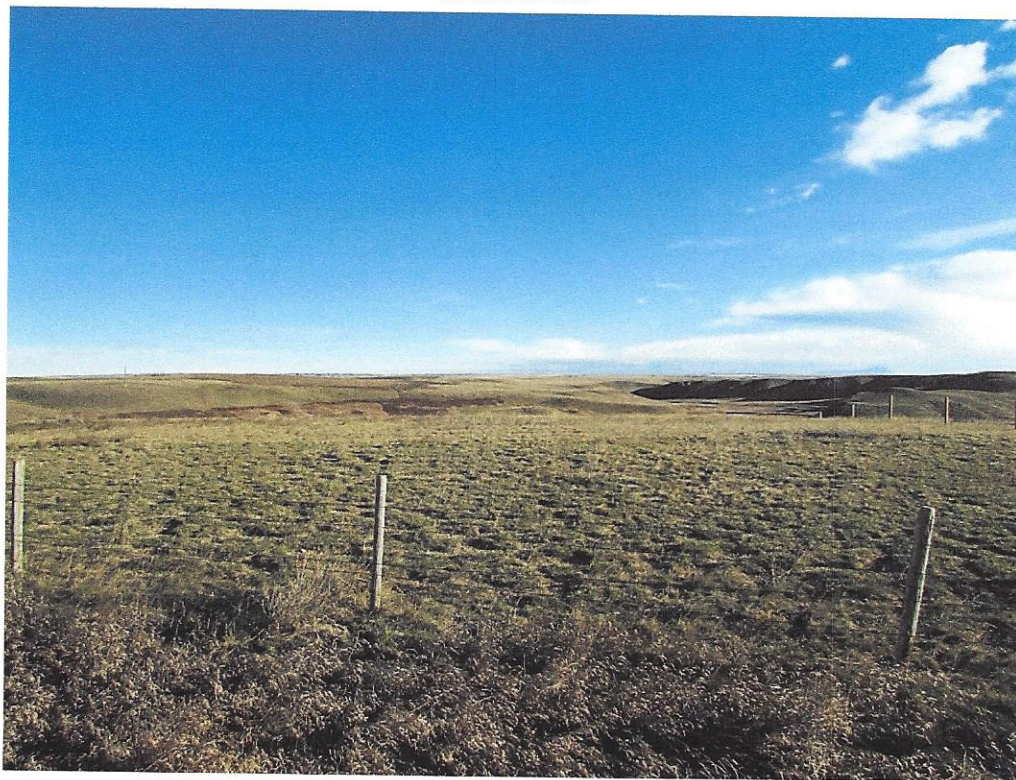


**CRP (RECENTLY EXPIRED)**





**RANGELAND**

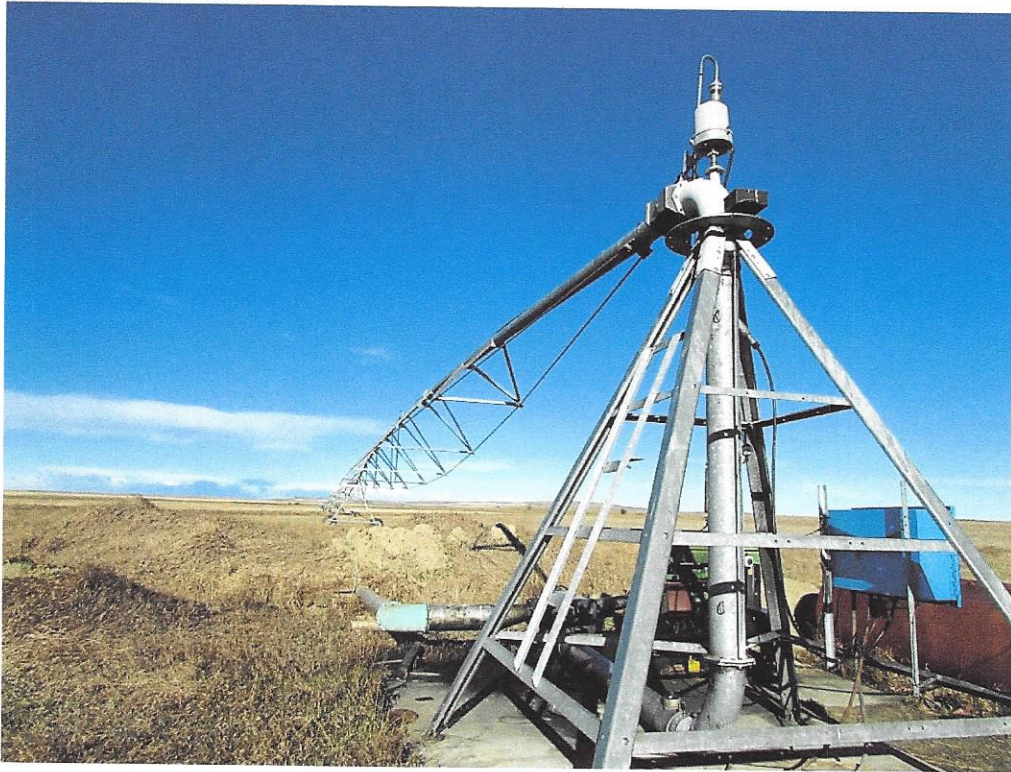


**RANGELAND**





**PIVOT & DEISEL PUMP**



**WHEEL LINE PUMP**





LAND ADJUSTMENT - BULLHEAD

SALE #1	Sale	Value			Subject	Value	
Category	Acres	Per Acre	Total	Category	Acres	Per Acre	Total
NATIVE RANGE	-	\$ 500.00	\$ -	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	-	\$ 3,000.00	\$ -	IRRIGATED CROP	362.03	\$ 3,000.00	\$ 1,086,090
DRY CROPLAND	680.00	\$ 900.00	\$ 612,000	DRY CROPLAND	743.56	\$ 900.00	\$ 669,204
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
	-	\$ -	\$ -		-	\$ -	\$ -
FARMSTEAD	-	\$ 3,000.00	\$ -	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	680.00	\$ 900.00	\$ 612,000	TOTAL	2,563.47	\$ 1,043.11	\$ 2,673,994
LAND ADJUSMENT			\$ 143				
SALE #2	Sale	Value			Subject	Value	
Category	Acres	Per Acre	Total	Category	Acres	Per Acre	Total
NATIVE RANGE	11.51	\$ 300.00	\$ 3,453	NATIVE RANGE	1,081.75	\$ 300.00	\$ 324,526
IRRIGATED CROP	-	\$ 3,000.00	\$ -	IRRIGATED CROP	362.03	\$ 3,000.00	\$ 1,086,090
DRY CROPLAND	686.49	\$ 850.00	\$ 583,517	DRY CROPLAND	743.56	\$ 850.00	\$ 632,026
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
	-	\$ -	\$ -		-	\$ -	\$ -
FARMSTEAD	2.00	\$ 850.00	\$ 1,700	FARMSTEAD	10.00	\$ 850.00	\$ 8,500
TOTAL	700.00	\$ 840.96	\$ 588,670	TOTAL	2,563.47	\$ 935.83	\$ 2,398,965
LAND ADJUSMENT			\$ 95				
SALE #3	Sale	Value			Subject	Value	
Category	Acres	Per Acre	Total	Category	Acres	Per Acre	Total
NATIVE RANGE	-	\$ 500.00	\$ -	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	140.00	\$ 2,200.00	\$ 308,000	IRRIGATED CROP	362.03	\$ 2,200.00	\$ 796,466
DRY CROPLAND	179.46	\$ 931.00	\$ 167,077	DRY CROPLAND	743.56	\$ 931.00	\$ 692,254
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
	-	\$ -	\$ -		-	\$ -	\$ -
	-	\$ -	\$ -		-	\$ -	\$ -
FARMSTEAD	-	\$ 3,000.00	\$ -	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	319.46	\$ 1,487.13	\$ 475,077	TOTAL	2,563.47	\$ 939.12	\$ 2,407,420
LAND ADJUSMENT			(\$ 548)				
SALE #4	Sale	Value			Subject	Value	
Category	Acres	Per Acre	Total	Category	Acres	Per Acre	Total
NATIVE RANGE	41.56	\$ 600.00	\$ 24,936	NATIVE RANGE	1,081.75	\$ 600.00	\$ 649,051
IRRIGATED CROP	305.00	\$ 3,300.00	\$ 1,006,500	IRRIGATED CROP	362.03	\$ 3,300.00	\$ 1,194,699
DRY CROPLAND	31.80	\$ 1,000.00	\$ 31,800	DRY CROPLAND	743.56	\$ 1,000.00	\$ 743,560
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824



WASTE	7.49	\$ -	\$ -	WASTE	-	\$ -	\$ -
FARMSTEAD	7.00	\$ 3,300.00	\$ 23,100	FARMSTEAD	10.00	\$ 3,300.00	\$ 33,000
TOTAL	392.85	\$ 2,765.27	\$ 1,086,336	TOTAL	2,563.47	\$ 1,157.86	\$ 2,968,134
LAND ADJUSMENT			(\$ 1,607)				
<b>SALE #5</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	
<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>	<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>
NATIVE RANGE	-	\$ 500.00	\$ -	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	-	\$ 3,000.00	\$ -	IRRIGATED CROP	362.03	\$ 3,000.00	\$ 1,086,090
DRY CROPLAND	467.04	\$ 1,600.00	\$ 747,264	DRY CROPLAND	743.56	\$ 1,600.00	\$ 1,189,696
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
WASTE	7.47	\$ -	\$ -	WASTE	-	\$ -	\$ -
FARMSTEAD	-	\$ 3,000.00	\$ -	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	474.51	\$ 1,574.81	\$ 747,264	TOTAL	2,563.47	\$ 1,246.16	\$ 3,194,486
LAND ADJUSMENT			(\$ 329)				
<b>SALE #6</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	
<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>	<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>
NATIVE RANGE	310.00	\$ 350.00	\$ 108,500	NATIVE RANGE	1,081.75	\$ 350.00	\$ 378,613
IRRIGATED CROP	344.56	\$ 1,635.00	\$ 563,356	IRRIGATED CROP	362.03	\$ 1,635.00	\$ 591,919
DRY CROPLAND	223.00	\$ 935.00	\$ 208,505	DRY CROPLAND	743.56	\$ 935.00	\$ 695,229
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
HAYLAND	67.00	\$ 700.00	\$ 46,900	HAYLAND	-	\$ 700.00	\$ -
OTHER	50.02	\$ 150.00	\$ 7,503	OTHER	-	\$ 150.00	\$ -
FARMSTEAD	-	\$ 3,000.00	\$ -	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	994.58	\$ 939.86	\$ 934,764	TOTAL	2,563.47	\$ 797.19	\$ 2,043,584
LAND ADJUSMENT			(\$ 143)				
<b>SALE #7</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	
<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>	<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>
NATIVE RANGE	119.30	\$ 500.00	\$ 59,650	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	148.00	\$ 3,000.00	\$ 444,000	IRRIGATED CROP	362.03	\$ 3,000.00	\$ 1,086,090
DRY CROPLAND	354.00	\$ 960.00	\$ 339,840	DRY CROPLAND	743.56	\$ 960.00	\$ 713,818
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
WASTE	2.20	\$ -	\$ -	WASTE	-	\$ 0.00	\$ 0
	-	\$ -	\$ -	0	-	\$ 0.00	\$ 0
FARMSTEAD	7.50	\$ 3,000.00	\$ 22,500	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	631.00	\$ 1,372.41	\$ 865,990	TOTAL	2,563.47	\$ 1,060.52	\$ 2,718,607
LAND ADJUSMENT			(\$ 312)				
<b>SALE #8</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	

Category	Acres	Per Acre	Total	Category	Acres	Per Acre	Total
NATIVE RANGE	-	\$ 500.00	\$ -	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	157.00	\$ 2,200.00	\$ 345,400	IRRIGATED CROP	362.03	\$ 2,200.00	\$ 796,466
DRY CROPLAND	246.19	\$ 1,000.00	\$ 246,190	DRY CROPLAND	743.56	\$ 1,000.00	\$ 743,560
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
HAYLAND	125.98	\$ 850.00	\$ 107,083	HAYLAND	-	\$ 850.00	\$ -
IMPROVED PASTURE	134.40	\$ 750.000	\$ 100,800	IMPROVED PASTURE	-	\$ 750.000	\$ -
WASTE	2.29	\$ -	\$ -	WASTE	-	\$ -	\$ -
FARMSTEAD	-	\$ 3,000.00	\$ -	FARMSTEAD	10.00	\$ 3,000.00	\$ 30,000
TOTAL	665.86	\$ 1,200.66	\$ 799,473	TOTAL	2,563.47	\$ 959.14	\$ 2,458,726
LAND ADJUSMENT			(\$ 242)				
<b>SALE #9</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	
<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>	<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>
NATIVE RANGE	388.60	\$ 500.00	\$ 194,300	NATIVE RANGE	1,081.75	\$ 500.00	\$ 540,876
IRRIGATED CROP	-	\$ 3,000.00	\$ -	IRRIGATED CROP	362.03	\$ 3,000.00	\$ 1,086,090
DRY CROPLAND	2,505.10	\$ 850.00	\$ 2,129,335	DRY CROPLAND	743.56	\$ 850.00	\$ 632,026
CRP	282.12	\$ 700.00	\$ 197,484	CRP	366.13	\$ 700.00	\$ 256,291
WASTE	20.00	\$ -	\$ -	WASTE	-	\$ -	\$ -
FARMSTEAD	45.60	\$ 850.00	\$ 38,760	FARMSTEAD	10.00	\$ 850.00	\$ 8,500
TOTAL	3,241.42	\$ 789.74	\$ 2,559,879	TOTAL	2,563.47	\$ 984.52	\$ 2,523,783
LAND ADJUSMENT			\$ 195				
<b>SALE #10</b>	<b>Sale</b>	<b>Value</b>			<b>Subject</b>	<b>Value</b>	
<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>	<b>Category</b>	<b>Acres</b>	<b>Per Acre</b>	<b>Total</b>
NATIVE RANGE	325.42	\$ 750.00	\$ 244,065	NATIVE RANGE	1,081.75	\$ 750.00	\$ 811,314
IRRIGATED CROP	390.07	\$ 1,850.00	\$ 721,630	IRRIGATED CROP	362.03	\$ 1,850.00	\$ 669,756
DRY CROPLAND	-	\$ 1,000.00	\$ -	DRY CROPLAND	743.56	\$ 1,000.00	\$ 743,560
CRP	-	\$ 950.00	\$ -	CRP	366.13	\$ 950.00	\$ 347,824
	-	\$ -	\$ -		-	\$ -	\$ -
FARMSTEAD	4.51	\$ 1,850.00	\$ 8,344	FARMSTEAD	10.00	\$ 1,850.00	\$ 18,500
TOTAL	720.00	\$ 1,352.83	\$ 974,038	TOTAL	2,563.47	\$ 1,010.72	\$ 2,590,953
LAND ADJUSMENT			(\$ 342)				



# COMPARABLE SALES CAPITALIZATION RATE CALCULATIONS - LAND

SALE #1							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
GRAZING (AUMs)	-	-	-	\$ -	\$ -	0%	\$ -
DRY CROPLAND	456	40.0	18,224	\$ 5.50	\$ 100,232	25%	\$ 25,058
							\$ -
TOTAL INCOME							\$ 25,058
EXPENSES							
GROSS INCOME	\$ 25,058	TIMES	25%				\$ 6,265
NET INCOME							\$ 18,794
SALE PRICE							\$ 612,000
CAPITLIZATION RATE							3.1%
SALE #2							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
RANGELAND	3	1.0	3	\$ 23	\$ 66	100%	\$ 66
IRRIGATED CROPLAND	-	-	-	\$ -	\$ -	0%	\$ -
DRY CROPLAND	460	40.0	18,398	\$ 5.5	\$ 101,189	25%	\$ 25,297
							\$ -
TOTAL INCOME							\$ 25,363
EXPENSES							
GROSS INCOME	\$ 25,363	TIMES	25%				\$ 6,341
NET INCOME							\$ 19,023
SALE PRICE							\$ 594,150
CAPITLIZATION RATE							3.2%
SALE #3							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME

<b>INCOME</b>							
GRAZING (AUMs)	-	-	-	\$ -	\$ -	0%	\$ -
IRRIGATED CROPLAND	140	3.0	420	\$ 125	\$ 52,500	50%	\$ 26,250
DRY CROPLAND	179	40.0	7,178	\$ 5.5	\$ 39,481	25%	\$ 9,870
	-	-	-	\$ -	\$ -	0%	\$ -
TOTAL INCOME							\$ 36,120
<b>EXPENSES</b>							
GROSS INCOME	\$ 36,120	TIMES	25%				\$ 9,030
NET INCOME							\$ 27,090
SALE PRICE							\$ 475,000
CAPITLIZATION RATE							5.7%
<b>SALE #4</b>							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
RANGELAND	10	1.0	10	\$ 20	\$ 208	100%	\$ 208
IRRIGATED CROPLAND	305	3.0	915	\$ 125	\$ 114,375	50%	\$ 57,188
DRY CROPLAND	21	40.0	852	\$ 5.5	\$ 4,687	25%	\$ 1,172
		-	-	\$ -	\$ -	0%	\$ -
		-	-	\$ -	\$ -	0%	\$ -
TOTAL INCOME							\$ 58,567.13
<b>EXPENSES</b>							
GROSS INCOME	\$ 58,567	TIMES	25%				\$ 14,642
NET INCOME							\$ 43,925
SALE PRICE							\$ 1,200,000
CAPITLIZATION RATE							3.7%
<b>SALE #5</b>							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
DRY CROPLAND	313	40.0	12,517	\$ 5.5	\$ 68,842	25%	\$ 17,210
	-	-	-	\$ -	\$ -	0%	\$ -
		-	-	\$ -	\$ -	0%	\$ -



		-	-	\$ -	\$ -	0%	\$ -
TOTAL INCOME							\$ 17,210
EXPENSES							
GROSS INCOME	\$ 17,210	TIMES	25%				\$ 4,303
NET INCOME							\$ 12,908
SALE PRICE							\$ 747,264
CAPITLIZATION RATE							1.7%

SALE #6							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
GRAZING (AUMs)	78	1.0	78	\$ 20	\$ 1,550	100%	\$ 1,550
IRRIGATED CROPLAND	345	3.0	1,034	\$ 125	\$ 129,210	50%	\$ 64,605
DRY CROPLAND	149	40.0	5,976	\$ 5.5	\$ 32,870	25%	\$ 8,218
HAYLAND	67	1.0	67	\$ 125	\$ 8,375	50%	\$ 4,188
TOTAL INCOME							\$ 78,560
EXPENSES							
GROSS INCOME	\$ 78,560	TIMES	25%				\$ 19,640
NET INCOME							\$ 58,920
SALE PRICE							\$ 935,000
CAPITLIZATION RATE							6.3%

SALE #7							
			TOTAL		GROSS		NET
LAND USE	ACRES	YIELD	YIELD	VALUE	INCOME	SHARE	INCOME
INCOME							
GRAZING (AUMs)	30	1.0	30	\$ 20	\$ 597	100%	\$ 597
IRRIGATED CROPLAND	148	3.0	444	\$ 125	\$ 55,500	50%	\$ 27,750
DRY CROPLAND	237	40.0	9,487	\$ 5.5	\$ 52,180	25%	\$ 13,045
			-	\$ -	\$ -	0%	\$ -
TOTAL INCOME							\$ 41,391
EXPENSES							
GROSS INCOME	\$ 41,391	TIMES	25%				\$ 10,348





			<b>TOTAL</b>		<b>GROSS</b>		<b>NET</b>
<b>LAND USE</b>	<b>ACRES</b>	<b>YIELD</b>	<b>YIELD</b>	<b>VALUE</b>	<b>INCOME</b>	<b>SHARE</b>	<b>INCOME</b>
<b>INCOME</b>							
GRAZING (AUMs)	81	1.0	81	\$ 20	\$ 1,627	100%	\$ 1,627
IRRIGATED CROPLAND	390	3.0	1,170	\$ 125	\$ 146,276	50%	\$ 73,138
	-	-	-	\$ -	\$ -	0%	\$ -
	-	-	-	\$ -	\$ -	0%	\$ -
TOTAL INCOME							\$ 74,765
<b>EXPENSES</b>							
GROSS INCOME	\$ 74,765	TIMES	25%				\$ 18,691
<b>NET INCOME</b>							<b>\$ 56,074</b>
SALE PRICE							\$ 1,200,000
CAPITLIZATION RATE							4.7%



## DNRC Water Right Query System

Water Right	WR Type	Status	Purpose	Priority Date yyymmdd(hhmm)	Src	Src Name	Means of Diversion	Owner	Flow Rate	Volume	Acres	Doc Image	Div Count & map	Use Count & map	Irr Count & map	Res Count & map	Issue Remarks
41P 161219 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19210701	S	UNNAMED TRIBUTARY OF SCHULTZ COULEE	LIVESTOCK DIRECT FROM SOURCE	SEIFERT DALE J				View	2	2			
41P 161220 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19201231	G	GROUNDWATER WELL		SEIFERT DALE J	50.00 GPM			View	1	1			Yes
41P 161221 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19210430	S	SCHULTZ COULEE	LIVESTOCK DIRECT FROM SOURCE	SEIFERT DALE J				View	6	6			
41P 161222 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19210430	S	MARIAS RIVER	LIVESTOCK DIRECT FROM SOURCE	SEIFERT DALE J				View	2	2			
41P 161223 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19211231	S	SPRING, UNNAMED TRIBUTARY OF SCHULTZ COULEE	LIVESTOCK DIRECT FROM SOURCE	SEIFERT DALE J				View	1	1			
41P 161224 00 A	STATEMENT OF CLAIM	ACTV	STOCK	19520731	G	GROUNDWATER WELL		SEIFERT DALE J	50.00 GPM			View	1	2			Yes
41P 161225 00 A	STATEMENT OF CLAIM	ACTV	MULTIPLE DOMESTIC	19491231	G	GROUNDWATER WELL		SEIFERT DALE J	50.00 GPM	12.78	3	View	1	1			Yes
41P 161226 00 A	STATEMENT OF CLAIM	ACTV	MULTIPLE DOMESTIC	19520731	G	GROUNDWATER WELL		SEIFERT DALE J	50.00 GPM	12.78	3	View	1	1			Yes
41P 161227 00 A	STATEMENT OF CLAIM	ACTV	IRRIGATION	19720603	S	SCHULTZ COULEE	PUMP	SEIFERT DALE J	850.00 GPM		13.36	View	1	3	3		Yes
41P 161228 00 A	STATEMENT OF CLAIM	ACTV	IRRIGATION	19220531	S	WASTE & SEEPAGE, UNNAMED TRIBUTARY OF SCHULTZ COULEE	HEADGATE	SEIFERT DALE J	5.00 CFS		200	View	1	3	3		Yes
41P 161229 00 A	STATEMENT OF CLAIM	ACTV	IRRIGATION	19720620	S	SCHULTZ COULEE	PUMP	SEIFERT DALE J	1.89 CFS		31.60	View	1	3	3		Yes
41P 161230 00 A	STATEMENT OF CLAIM	ACTV	IRRIGATION	19720610	S	SCHULTZ COULEE	PUMP	SEIFERT DALE J	850.00 GPM		40	View	1	4	4		Yes
41P 30014606 A	EXEMPT NOTICE	ACTV	STOCK	19030101	S	UNNAMED TRIBUTARY OF SCHULTZ COULEE	LIVESTOCK DIRECT FROM SOURCE	SEIFERT DALE J		3.40		View	3	3			



Montana

Pondera

Report ID: FSA-156EZ

U.S. Department of Agriculture

Farm Service Agency

## Abbreviated 156 Farm Record

FARM: 4198

Prepared: 3/25/15 2:50 PM

Crop Year: 2015

Page: 1 of 5

DISCLAIMER: This is data extracted from the web farm database. Because of potential messaging failures in MIDAS, this data is not guaranteed to be an accurate and complete representation of data contained in the MIDAS system, which is the system of record for Farm Records.

Operator Name

CURRY CATTLE INC

Farm Identifier

Recon Number

Farms Associated with Operator:

2012 30073 116

3606, 3891, 3945

CRP Contract Number(s): 1130A, 1131A, 1132A, 1133A, 10021A

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP	Farm Status	Number of Tracts
2503.55	1471.68	1471.68	0.0	0.0	401.12	0.0	Active	8
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP			FAV/WR History	
0.0	0.0	1070.56	0.0	0.0			N	

Crop	Base Acreage	Direct Yield	CC Yield	CCC-505 CRP Reduction
WHEAT	640.9	38	38	0.0
BARLEY	265.1	42	42	0.0
Total Base Acres:	906.0			

Tract Number: 21

Description: SEC33/31N/R3W

BIA Range Unit Number:

FAV/WR History  
N

HEL Status: HEL: conservation system is being actively applied

Wetland Status: Wetland determinations not complete

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
282.69	127.13	127.13	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP		
0.0	0.0	127.13	0.0	0.0		

Crop	Base Acreage	Direct Yield	CC Yield	CCC-505 CRP Reduction
WHEAT	72.8	38	38	0.0
BARLEY	30.8	42	42	0.0
Total Base Acres:	103.6			

Owners: LEE S SEIFERT  
DALE SEIFERT  
DONALD F SEIFERT

CHERYL S CURRY  
SANDRA L STARBUCK REVOCABLE TRUST

Other Producers: None

Montana

Pondera

Report ID: FSA-156EZ

U.S. Department of Agriculture

Farm Service Agency

## Abbreviated 156 Farm Record

FARM: 4198

Prepared: 3/25/15 2:50 PM

Crop Year: 2015

Page: 3 of 5

DISCLAIMER: This is data extracted from the web farm database. Because of potential messaging failures in MIDAS, this data is not guaranteed to be an accurate and complete representation of data contained in the MIDAS system, which is the system of record for Farm Records.

Tract Number: 5775 Description: SEC5/30N/R3W

BIA Range Unit Number:

FAV/WR  
History

HEL Status: HEL: conservation system is being actively applied

N

Wetland Status: Wetland determinations not complete

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
483.27	287.69	287.69	0.0	0.0	25.8	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP		
0.0	0.0	261.89	0.0	0.0		

Crop	Base Acreage	Direct Yield	CC Yield	CCC-505 CRP Reduction
WHEAT	162.8	38	38	0.0
BARLEY	69.1	42	42	0.0
Total Base Acres:	231.9			

Owners: LEE S SEIFERT  
DALE SEIFERT  
DONALD F SEIFERT

CHERYL S CURRY  
SANDRA L STARBUCK REVOCABLE TRUST

Other Producers: None

Tract Number: 5776 Description: SEC4/30N/R3W

BIA Range Unit Number:

FAV/WR  
History  
N

HEL Status: HEL: conservation system is being actively applied

Wetland Status: Wetland determinations not complete

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
554.83	289.06	289.06	0.0	0.0	0.0	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP		
0.0	0.0	289.06	0.0	0.0		

Crop	Base Acreage	Direct Yield	CC Yield	CCC-505 CRP Reduction
WHEAT	173.3	38	38	0.0
BARLEY	73.4	42	42	0.0
Total Base Acres:	246.7			

Owners: LEE S SEIFERT  
DALE SEIFERT  
DONALD F SEIFERT

CHERYL S CURRY  
SANDRA L STARBUCK REVOCABLE TRUST

Other Producers: None



Montana

Pondera

Report ID: FSA-156EZ

U.S. Department of Agriculture

Farm Service Agency

Abbreviated 156 Farm Record

FARM: 4198

Prepared: 3/25/15 2:50 PM

Crop Year: 2015

Page: 5 of 5

DISCLAIMER: This is data extracted from the web farm database. Because of potential messaging failures in MIDAS, this data is not guaranteed to be an accurate and complete representation of data contained in the MIDAS system, which is the system of record for Farm Records.

Tract Number: 9063

Description: SEC9/30N/R3W

BIA Range Unit Number:

FAV/WR  
History

N

HEL Status: HEL: conservation system is being actively applied

Wetland Status: Wetland determinations not complete

WL Violations: None

Farmland	Cropland	DCP Cropland	WBP	WRP/EWP	CRP Cropland	GRP
407.36	133.54	133.54	0.0	0.0	121.2	0.0
State Conservation	Other Conservation	Effective DCP Cropland	Double Cropped	MPL/FWP		
0.0	0.0	12.34	0.0	0.0		

Crop	Base Acreage	Direct Yield	CC Yield	CCC-505 CRP Reduction
WHEAT	0.5	38	38	0.0

Total Base Acres: 0.5

Owners: LEE S SEIFERT  
DALE SEIFERT  
DONALD F SEIFERT

CHERYL S CURRY  
SANDRA L STARBUCK REVOCABLE TRUST

Other Producers: None

Expired

CRP-1 (03-26-04)	U.S. Department of Agriculture Commodity Credit Corporation	1. ST. & CO. CODE & ADMIN. LOCATION 30-073	2. SIGN-UP NUMBER 18
<b>CONSERVATION RESERVE PROGRAM CONTRACT</b>		3. CONTRACT NUMBER 782B	4. ACRES FOR ENROLLMENT 35.0
NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.		5. FARM NUMBER 4198	6. TRACT NUMBER(S) T 479
7. COUNTY OFFICE ADDRESS (Include Zip Code): Pondera County FSA 406 N Main Conrad, MT 59425		8. OFFER (Select one) GENERAL <input checked="" type="checkbox"/> Y ENVIRONMENTAL PRIORITY <input type="checkbox"/>	9. CONTRACT PERIOD FROM: (MM-DD-YYYY) 1-Oct TO: (MM-DD-YYYY) 30-Sep
TELEPHONE NUMBER (include Area Code) 406-278-7611		1999	2014

THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1; CRP-1 Appendix and any addendum thereto; CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.

10A. Rental Rate Per Acre B. Annual Contract Payment C. First Year Payment (Item 10C applicable only to continuous signup when the first year payment is prorated.)	\$47.00 \$1,645 \$	11. Identification of CRP Land (See Page 2 for additional space)				
		A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share
		479	3	CP 25	17.3	\$0
		479	1,2	CP 10	17.7	\$0

12. PARTICIPANTS	
A(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Curry Cattle Inc 130 Curry Rd Valier, MT 59486	(2) SHARE 16.67% \$274
(3) SOCIAL SECURITY NUMBER: 0	(4) SIGNATURE Curry Cattle Inc Cheryl Curry Sec (If more than three individuals are signing, continue on attachment.)
B(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Cheryl Curry 130 Curry Rd Valier, MT 59486	(2) SHARE 16.67% \$274
(3) SOCIAL SECURITY NUMBER: 514-62-8905	(4) SIGNATURE Cheryl Curry (If more than three individuals are signing, continue on attachment.)
C(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Dale Seifert 509 Blue Heron Rd Valier, MT 59486	(2) SHARE 16.67% 274
(3) SOCIAL SECURITY NUMBER: (If more than three individuals are signing, continue on attachment.)	(4) SIGNATURE Dale Seifert (If more than three individuals are signing, continue on attachment.)
13. CCC USE ONLY - Payments according to shares are approved	A. SIGNATURE OF CCC REPRESENTATIVE (Signature) DATE (MM-DD-YYYY) 7/31/12

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue Code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.



This form is available electronically.

<b>CRP-1</b> <b>(03-26-04)</b> <b>U.S. Department of Agriculture</b> <b>Commodity Credit Corporation</b> <b>CONSERVATION RESERVE PROGRAM CONTRACT</b>  <small>NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</small>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> <b>1. ST. &amp; CO. LOCATION</b>   <div style="text-align: center;">30-073</div> </td> <td style="width:50%; vertical-align: top;"> <b>2. SIGN-UP NUMBER</b>   <div style="text-align: center;">35</div> </td> </tr> <tr> <td style="vertical-align: top;"> <b>3. CONTRACT NUMBER</b>   <div style="text-align: center;">1131A</div> </td> <td style="vertical-align: top;"> <b>4. ACRES FOR ENROLLMENT</b>   <div style="text-align: center;">25.8</div> </td> </tr> <tr> <td style="vertical-align: top;"> <b>5. FARM NUMBER</b>   <div style="text-align: center;">4198</div> </td> <td style="vertical-align: top;"> <b>6. TRACT NUMBER(S)</b>   <div style="text-align: center;">T 5775</div> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> <b>8. OFFER (Select one)</b>   GENERAL <input type="checkbox"/>  ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/> </td> <td style="width:50%; vertical-align: top;"> <b>9. CONTRACT PERIOD</b>  FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div>  TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <div style="text-align: center;">2007      2017</div> </td> </tr> </table> </td> </tr> </table>		<b>1. ST. &amp; CO. LOCATION</b>  <div style="text-align: center;">30-073</div>	<b>2. SIGN-UP NUMBER</b>  <div style="text-align: center;">35</div>	<b>3. CONTRACT NUMBER</b>  <div style="text-align: center;">1131A</div>	<b>4. ACRES FOR ENROLLMENT</b>  <div style="text-align: center;">25.8</div>	<b>5. FARM NUMBER</b>  <div style="text-align: center;">4198</div>	<b>6. TRACT NUMBER(S)</b>  <div style="text-align: center;">T 5775</div>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> <b>8. OFFER (Select one)</b>   GENERAL <input type="checkbox"/>  ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/> </td> <td style="width:50%; vertical-align: top;"> <b>9. CONTRACT PERIOD</b>  FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div>  TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <div style="text-align: center;">2007      2017</div> </td> </tr> </table>		<b>8. OFFER (Select one)</b>  GENERAL <input type="checkbox"/> ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/>	<b>9. CONTRACT PERIOD</b> FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div> TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div>	<div style="text-align: center;">2007      2017</div>									
<b>1. ST. &amp; CO. LOCATION</b>  <div style="text-align: center;">30-073</div>	<b>2. SIGN-UP NUMBER</b>  <div style="text-align: center;">35</div>																						
<b>3. CONTRACT NUMBER</b>  <div style="text-align: center;">1131A</div>	<b>4. ACRES FOR ENROLLMENT</b>  <div style="text-align: center;">25.8</div>																						
<b>5. FARM NUMBER</b>  <div style="text-align: center;">4198</div>	<b>6. TRACT NUMBER(S)</b>  <div style="text-align: center;">T 5775</div>																						
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> <b>8. OFFER (Select one)</b>   GENERAL <input type="checkbox"/>  ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/> </td> <td style="width:50%; vertical-align: top;"> <b>9. CONTRACT PERIOD</b>  FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div>  TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div> </td> </tr> <tr> <td colspan="2" style="vertical-align: top;"> <div style="text-align: center;">2007      2017</div> </td> </tr> </table>		<b>8. OFFER (Select one)</b>  GENERAL <input type="checkbox"/> ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/>	<b>9. CONTRACT PERIOD</b> FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div> TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div>	<div style="text-align: center;">2007      2017</div>																			
<b>8. OFFER (Select one)</b>  GENERAL <input type="checkbox"/> ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/>	<b>9. CONTRACT PERIOD</b> FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div> TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div>																						
<div style="text-align: center;">2007      2017</div>																							
<b>7. COUNTY OFFICE ADDRESS (Include Zip Code):</b>  Pondera County FSA 406 N Main Conrad, MT 59425  <b>TELEPHONE NUMBER (include Area Code)</b> <div style="text-align: center;">406-278-7611</div>																							
<small>THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1; CRP-1 Appendix and any addendum thereto; CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.</small>																							
<b>10A. Rental Rate Per Acre</b> <div style="text-align: right;">\$31.34</div> <b>B. Annual Contract Payment</b> <div style="text-align: right;">\$809</div> <b>C. First Year Payment</b> <div style="text-align: right;">\$</div> <small>(Item 10C applicable only to continuous signup when the first year payment is prorated.)</small>		<b>11. Identification of CRP Land (See Page 2 for additional space)</b> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:10%;">A. Tract No.</th> <th style="width:10%;">B. Field No.</th> <th style="width:10%;">C. Practice No.</th> <th style="width:10%;">D. Acres</th> <th style="width:10%;">E. Total Estimated Cost-Share</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5775</td> <td style="text-align: center;">6, 10</td> <td style="text-align: center;">CP 18B</td> <td style="text-align: center;">25.8</td> <td style="text-align: center;">\$206</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share	5775	6, 10	CP 18B	25.8	\$206										
A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share																			
5775	6, 10	CP 18B	25.8	\$206																			
<b>12. PARTICIPANTS</b>  <b>A(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):</b> Curry Cattle Inc 130 Curry Rd Valier, MT 59486		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; vertical-align: top;"> <b>(2) SHARE</b>   16.67%  \$135 </td> <td style="width:60%; vertical-align: top;"> <b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">0</div>  <b>(4) SIGNATURE</b>  <div style="text-align: center;">Curry Cattle Inc Cheryl Curry Sec</div> <small>(If more than three individuals are signing, continue on attachment.)</small> </td> <td style="width:30%; vertical-align: top;"> <b>DATE (MM-DD-YYYY)</b>  <div style="text-align: center;">07-05-2012</div> </td> </tr> </table>		<b>(2) SHARE</b>  16.67% \$135	<b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">0</div> <b>(4) SIGNATURE</b> <div style="text-align: center;">Curry Cattle Inc Cheryl Curry Sec</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">07-05-2012</div>																	
<b>(2) SHARE</b>  16.67% \$135	<b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">0</div> <b>(4) SIGNATURE</b> <div style="text-align: center;">Curry Cattle Inc Cheryl Curry Sec</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">07-05-2012</div>																					
<b>B(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):</b> Cheryl Curry 130 Curry Rd Valier, MT 59486		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; vertical-align: top;"> <b>(2) SHARE</b>   16.67%  \$135 </td> <td style="width:60%; vertical-align: top;"> <b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">516-62-8905</div>  <b>(4) SIGNATURE</b>  <div style="text-align: center;">Cheryl Curry</div> <small>(If more than three individuals are signing, continue on attachment.)</small> </td> <td style="width:30%; vertical-align: top;"> <b>DATE (MM-DD-YYYY)</b>  <div style="text-align: center;">07-05-2012</div> </td> </tr> </table>		<b>(2) SHARE</b>  16.67% \$135	<b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">516-62-8905</div> <b>(4) SIGNATURE</b> <div style="text-align: center;">Cheryl Curry</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">07-05-2012</div>																	
<b>(2) SHARE</b>  16.67% \$135	<b>(3) SOCIAL SECURITY NUMBER:</b> <div style="text-align: center;">516-62-8905</div> <b>(4) SIGNATURE</b> <div style="text-align: center;">Cheryl Curry</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">07-05-2012</div>																					
<b>C(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):</b> Dale Seifert 509 Blue Heron Rd Valier, MT 59486 <small>(If more than three individuals are signing, continue on attachment.)</small>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; vertical-align: top;"> <b>(2) SHARE</b>   16.67%  135 </td> <td style="width:60%; vertical-align: top;"> <b>(3) SOCIAL SECURITY NUMBER:</b>  <b>(4) SIGNATURE</b>  <div style="text-align: center;">Dale Seifert</div> <small>(If more than three individuals are signing, continue on attachment.)</small> </td> <td style="width:30%; vertical-align: top;"> <b>DATE (MM-DD-YYYY)</b>  <div style="text-align: center;">7/13/12</div> </td> </tr> </table>		<b>(2) SHARE</b>  16.67% 135	<b>(3) SOCIAL SECURITY NUMBER:</b> <b>(4) SIGNATURE</b> <div style="text-align: center;">Dale Seifert</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">7/13/12</div>																	
<b>(2) SHARE</b>  16.67% 135	<b>(3) SOCIAL SECURITY NUMBER:</b> <b>(4) SIGNATURE</b> <div style="text-align: center;">Dale Seifert</div> <small>(If more than three individuals are signing, continue on attachment.)</small>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">7/13/12</div>																					
<b>13. CCC USE ONLY - Payments according to shares are approved</b>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; vertical-align: top;"> <b>A. SIGNATURE OF CCC REPRESENTATIVE</b>  <div style="text-align: center;">[Signature]</div> </td> <td style="width:40%; vertical-align: top;"> <b>DATE (MM-DD-YYYY)</b>  <div style="text-align: center;">7/31/12</div> </td> </tr> </table>		<b>A. SIGNATURE OF CCC REPRESENTATIVE</b> <div style="text-align: center;">[Signature]</div>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">7/31/12</div>																		
<b>A. SIGNATURE OF CCC REPRESENTATIVE</b> <div style="text-align: center;">[Signature]</div>	<b>DATE (MM-DD-YYYY)</b> <div style="text-align: center;">7/31/12</div>																						
<small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue Code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small>																							

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

1 Original - County Office Copy

1 Owner's Copy

1 Operator's Copy



<b>CRP-1</b> (07-23-10) <b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation <b>CONSERVATION RESERVE PROGRAM CONTRACT</b> <small>NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</small>		1. ST. & CO. CODE & ADMIN. LOCATION 30073 2. SIGN-UP NUMBER 41 3. CONTRACT NUMBER 10021A 4. ACRES FOR ENROLLMENT 9.4 5. FARM NUMBER 0004198 6. TRACT NUMBER(S) 0005777 8. OFFER (Select one) GENERAL <input checked="" type="checkbox"/> FROM: (MM-DD-YYYY) 10/01/2011 ENVIRONMENTAL PRIORITY <input type="checkbox"/> TO: (MM-DD-YYYY) 09/30/2021																					
7. COUNTY OFFICE ADDRESS (Include Zip Code): PONDERA COUNTY FARM SERVICE AGENCY 406 N MAIN ST CONRAD, MT 59425-2706 TELEPHONE NUMBER (Include Area Code): (406)278-7611 x2																							
<small>THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1, CRP-1 Appendix and any addendum thereto, CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.</small>																							
10A. Rental Rate Per Acre \$31.00 B. Annual Contract Payment \$291 C. First Year Payment (Item 10C applicable only to continuous signup when the first year payment is prorated.)		11. Identification of CRP Land <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>A. Tract No.</th> <th>B. Field No.</th> <th>C. Practice No.</th> <th>D. Acres</th> <th>E. Total Estimated Cost-Share</th> </tr> </thead> <tbody> <tr> <td>0005777</td> <td>0001</td> <td>CP1</td> <td>9.4</td> <td>\$169.00</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share	0005777	0001	CP1	9.4	\$169.00										
A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share																			
0005777	0001	CP1	9.4	\$169.00																			
12. PARTICIPANTS A(1). PARTICIPANTS NAME AND ADDRESS (Zip Code): DALE SEIFERT 509 BLUE HERON LN VALIER, MT 59486-5162 (If more than three individuals are signing, continue on attachment.)		(2) SHARE 20.00% (3) SOCIAL SECURITY NUMBER: (4) SIGNATURE <i>Dale Seifert</i> (MM-DD-YYYY) 7/13/12 <small>(If more than three individuals are signing, continue on attachment.)</small>																					
B(1). PARTICIPANTS NAME AND ADDRESS (Zip Code): LEE S SEIFERT PO BOX 772 CUT BANK, MT 59427-0772		(2) SHARE 20.00% (3) SOCIAL SECURITY NUMBER: (4) SIGNATURE <i>Lee S Seifert</i> (MM-DD-YYYY) 7-73-12 <small>(If more than three individuals are signing, continue on attachment.)</small>																					
C(1). PARTICIPANTS NAME AND ADDRESS (Zip Code): CURRY CATTLE INC 130 CURRY RD VALIER, MT 59486-5338 (If more than three individuals are signing, continue on attachment.)		(2) SHARE 0.00% (3) SOCIAL SECURITY NUMBER: (4) SIGNATURE <i>Curry Cattle Inc</i> (MM-DD-YYYY) 07-05-2012 <small>(If more than three individuals are signing, continue on attachment.)</small>																					
13. CCC USE ONLY - Payments according to the shares are approved		A. SIGNATURE OF CCC REPRESENTATIVE <i>[Signature]</i> (MM-DD-YYYY) 7/31/12																					
<small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program contract, to assist in determining eligibility and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law Enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</small>																							
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital and family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tapes etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 325-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</small>																							
<input type="checkbox"/> Original - County Office Copy <input type="checkbox"/> Owner's Copy <input type="checkbox"/> Operator's Copy																							



## Continuation of Item 12 - PARTICIPANTS

D(1).	SANDRA L STARBUCK REVOCABLE TRUST PO BOX 1107 ANACORTES, WA 98221-6107	(2) SHARE 20.00%	517-66-8061 by Sandra L Starbuck, Trustee (MM/DD/YYYY) 7-15-12
E(1).	CHERYL S CURRY 130 CURRY RD VALIER, MT 59485-5338	(2) SHARE 20.00%	516-62-8905 Cheryl S Curry (MM/DD/YYYY) 07-05-2012
F(1).	DONALD F SEIFERT 5700 FOWLER LN BOZEMAN, MT 59716-7850	(2) SHARE 20.00%	517-66-9091 D F Seifert (MM/DD/YYYY) 07-20-2012
G(1).		(2) SHARE %	
		(2) SHARE %	

This form is available electronically.

<b>CRP-1</b> (03-26-04) <b>U.S. Department of Agriculture</b> <b>Commodity Credit Corporation</b> <b>CONSERVATION RESERVE PROGRAM CONTRACT</b> <small>NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</small>		1. STATE & COUNTY & ADMIN. LOCATION		2. SIGN-UP NUMBER		
		30-073		35		
		3. CONTRACT NUMBER		4. ACRES FOR ENROLLMENT		
		1132A		41.5		
7. COUNTY OFFICE ADDRESS (Include Zip Code): Pondera County FSA 406 N Main Conrad, MT 59425  TELEPHONE NUMBER (include Area Code) 406-278-7611		5. FARM NUMBER		6. TRACT NUMBER(S)		
		4198		T 5777		
		8. OFFER (Select one)		9. CONTRACT PERIOD		
		GENERAL <input type="checkbox"/> ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/>		FROM: (MM-DD-YYYY) 1-Oct TO: (MM-DD-YYYY) 30-Sep 2007 2017		
<small>THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1; CRP-1 Appendix and any addendum thereto; CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.</small>						
10A. Rental Rate Per Acre \$32.31 B. Annual Contract Payment \$1,341 C. First Year Payment \$ <small>(Item 10C applicable only to continuous signup when the first year payment is prorated.)</small>		11. Identification of CRP Land (See Page 2 for additional space)				
		A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share
		5777	5, 12	CR 18B	41.5	\$332
12. PARTICIPANTS						
A(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):		(2) SHARE	(3) SOCIAL SECURITY NUMBER:			
Curry Cattle Inc		16.67% \$224	(4) SIGNATURE			
130 Curry Rd			Curry Cattle Inc			
Valier, MT 59486			DATE (MM-DD-YYYY)			
			07-05-2012			
B(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):		(2) SHARE	(3) SOCIAL SECURITY NUMBER:			
Cheryl Curry		16.67% \$224	(4) SIGNATURE			
130 Curry Rd			Cheryl Curry			
Valier, MT 59486			DATE (MM-DD-YYYY)			
			07-05-2012			
C(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code):		(2) SHARE	(3) SOCIAL SECURITY NUMBER:			
Dale Seifert		16.67% 224	(4) SIGNATURE			
509 Blue Heron Rd			Dale Seifert			
Valier, MT 59486			DATE (MM-DD-YYYY)			
(If more than three individuals are signing, continue on attachment.)			7/13/12			
13. CCC USE ONLY - Payments according to shares are approved		A. SIGNATURE OF CCC REPRESENTATIVE				DATE (MM-DD-YYYY)
		[Signature]				7/31/12
<small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue Code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small>						

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5954 (voice or TDD). USDA is an equal opportunity provider and employer.

1 Original - County Office Copy

1 Owner's Copy

1 Operator's Copy



This form is available electronically.

<b>CRP-1</b> (03-26-04) <b>U.S. Department of Agriculture</b> <b>Commodity Credit Corporation</b> <b>CONSERVATION RESERVE PROGRAM CONTRACT</b>		1. ST. & CO. CODE & ADMIN. LOCATION <div style="text-align: center;">30-073</div>		2. SIGN-UP NUMBER <div style="text-align: center;">35</div>																
NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.		3. CONTRACT NUMBER <div style="text-align: center;">1133A</div>		4. ACRES FOR ENROLLMENT <div style="text-align: center;">121.2</div>																
		5. FARM NUMBER <div style="text-align: center;">4198</div>		6. TRACT NUMBER(S) <div style="text-align: center;">T 9063</div>																
		7. COUNTY OFFICE ADDRESS (Include Zip Code): <div style="text-align: center;">1-PL</div> <div>Pondera County FSA 406 N Main Conrad, MT 59425</div>		8. OFFER (Select one) <div>           GENERAL <input type="checkbox"/> </div> <div>           ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/> Y         </div>		9. CONTRACT PERIOD FROM: (MM-DD-YYYY) 1-Oct TO: (MM-DD-YYYY) 30-Sep <div style="text-align: center;">2007 2017</div>														
TELEPHONE NUMBER (include Area Code) 406-278-7611																				
THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1; CRP-1 Appendix and any addendum thereto; CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.																				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="width:35%;">           10A. Rental Rate Per Acre \$31.85            B. Annual Contract Payment \$3,860            C. First Year Payment \$         </td> <td colspan="3" style="width:65%;">           11. Identification of CRP Land (See Page 2 for additional space)           <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">A. Tract No.</th> <th style="width:10%;">B. Field No.</th> <th style="width:10%;">C. Practice No.</th> <th style="width:10%;">D. Acres</th> <th style="width:10%;">E. Total Estimated Cost-Share</th> </tr> <tr> <td>9063</td> <td>1,3,4</td> <td>CP 18B</td> <td>121.2</td> <td>\$970</td> </tr> </table> </td> </tr> </table>						10A. Rental Rate Per Acre \$31.85 B. Annual Contract Payment \$3,860 C. First Year Payment \$		11. Identification of CRP Land (See Page 2 for additional space) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">A. Tract No.</th> <th style="width:10%;">B. Field No.</th> <th style="width:10%;">C. Practice No.</th> <th style="width:10%;">D. Acres</th> <th style="width:10%;">E. Total Estimated Cost-Share</th> </tr> <tr> <td>9063</td> <td>1,3,4</td> <td>CP 18B</td> <td>121.2</td> <td>\$970</td> </tr> </table>			A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share	9063	1,3,4	CP 18B	121.2	\$970
10A. Rental Rate Per Acre \$31.85 B. Annual Contract Payment \$3,860 C. First Year Payment \$		11. Identification of CRP Land (See Page 2 for additional space) <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:10%;">A. Tract No.</th> <th style="width:10%;">B. Field No.</th> <th style="width:10%;">C. Practice No.</th> <th style="width:10%;">D. Acres</th> <th style="width:10%;">E. Total Estimated Cost-Share</th> </tr> <tr> <td>9063</td> <td>1,3,4</td> <td>CP 18B</td> <td>121.2</td> <td>\$970</td> </tr> </table>			A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share	9063	1,3,4	CP 18B	121.2	\$970						
A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share																
9063	1,3,4	CP 18B	121.2	\$970																
12. PARTICIPANTS																				
A(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Curry Cattle Inc 130 Curry Rd Valier, MT 59486		(2) SHARE 16.67% \$643		(3) SOCIAL SECURITY NUMBER: 0 (4) SIGNATURE <i>Curry Cattle Inc</i> BY <i>Cheryl Curry Sec</i> (If more than three individuals are signing, continue on attachment.)																
B(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Cheryl Curry 130 Curry Rd Valier, MT 59486		(2) SHARE 16.67% \$643		(3) SOCIAL SECURITY NUMBER: 516-62-8905 (4) SIGNATURE <i>Cheryl Curry</i> By (If more than three individuals are signing, continue on attachment.)																
C(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Dale Seifert 509 Blue Heron Rd Valier, MT 59486 (If more than three individuals are signing, continue on attachment.)		(2) SHARE 16.67% \$643		(3) SOCIAL SECURITY NUMBER: (4) SIGNATURE <i>Dale Seifert</i> By (If more than three individuals are signing, continue on attachment.)																
13. CCC USE ONLY - Payments according to shares are approved		A. SIGNATURE OF CCC REPRESENTATIVE <i>[Signature]</i>		DATE (MM-DD-YYYY) 7/31/12																
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue Code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.																				

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5954 (voice or TDD). USDA is an equal opportunity provider and employer.

1 Original - County Office Copy

1 Owner's Copy

1 Operator's Copy



This form is available electronically.

<b>CRP-1</b> (03-26-04) <b>U.S. Department of Agriculture</b> <b>Commodity Credit Corporation</b> <b>CONSERVATION RESERVE PROGRAM CONTRACT</b> <small>NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 4 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</small>		1. ST. & CO. CODE & ADMIN. LOCATION <div style="text-align: center;">30-073</div>		2. SIGN-UP NUMBER <div style="text-align: center;">35</div>	
7. COUNTY OFFICE ADDRESS (Include Zip Code): <div style="text-align: center;">1-PL</div> Pondera County FSA 406 N Main Conrad, MT 59425  TELEPHONE NUMBER (include Area Code) <span style="float: right;">406-278-7611</span>		3. CONTRACT NUMBER <div style="text-align: center;">1130A</div>		4. ACRES FOR ENROLLMENT <div style="text-align: center;">168.2</div>	
		5. FARM NUMBER <div style="text-align: center;">4198</div>		6. TRACT NUMBER(S) <div style="text-align: center;">T 506</div>	
		8. OFFER (Select one)  GENERAL <input type="checkbox"/> ENVIRONMENTAL PRIORITY <input checked="" type="checkbox"/> Y		9. CONTRACT PERIOD FROM: (MM-DD-YYYY) <div style="text-align: center;">1-Oct</div> TO: (MM-DD-YYYY) <div style="text-align: center;">30-Sep</div>  <div style="display: flex; justify-content: space-between;"> <span>2007</span> <span>2017</span> </div>	

THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (who may be referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date the Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges that a copy of the Appendix for the applicable sign-up period has been provided to such person. Such person also agrees to pay such liquidated damages in an amount specified in the Appendix if the Participant withdraws prior to CCC acceptance or rejection. The terms and conditions of this contract are contained in this Form CRP-1 and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1; CRP-1 Appendix and any addendum thereto; CRP-2 or CRP-2C, if applicable; and, if applicable, CRP-15.

10A. Rental Rate Per Acre <div style="text-align: right;">\$33.62</div> B. Annual Contract Payment <div style="text-align: right;">\$5,655</div> C. First Year Payment <div style="text-align: right;">\$</div> <small>(Item 10C applicable only to continuous signup when the first year payment is prorated.)</small>		11. Identification of CRP Land (See Page 2 for additional space)				
		A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total Estimated Cost-Share
		506	1	CP 18B	168.2	\$1,346

12. PARTICIPANTS			
A(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Curry Cattle Inc 130 Curry Rd Valier, MT 59486	(2) SHARE  16.67% \$943	(3) SOCIAL SECURITY NUMBER: 0  (4) SIGNATURE <i>Curry Cattle Inc</i> BY <i>Cheryl Curry Sec</i> <small>(If more than three individuals are signing, continue on attachment.)</small>	DATE (MM-DD-YYYY) <div style="text-align: center;">07-05-2012</div>
B(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Cheryl Curry 130 Curry Rd Valier, MT 59486	(2) SHARE  16.67% \$943	(3) SOCIAL SECURITY NUMBER: 516-62-8905  (4) SIGNATURE <i>Cheryl Curry</i> By <small>(If more than three individuals are signing, continue on attachment.)</small>	DATE (MM-DD-YYYY) <div style="text-align: center;">07-05-2012</div>
C(1). PARTICIPANT'S NAME AND ADDRESS (Zip Code): Dale Seifert 509 Blue Heron Rd Valier, MT 59486 <small>(If more than three individuals are signing, continue on attachment.)</small>	(2) SHARE  16.67% 943	(3) SOCIAL SECURITY NUMBER:  (4) SIGNATURE <i>Dale Seifert</i> By <small>(If more than three individuals are signing, continue on attachment.)</small>	DATE (MM-DD-YYYY) <div style="text-align: center;">7/13/12</div>
13. CCC USE ONLY - Payments according to shares are approved		A. SIGNATURE OF CCC REPRESENTATIVE <i>[Signature]</i> DATE (MM-DD-YYYY) <div style="text-align: center;">7/31/12</div>	

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food Security Act of 1985, (Pub. L. 99-198), as amended and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and regulations promulgated at 7 CFR Part 1410 and the Internal Revenue Code (26 USC 6109). The information requested is necessary for CCC to consider and process the offer to enter into a Conservation Reserve Program Contract, to assist in determining eligibility, and to determine the correct parties to the contract. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for certain program benefits and other financial assistance administered by USDA agency. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 285, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiocassette, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

1 Original - County Office Copy

1 Owner's Copy

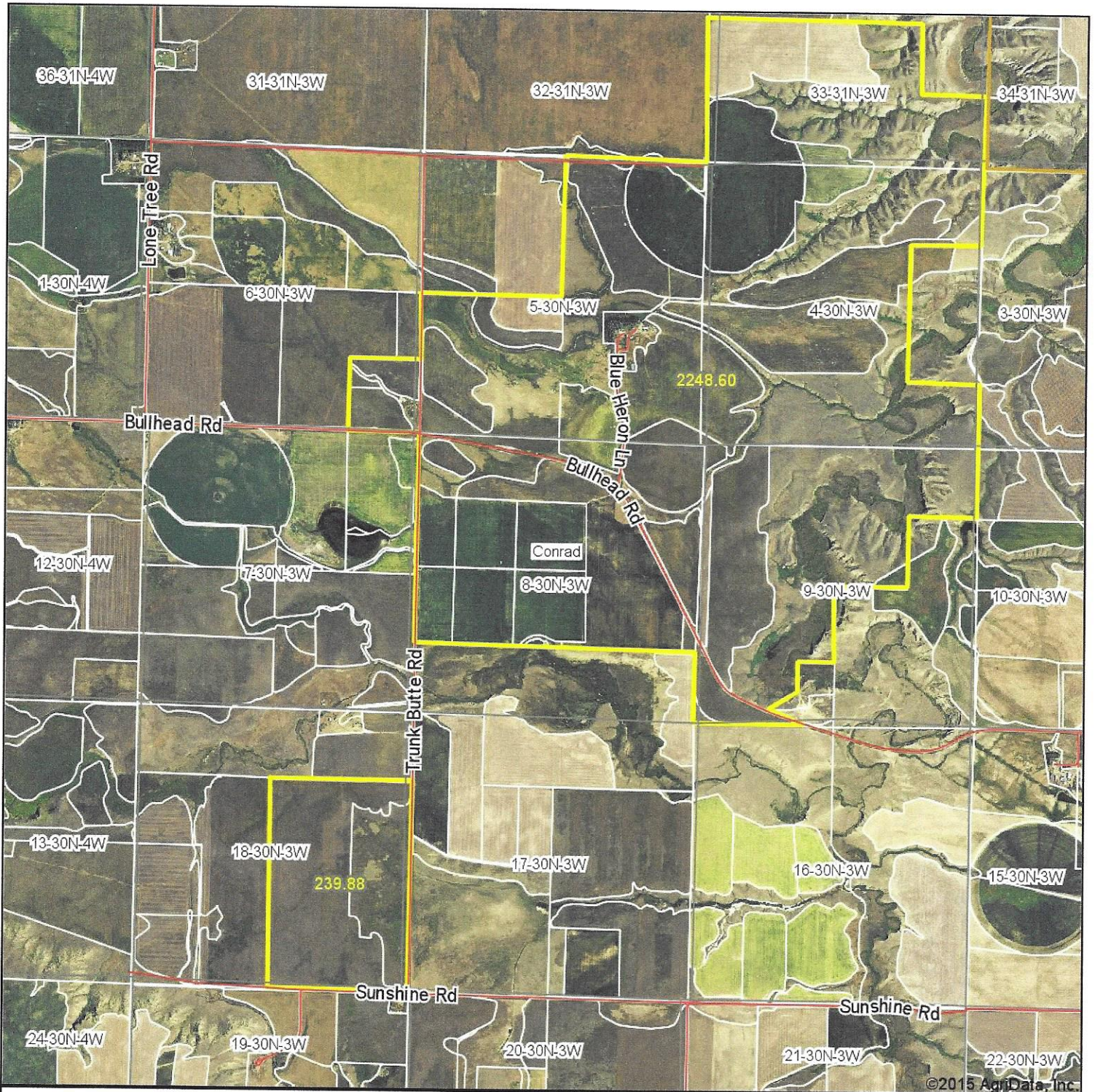
1 Operator's Copy







# Aerial Map

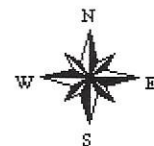


©2015 AgriData, Inc.

map center: 48° 22' 26.54, 112° 1' 27.66

scale: 33286

**8-30N-3W**  
**Pondera County**  
**Montana**



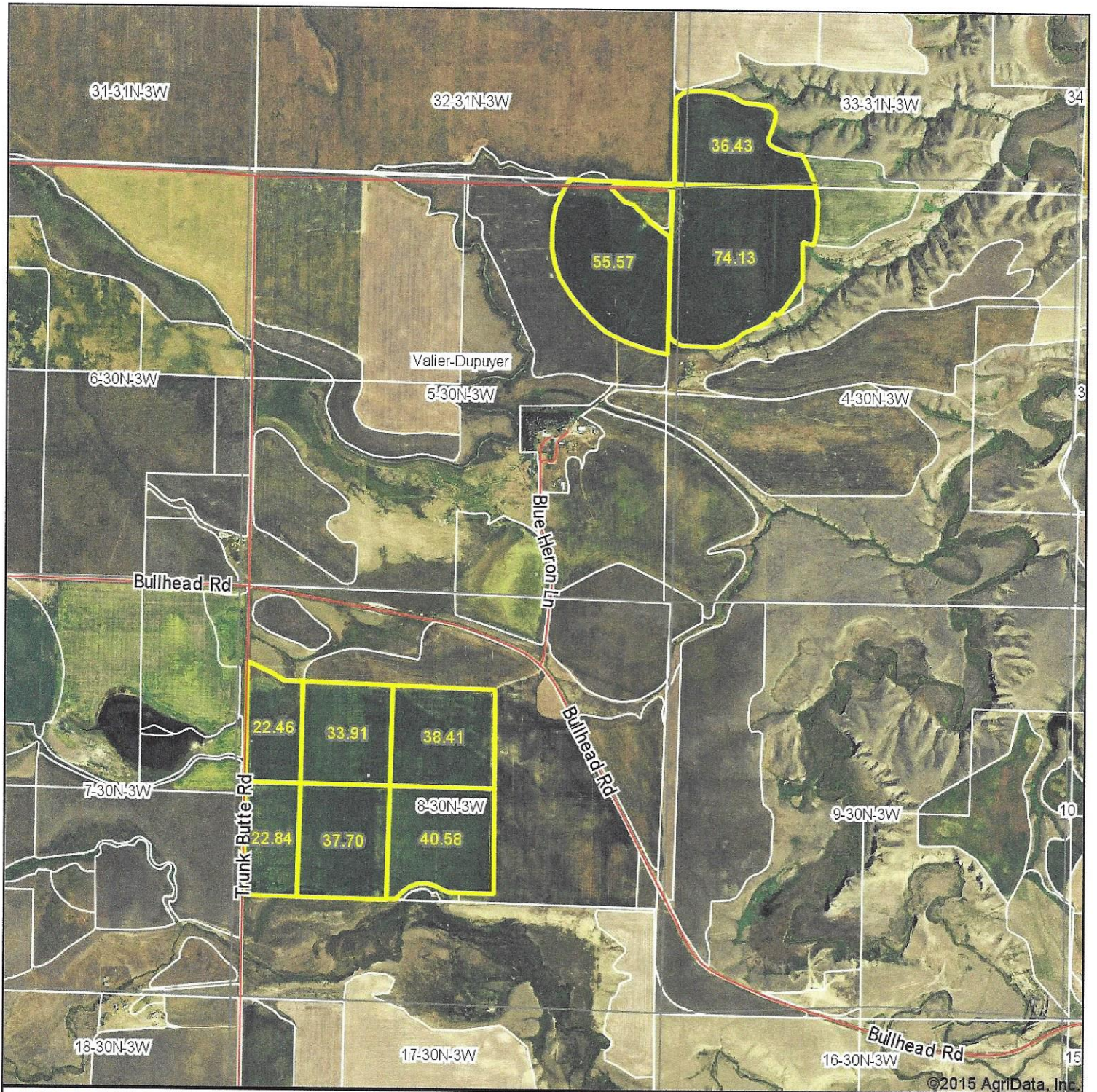
3/26/2015

Maps Provided By:  
**surety**  
CUSTOMIZED ONLINE MAPPING  
© AgriData, Inc. 2014 www.AgriDataInc.com

Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.



# Aerial Map

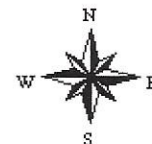


map center: 48° 22' 53.03, 112° 1' 7.36

scale: 22543

Maps Provided By:  
 **surety**  
 CUSTOMIZED ONLINE MAPPING  
 © AgriData, Inc. 2014 www.AgriDataInc.com

**5-30N-3W**  
**Pondera County**  
**Montana**

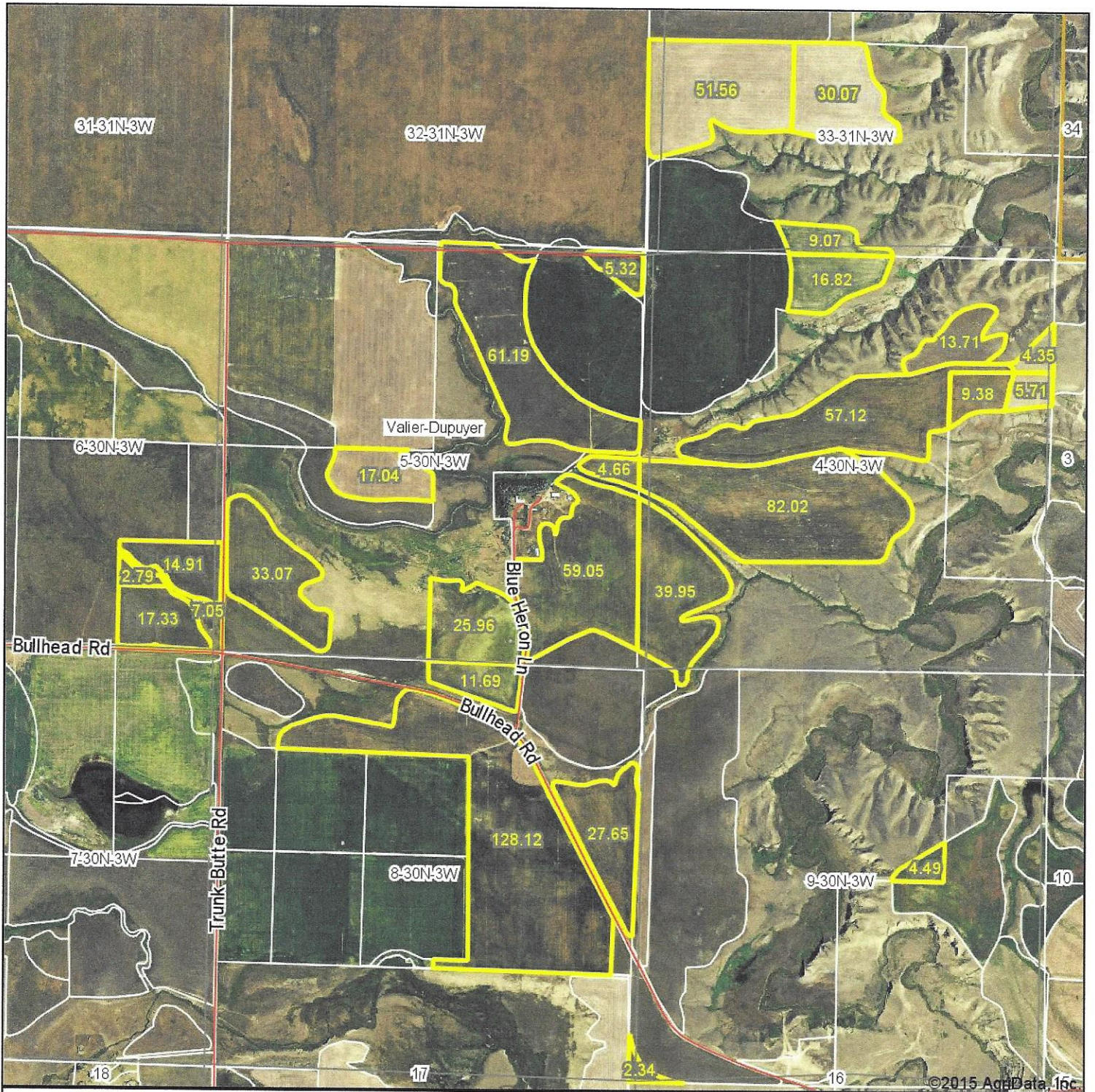


4/21/2015

Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.



# Aerial Map

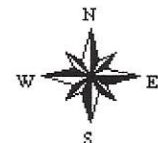


map center: 48° 23' 1.58, 112° 1' 2.69

scale: 22543

Maps Provided By:  
  
 © AgriData, Inc. 2014 www.AgriDataInc.com

**5-30N-3W**  
**Pondera County**  
**Montana**



4/21/2015

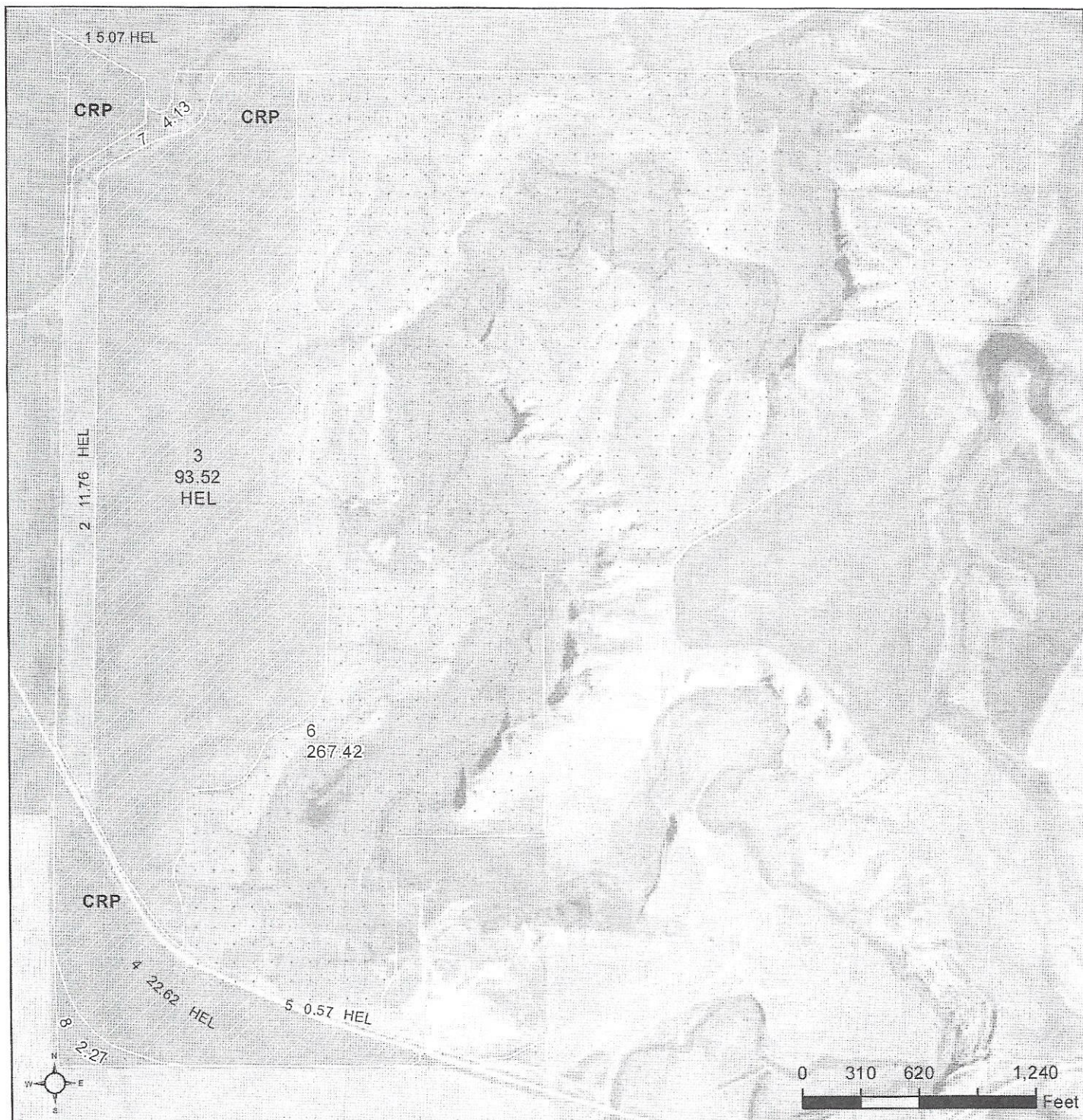
Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.





United States  
Department of  
Agriculture

## Pondera County, Montana



### Common Land Unit

- Cropland
- Rangeland
- CRP
- Tract Boundary

### Wetland Determination

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Cropland Total: 133.54 acres

2016 Program Year

Map Created February 23, 2015

Farm 4198

Tract 9063

9-30N-3W

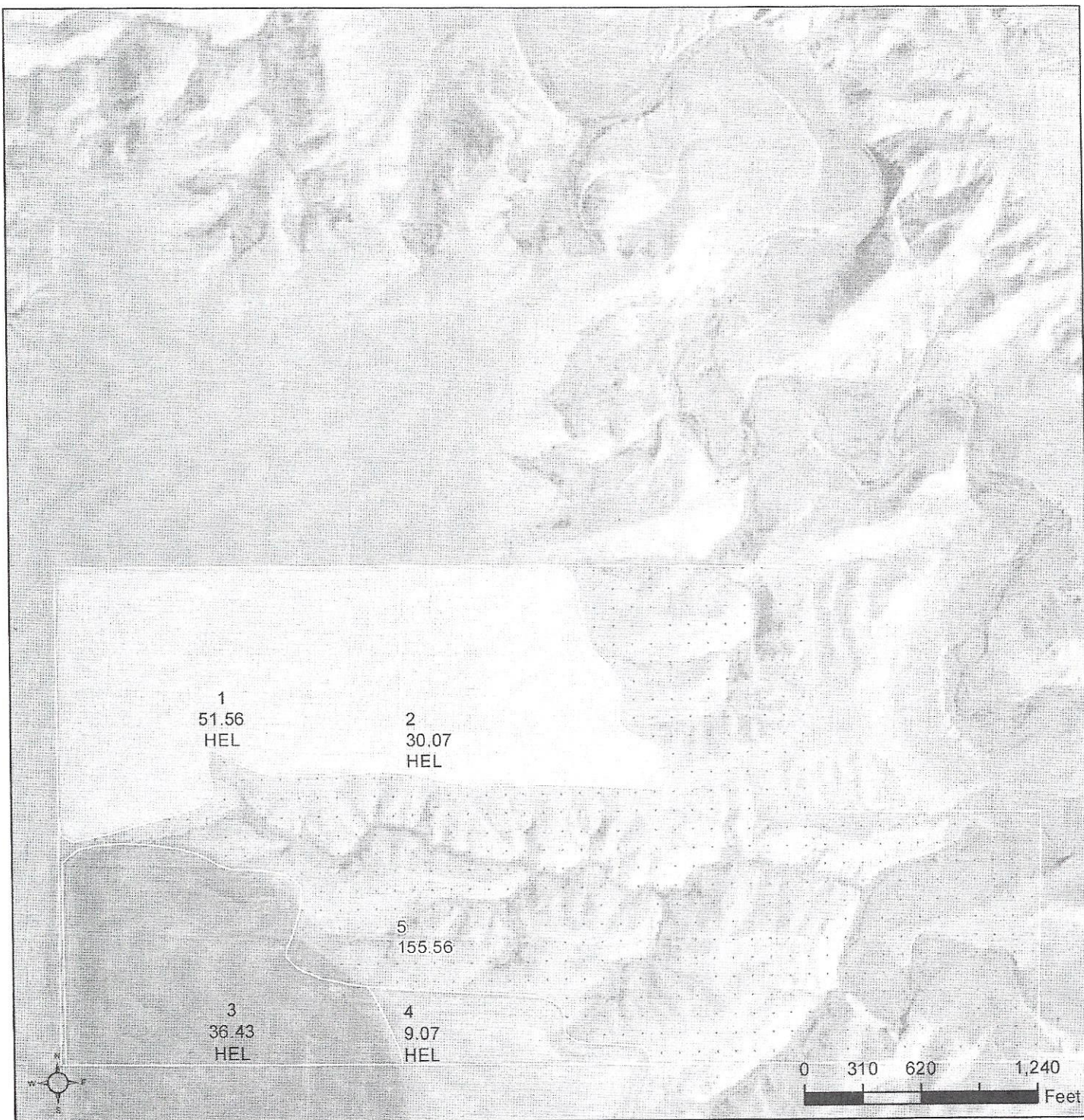
United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



### Common Land Unit

- Cropland
- Rangeland

### Wetland Determination

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Boundary

Tract Cropland Total: 127.13 acres

2016 Program Year

Map Created February 23, 2015

**Farm 4198**

**Tract 21**

**33-31N-3W**

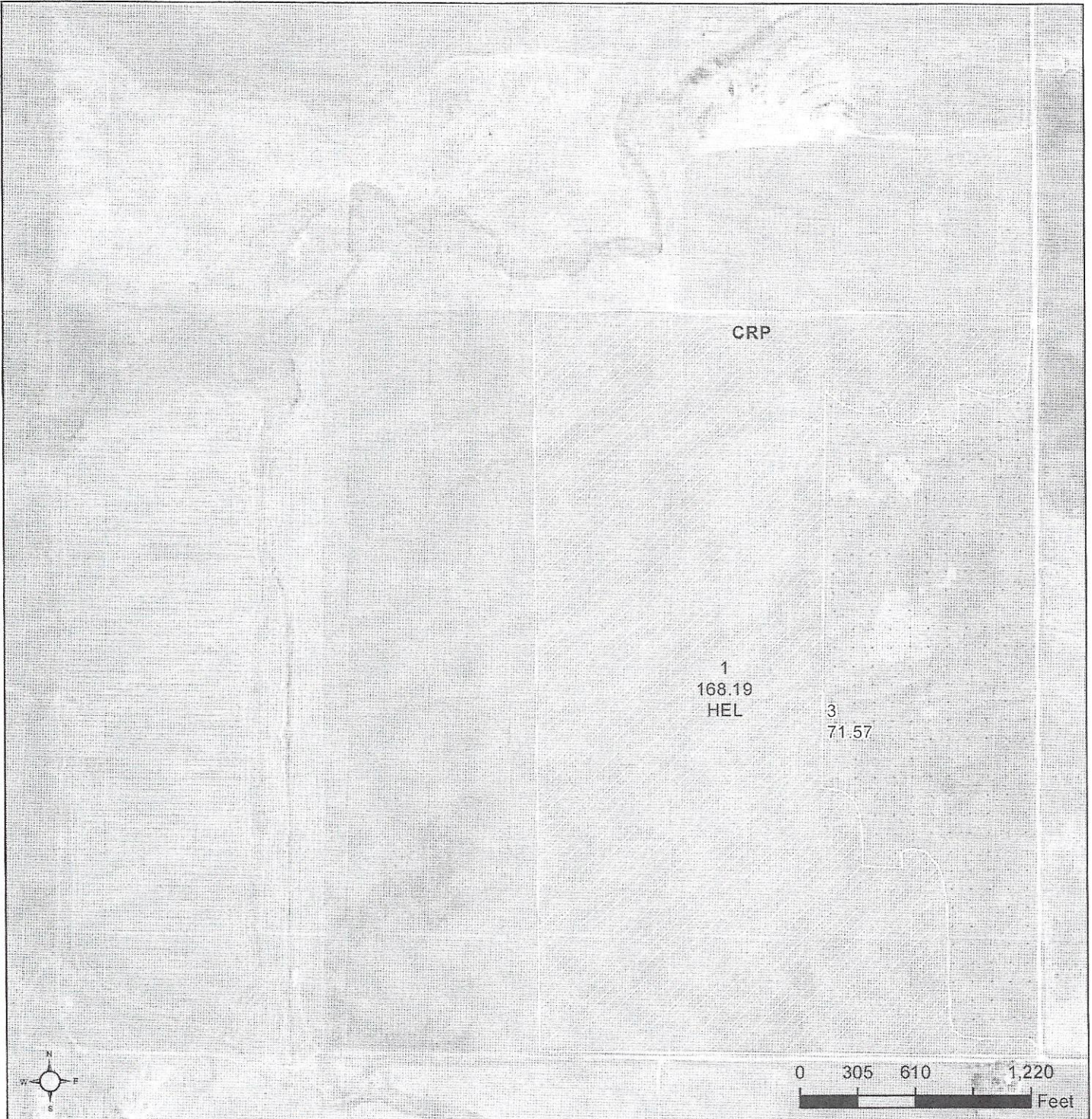
United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-025 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



### Common Land Unit

CRP

Cropland

Rangeland

Tract Boundary

### Wetland Determination

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Cropland Total: 168.19 acres

2016 Program Year

Map Created February 23, 2015

Farm **4198**

Tract **506**

**18-30N-3W**

United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



### Common Land Unit

- Cropland
- Rangeland

### Wetland Determination

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Boundary

2016 Program Year

Map Created February 23, 2015

**Farm 4198**

**Tract 479**

**6-30N-3W**

Tract Cropland Total: 35.03 acres

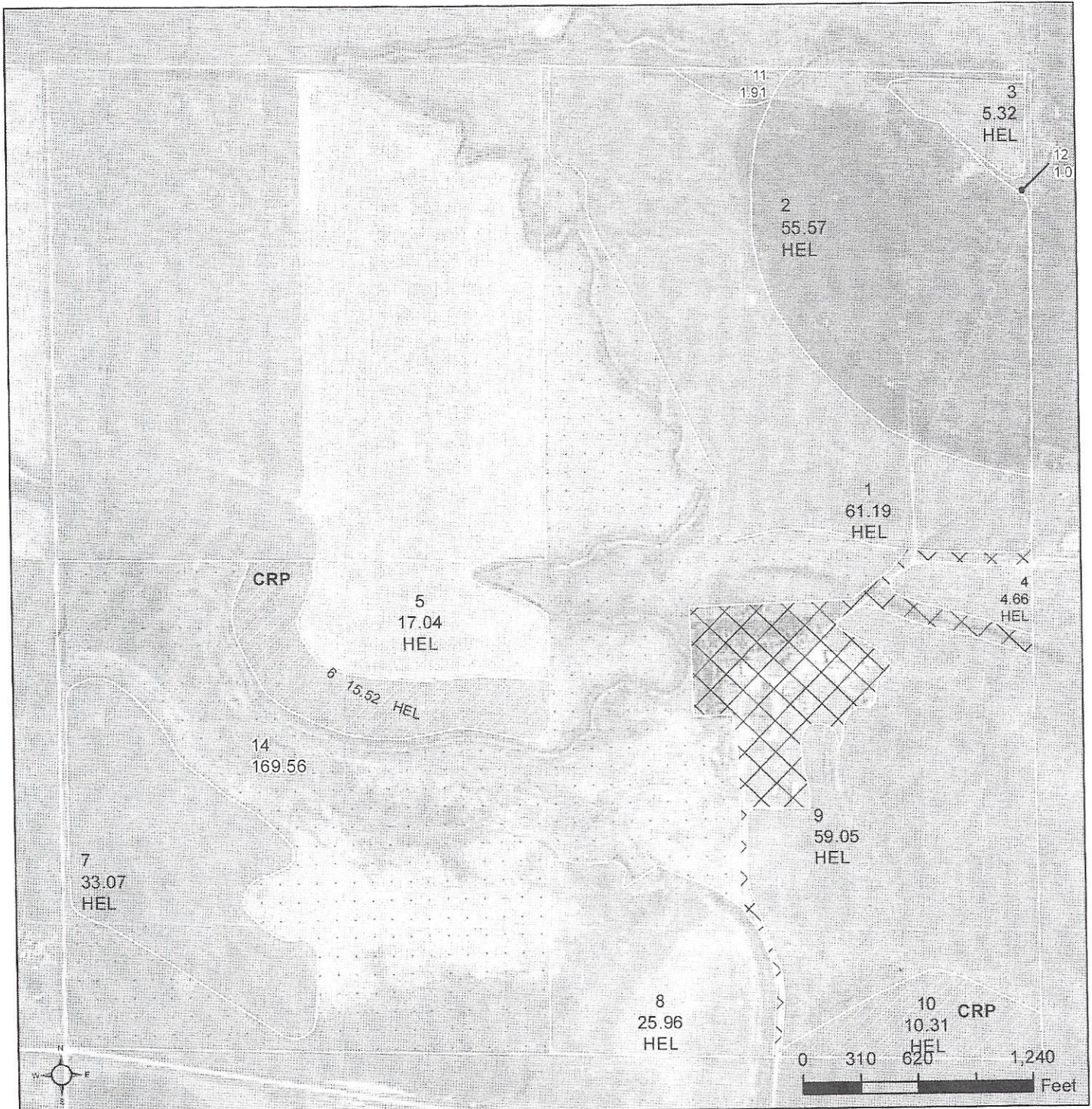
United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



**Common Land Unit**

- Cropland
- Rangeland
- Other Use
- CRP
- Tract Boundary

**Wetland Determination**

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Cropland Total: 287.69 acres

2016 Program Year

Map Created February 23, 2015

**Farm 4198**

**Tract 5775**

**5-30N-3W**

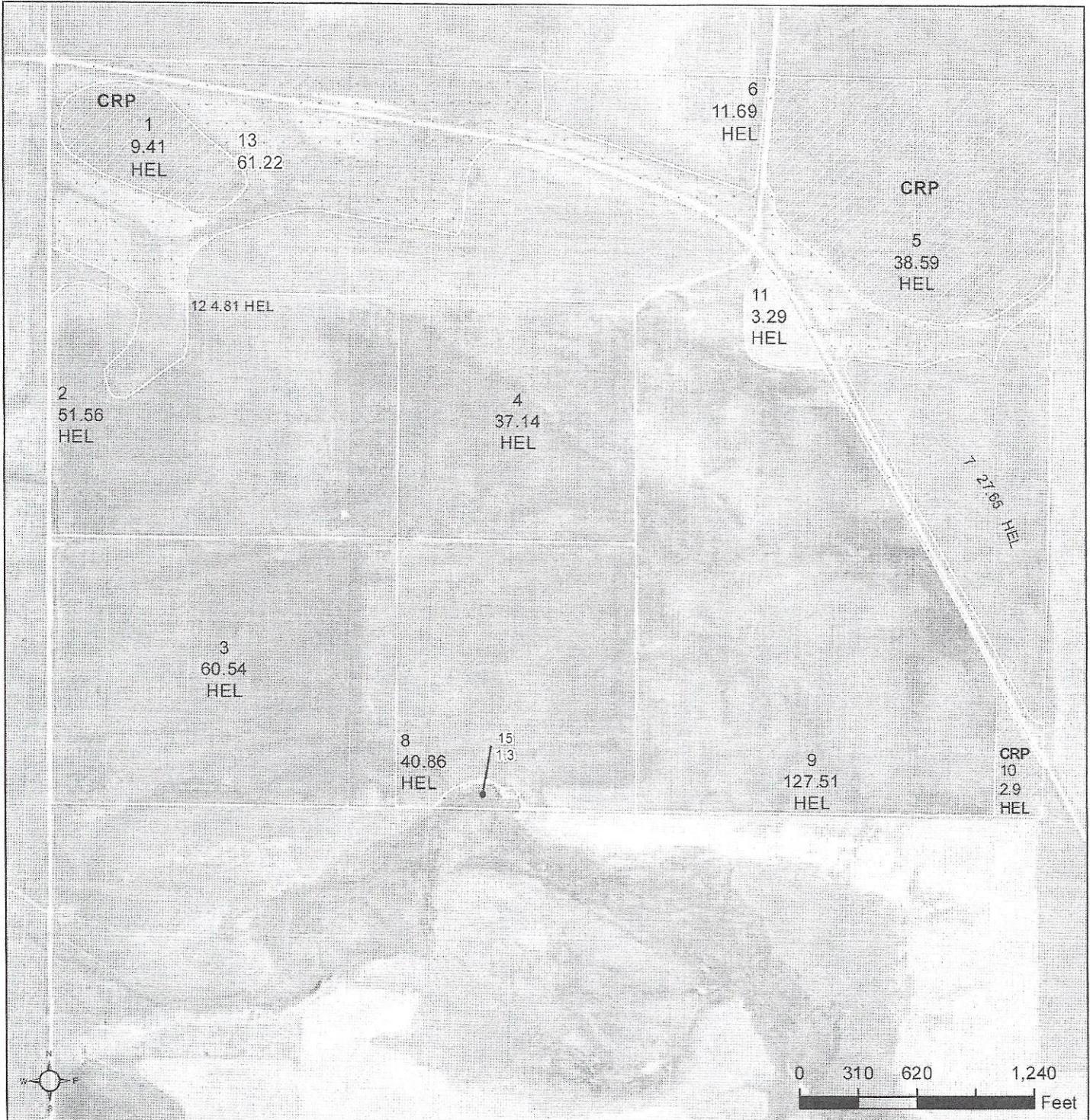
United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership, rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



**Common Land Unit**

- Cropland
- Rangeland

**Wetland Determination**

- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions

**CRP**

**Tract Boundary**

2016 Program Year

Map Created February 23, 2015

**Farm 4198**

**Tract 5777**

**8-30N-3W**

Tract Cropland Total: 415.95 acres

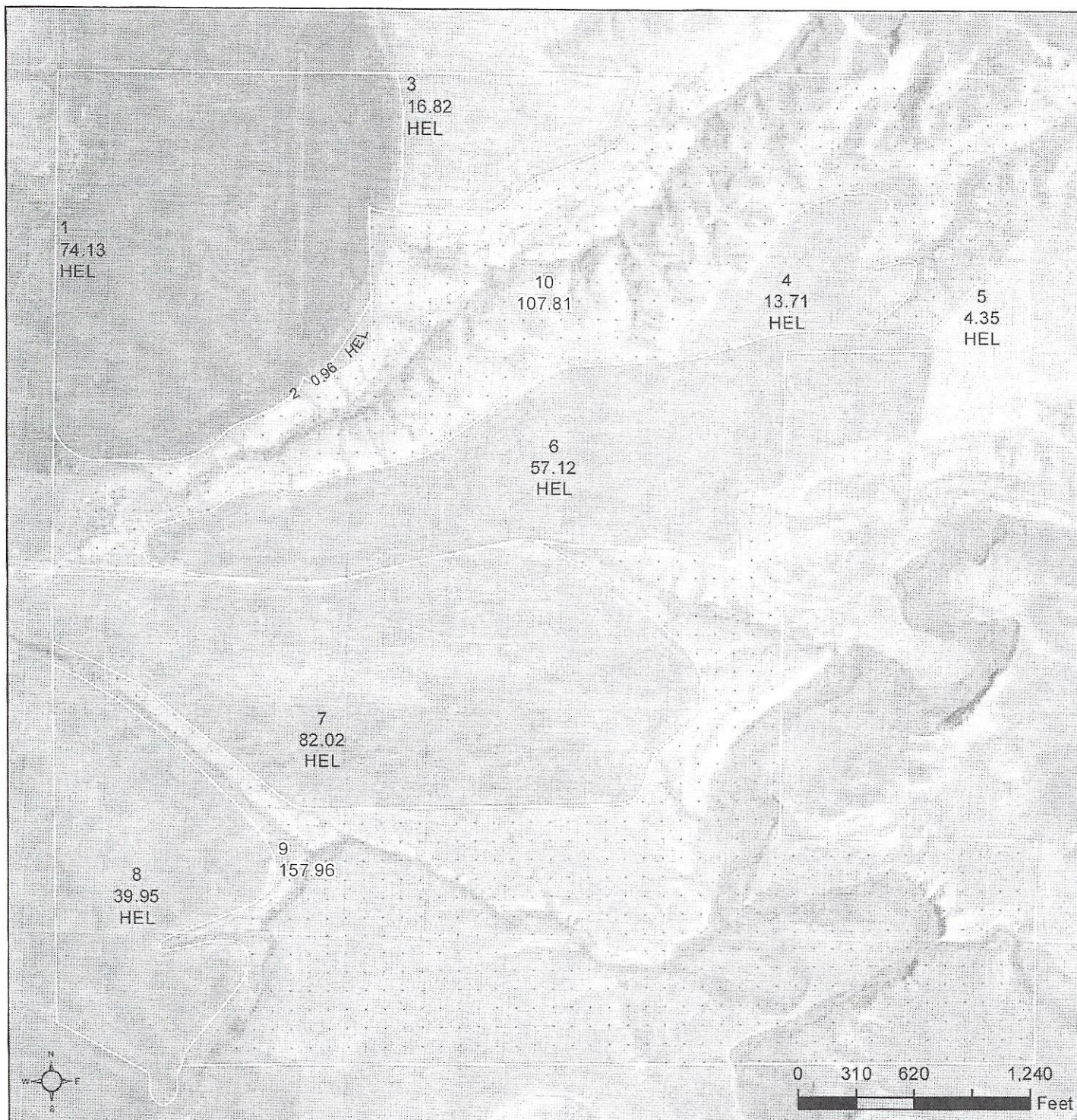
United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.





United States  
Department of  
Agriculture

## Pondera County, Montana



### Common Land Unit

Tract Boundary

- Cropland
- Rangeland

### Wetland Determination

- Restricted Use
- ▽ Limited Restrictions
- Exempt from Conservation Compliance Provisions

Tract Cropland Total: 289.06 acres

2016 Program Year

Map Created February 23, 2015

Farm 4198

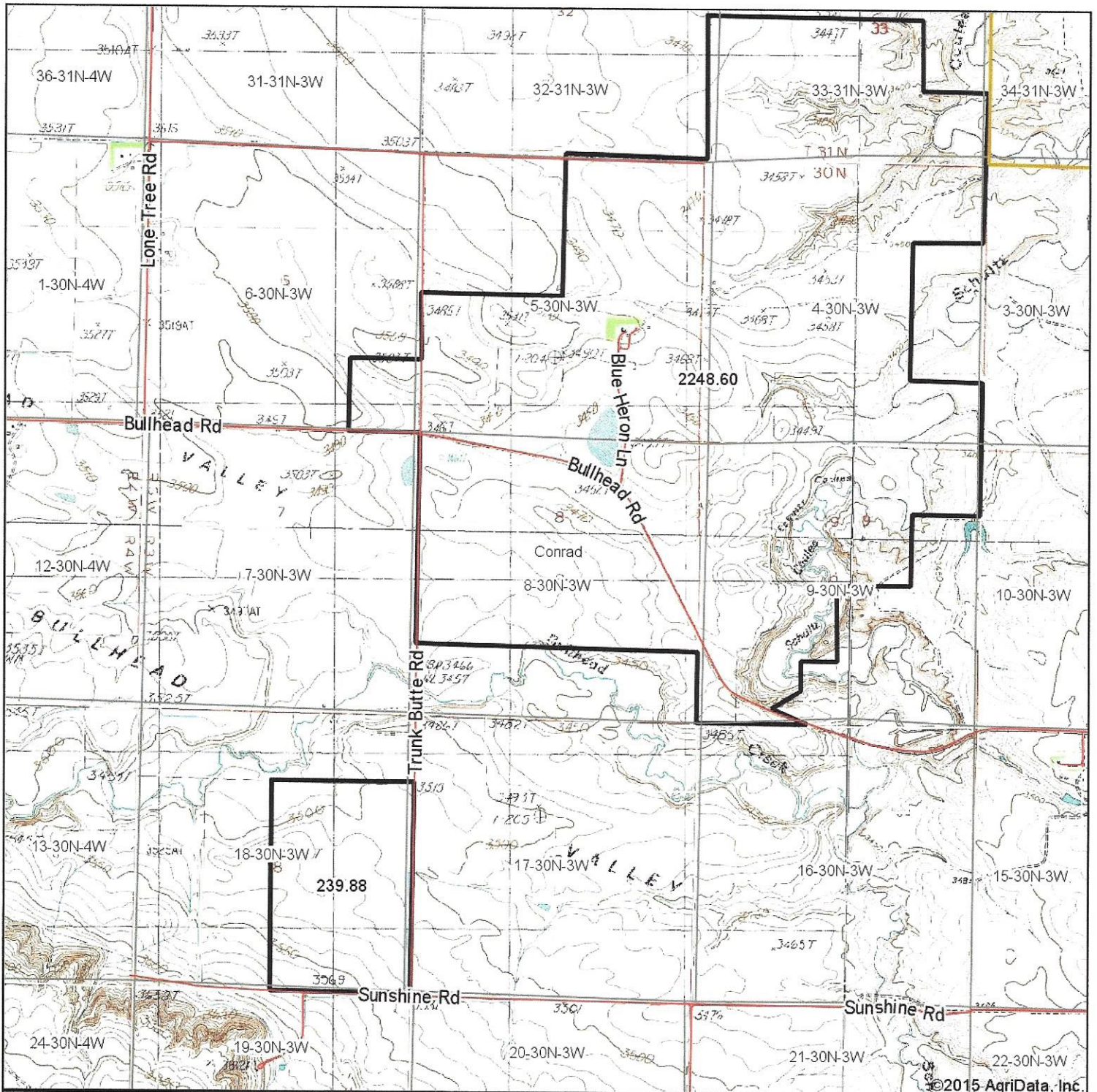
Tract 5776

4-30N-3W

United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS). Roads provided by State of Montana.



# Topography Map



map center: 48° 22' 26.54, 112° 1' 27.66

scale: 33286

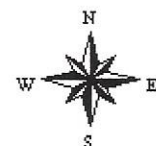
**8-30N-3W**

**Pondera County  
Montana**

Maps Provided By:



© AgriData, Inc. 2014 www.AgriDataInc.com

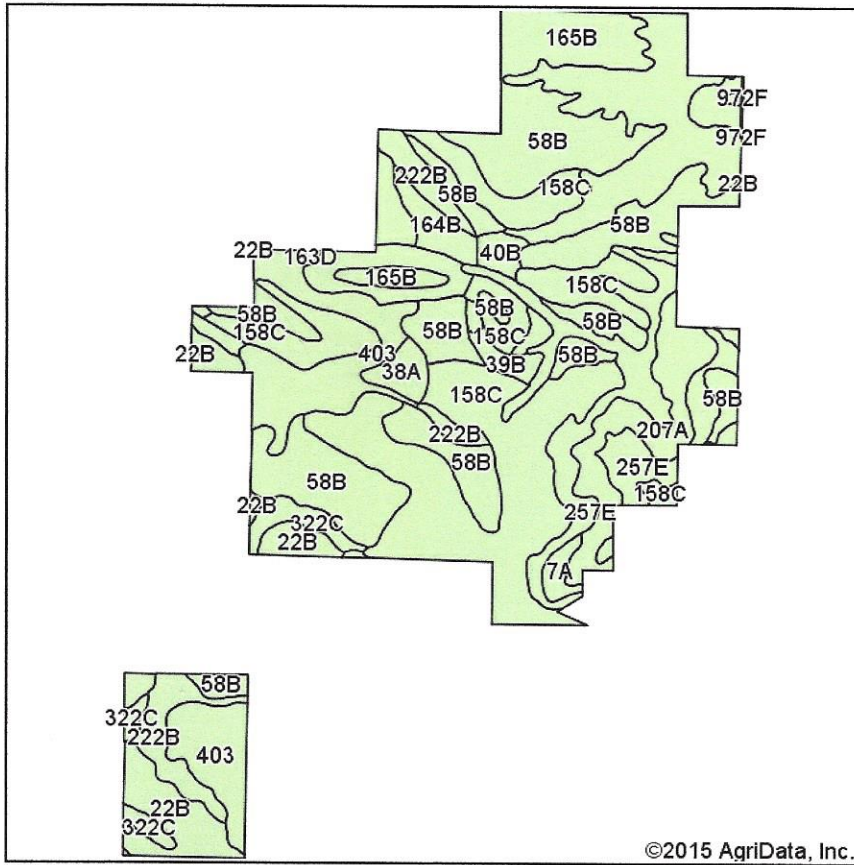


3/26/2015

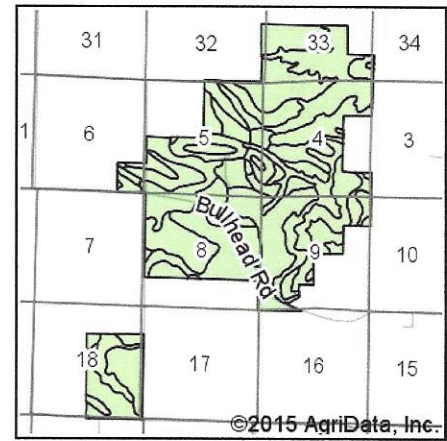
Field borders provided by Farm Service Agency as of 5/21/2008. Aerial photography provided by Aerial Photography Field Office.



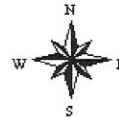
## Soil Map



Soils data provided by USDA and NRCS.



State: **Montana**  
County: **Pondera**  
Location: **8-30N-3W**  
Township: **Conrad**  
Acres: **2488.48**  
Date: **3/26/2015**



Maps Provided By:

 **surety®**  
CUSTOMIZED ONLINE MAPPING

© AgriData, Inc. 2014 [www.AgriDataInc.com](http://www.AgriDataInc.com)

Area Symbol: MT101, Soil Area Version: 10

Area Symbol: MT657, Soil Area Version: 12

Code	Soil Description	Acres	Percent of field	Non-Irr Class	Irr Class	Alfalfa hay Irrigated	Alfalfa hay	Grass hay Irrigated	Corn silage Irrigated	Pasture	Pasture Irrigated	Grass legume hay	Grass legume hay Irrigated	Irish potatoes Irrigated	Sugar beets Irrigated	Crested wheatgrass alfalfa hay
158C	Lonna-Floweree silt loams, 2 to 8 percent slopes	569.84	22.9%	IVe	IIle	5						1				
58B	Floweree silt loam, 0 to 4 percent slopes	545.17	21.9%	IIle	Ile	5										
486F	Neldore-Lambeth-Rock outcrop complex, 35 to 70 percent slopes	219.58	8.8%	VIIe												
403	Haploborolls-Argiborolls complex, 0 to 4 percent slopes, rarely flooded	219.39	8.8%	Ve	Ve	5		1								
257E	Hillon-Lambeth complex, 15 to 35 percent slopes	213.71	8.6%	Vle												
207A	Ryell-Havre loams, 0 to 2 percent slopes, occasionally flooded	141.67	5.7%	IVw	IVw	5	1									
165B	Telstad-Joplin loams, 0 to 4 percent slopes	133.36	5.4%	IIle	IIle							1	2	20	1	

22B	Kremlin loam, 0 to 4 percent slopes	106.85	4.3%	IIIe	Ile	4						1		12	1	
222B	Trudau loam, 0 to 4 percent slopes	103.68	4.2%	IVe	IVe	1			2	7			3			
322C	Kremlin clay loam, 4 to 8 percent slopes	62.12	2.5%	IVe	IVe	5										
162C	Telstad-Joplin loams, 4 to 8 percent slopes	58.41	2.3%	IIIe	IIIe								2			
164B	Scobey-Kevin clay loams, 0 to 4 percent slopes	33.73	1.4%	IIIe	Ile											
38A	McKenzie clay, 0 to 2 percent slopes	26.01	1.0%	VIw												2
40B	Kobase silty clay loam, 0 to 4 percent slopes	18.39	0.7%	IVe	IVe	5										
39B	Ethridge silty clay loam, 0 to 4 percent slopes	17.99	0.7%	IIIe	IIIe	6										
7A	Havre loam, 0 to 2 percent slopes, rarely flooded	15.78	0.6%	IVe	IVe	6										
163D	Hillon-Kevin clay loams, 8 to 15 percent slopes	1.86	0.1%	IVe												
572A	Ryell-Havre loams, 0 to 2 percent slopes	0.71	0.0%	IIIw				1								
972F	Neldore-Lambeth-Rock outcrop complex, 35 to 70 percent slopes	0.23	0.0%	VIIe												
<b>Weighted Average</b>						<b>3.4</b>	<b>0.1</b>	<b>0.1</b>	<b>*-</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>1.6</b>	<b>0.1</b>	<b>*-</b>

Area Symbol: MT101, Soil Area Version: 10

Area Symbol: MT657, Soil Area Version: 12

Soils data provided by USDA and NRCS.



## AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE (this "Agreement") dated Feb 10, 2015, but effective for all purposes as of the Effective Date (as defined in Section 15.9 hereafter), is entered into by and between the **STATE OF MONTANA**, acting by and through the Montana Department of Natural Resources and Conservation (hereinafter referred to as "**the DNRC**" or "**the State**") and **Dale Seifert**, 2650 Bullhead Road, Conrad, MT 59076, **Donald F. Seifert**, 5700 Fowler Lane, Bozeman, MT 59718, **Gene R. Curry and Cheryl S. Curry**, 130 Curry Road, Valier, MT 59486, **Lee S. Seifert**, P.O. Box 772, Cut Bank, MT 59427 and **Sandra L. Starbuck, Trustee of the Sandra L. Starbuck Revocable Trust dated December 12, 2006**, P.O. Box 1107, Anacortes, WA 98221 (hereinafter cumulatively referred to as "**Seller**").

WHEREAS, Seller is the owner of certain real property located in Pondera County, Montana, commonly known as the "Bullhead Ranch" which is more particularly described herein below; and

WHEREAS, Seller desires to sell and convey such real property to the DNRC, and the DNRC desires to purchase and acquire such real property from Seller, on the terms, covenants and conditions contained herein;

NOW, THEREFORE, in exchange for the mutual promises and covenants herein contained, and other good and valuable consideration, the mutual receipt and sufficiency of which is hereby acknowledged by Seller and the DNRC, the Seller and DNRC hereby agree as follows :

### **SECTION 1 - REAL PROPERTY**

**1.1 Conveyance.** Seller shall sell and convey to the DNRC, and the DNRC shall purchase and accept from Seller, all subject to the terms, reservations, and conditions of this Agreement, the following described real property located in Pondera County, Montana (hereinafter referred to as "the Real Property"):

#### Township 30 North, Range 3 West, MPM

Section 03: Lot 4

Section 04: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 05: S $\frac{1}{2}$ , NE $\frac{1}{4}$

Section 06: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 08: N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$

Section 09: W $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , Part E $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$

Section 18: SE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$

#### Township 31 North, Range 3 West,

Section 33: SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

**EXCEPTING AND RESERVING UNTO SELLER** and their successors and assigns all right, title and interest in and to the oil, gas and other minerals (excluding clay, gravel and sand) underlying the Real Property (the "Minerals"), together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, developing, producing, storing, handling, transporting and marketing the Minerals and the use of so much of the surface estate of the Real Property as is reasonably necessary for all such purposes;

**FURTHER EXCEPTING AND RESERVING UNTO SELLER**, the right to receive any payments or privileges accruing, due or owing under any governmental program in connection with or based upon ownership of the Real Property prior to the closing date; and

**FURTHER EXCEPTING AND RESERVING** to Seller all moveable personal property and irrigation equipment, including, but not limited to, wheel lines and center pivot, sprinklers, above ground pipes and pumps located upon the Real Property.

## **SECTION 2 - PURCHASE PRICE**

**2.1 Amount.** The purchase price (the "**Purchase Price**") to be paid by the DNRC to the Seller for the Real Property shall be: **Two Million Five Hundred Thousand and no/100 Dollars (\$2,500,000.00)**. The State's obligation to complete the purchase of the above-described Real Property is contingent and conditioned upon the above-described purchase price being certified as being less than or equal to the fair market value of the above-described Real Property to be purchased and sold by a third-party appraisal contracted by the State and accepted by an appraisal reviewer approved by the State.

**2.2 Reduction in Purchase Price.** If the Purchase Price stated above exceeds the certified fair market value of the above-described Real Property to be purchased and sold, the State shall notify the Seller in writing (the "Appraisal Notice") no later than 10 days following the receipt of the completed appraisal, unless otherwise agreed to by both Parties in writing. The State may then seek to negotiate a lesser Purchase Price with the Seller. If the Parties cannot agree on a lesser new Purchase Price for the Real Property within 14 days of the date that the DNRC delivers the Appraisal Notice to Seller, this Agreement shall automatically terminate without further obligation of either Party.

**2.3 Payment.** The Purchase Price shall be paid into escrow by a State wire transfer to the Closing Agent ( as defined in Section 3.2 below) on the Closing Date (as defined in Section 3.1 below).

**2.4 1031 Exchange.** The DNRC acknowledges that Seller may intend to perform a tax deferred exchange transaction pursuant to Section 1031 of the Internal Revenue Code and Section 1.1031 of the Treasury Regulations and that Seller's right, title, and interest (but not obligations) pursuant to this Agreement for Purchase and Sale of Real Estate will be assigned to a Qualified Intermediary of Seller's choosing for the purpose of completing Seller's 1031 Exchange transaction. The DNRC





acceptable to the DNRC (hereafter the "**Title Notice**"). Following giving of the Title Notice, if additional encumbrances affecting the real Property arise (except for those permitted in Section 6.2), the DNRC shall have thirty (30) days from receipt thereof to review and approve these additional items. Failure of the DNRC to so approve in writing any exception to Seller's title shown in the Preliminary Commitment or arising thereafter shall be deemed to be a disapproval of such exception.

(c) Upon Seller's receipt of the Title Notice, Seller prior to or on the Closing Date, at its sole cost and expense, shall undertake (by the exercise of its reasonable efforts and with due diligence) to remove, eliminate or modify any exceptions not reasonably acceptable to the DNRC acting in good faith. In the event Seller either cannot or will not remedy the title exception to the DNRC's satisfaction, and the DNRC and Seller are unable to negotiate an acceptable resolution to the title exception, DNRC shall have the option to terminate this Agreement.

**4.4 Title Policy a Condition of Closing.** The Closing shall be conditioned upon Title Company issuing the Title Company's ALTA Standard Owner's Coverage Policy (the "**Title Insurance Policy**") insuring fee title to the Real Property in the name of the DNRC in the amount of the Purchase Price, subject only to (i) the printed form exceptions contained in the ALTA Standard Owner's Coverage Policy (6/17/06), Schedule B and (ii) such exceptions accepted by the DNRC (the "**Permitted Exceptions**"). In the event that Title Company cannot issue the Title Insurance Policy effective at the Closing as required above, and/or the DNRC determines that any new title exception not previously accepted by the DNRC (a "**New Title Exception**") is not acceptable to the DNRC, and Seller cannot remedy the New Title Exception to the DNRC's reasonable satisfaction on or before the Closing Date, and the DNRC and Seller are unable to negotiate an acceptable resolution to the New Title Exception, DNRC shall have the option to terminate this Agreement.

**4.5 Use of Purchase Price.** The Purchase Price to be paid by DNRC to Seller at Closing may be used in whole or in part by Seller by and through the Closing Agent at closing to remove any liens, liabilities, or encumbrances which Seller is to have removed.

**4.6 Cost of Policy.** Seller shall be responsible for the cost of the Title Insurance Policy and Closing Protection Letter. DNRC shall be responsible for requesting and for paying the cost of any co-insurance policies and reinsurance certificates issued by Title Company at the DNRC's request.

## **SECTION 5 - DNRC'S RIGHTS AFTER ACCEPTANCE**

**5.1 Inspection.** After the Effective Date of this Agreement, Seller shall permit the DNRC and/or its designated agents, following reasonable notice to Seller, to enter upon the Real Property for the purpose of conducting environmental assessments and investigating the Property and the physical condition thereof, including, without limitation, soil, water, and air conditions, and the condition of improvements, if any, upon the Property. Inspections by DNRC, if any, shall not be construed as stopping the DNRC from asserting any actions for the breach of any warranty made under Section 8.1 by Seller, herein. Seller shall also make available to the DNRC the following (collectively, "**Seller's Studies**") within sixty (60) days from the Effective Date:

## SECTION 6 - SELLER'S ONGOING MANAGEMENT OF THE REAL PROPERTY

Between the Effective Date of this Agreement and the Closing Date, Seller shall retain the right to manage, control and operate the Real Property which includes, but is not limited to, the right to enter into the following arrangements which pertain to the Real Property under the following conditions:

6.1 The Seller agrees that all agreements, leases, licenses and permits entered into by Seller whereby third parties are granted use of the above-described real property, will terminate on or before the Closing Date; with the exception of the lease entered into between Seller and Curry Cattle, Inc., which terminates on December 31, 2015. Should the Closing Date occur before December 31, 2015, the annual lease payment for that year due from Curry Cattle, Inc. shall be prorated between Seller and Buyer as of the actual Closing Date

6.2 Agreements, leases, permits, easements and rights of way that will survive the Closing (collectively, the "Surviving Agreements") but for which there will be no adjustment of the Purchase Price to:

- (a) Grant, obtain, and/or clarify easements to, from, and across the Real Property; and
- (b) Enter into boundary adjustments with neighboring landowners as needed in order to address any encroachments discovered after the Effective Date of this Agreement.

Notwithstanding the foregoing, Seller shall not enter into any Surviving Agreements without the DNRC's prior written consent, which consent may not be unreasonably withheld. The DNRC shall have fifteen (15) days after receipt of a draft of a Surviving Agreement acceptable to Seller within which to review the Surviving Agreement and either consent to it or give Seller specific suggestions about changes to the Surviving Agreement which will make it acceptable to the DNRC.

## SECTION 7 - CONTINGENCIES

7.1 **Conditions.** The DNRC's obligation to purchase the Real Property from Seller under this Agreement is conditioned and contingent upon the following:

- (a) The DNRC's determination in its sole discretion that it has sufficient funds and the approval for the use of funds for the DNRC to use to purchase the Real Property;
- (b) The truth and accuracy as of the Closing Date of all representations and warranties of Seller set forth in this Agreement or in any instrument or document delivered by Seller to the DNRC as part of the Transaction;
- (c) The delivery by Seller to the DNRC on or prior to the Closing Date of all documents and instruments required by the terms of this Agreement;
- (d) The performance on or prior to the Closing by Seller of all acts required under this Agreement;





7.2 **Waiver.** If any condition specified in Section 7.1 is not met on or before the Closing, the DNRC may waive such condition in writing or the DNRC may terminate this Agreement without any further liability. Upon such termination, any monies deposited by the DNRC pursuant to this Agreement, together with all interest earned thereon shall be promptly returned to the DNRC.

## SECTION 8 - REPRESENTATIONS AND WARRANTIES

8.1 Seller makes the following representations and warranties to the DNRC. Each of these representations and warranties is material and is relied upon by DNRC. Each of the representations and warranties shall be deemed accurate through Closing and shall survive Closing. As used below, **"Seller's knowledge"** means the actual knowledge of **Dale Seifert, Donald Seifert, Gene and Cheryl Curry, Lee Seifert and Sandra L. Starbuck**, without any implied duty of inquiry or constructive knowledge attributable to such individuals.

- (a) **Title.** Title to the Real Property shall be vested in Seller as of the Closing Date.
- (b) **No Liabilities.** To the best of Seller's knowledge, there exists upon the Property no condition that is in material violation of any statute, ordinance, regulation or administrative or judicial order or holding, whether or not appearing in the public records that affect the Property.
- (c) **Correctness.** To the best of Seller's knowledge, all information furnished by Seller to DNRC with respect to the Property is accurate and truthful as of the date that any such information or reports were prepared.
- (d) **Litigation.** To the best of Seller's knowledge, there is no pending or threatened litigation affecting the Property or any portion thereof, including but not limited to alleged violations of federal, state or local environmental laws. Seller has not received any notice relating to a breach or suspected breach of any environmental laws. Notwithstanding the foregoing:
  - i. Water rights appurtenant to the Property are the subject of the ongoing statewide water rights adjudication.
- (e) **Condition of Property.** To the best of Seller's knowledge, Seller represents and warrants the following: the Property does not contain any underground storage tanks, surface impoundments, asbestos or asbestos-containing material, or polychlorinated biphenyls ("PCBs") or PCB-containing materials, past or present refuse dump sites, chemical storage sites, areas of heavily stained soil, or sites of known hazardous material releases except as disclosed in the Environmental Hazards Assessment, a copy of which has been made available to DNRC, and as disclosed in Seller's Disclosure Statement; and the Property is free from the presence of hazardous waste or materials and no hazardous waste or materials have been generated, stored, released, or disposed of on or within the Property excepting those used in normal and standard course of timber management and harvesting or agricultural practices and in accordance with applicable law. The term **"hazardous waste or materials"** includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute,



## SECTION 11 - CLOSING AND CLOSING COSTS

Prior to or on the Closing Date, Seller and the DNRC shall deposit the following documents and funds in escrow, and the Closing Agent shall close the Transaction in accordance with the instructions of the DNRC and Seller consistent with this Agreement:

**11.1 Seller's Obligations.** On or before the Closing Date Seller shall deposit the following with the Closing Agent:

- (a) Duly executed and acknowledged Warranty Deed conveying the Real Property to the DNRC and a Realty Transfer Certificate;
- (b) Written escrow instructions as required of Seller to close this transaction in accordance with this Agreement;
- (c) If Seller is a corporation or partnership, a certified resolution authorizing the execution of all documents delivered at the Closing;
- (d) Pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, a nonforeign affidavit, stating that Seller is not a foreign person and providing Seller's United States taxpayer identification number. If Seller is not able to certify that it is not a "foreign person," DNRC is authorized to withhold a portion of the purchase price at closing for U. S. Income Tax purposes;
- (e) A Closing Protection Letter as described in Section 3.2 and Title Policy as described in Section 4.4;
- (f) Such other instruments or documents as may be reasonably required pursuant to the provisions hereof or as mutually agreed by Seller and DNRC to be necessary to fully consummate the transaction contemplated hereby;
- (g) If a survey is required to convey the Real Property to the State the Seller is responsible for contracting any required survey and all costs associated with that survey and;
- (h) Seller shall be responsible for the following closing costs associated with the sale.

Title Commitment and Title Insurance Costs  
One Half (½) of Escrow Fees and Closing Costs associated with the sale  
One Half (½) Water Rights Transfer Fees

**11.2 DNRC Obligations.** DNRC shall deposit the following at Closing:

- i. The Purchase Price;
- ii. One Half (½) of Escrow Fees and Closing Costs associated with the sale;
- iii. One Half (½) Water Rights Transfer Fees;
- iv. Such other items and documents, including, without limitation, escrow instructions as are reasonably required of DNRC to close the purchase in accordance with this Agreement.





## SECTION 14 - NOTICES

All notices required or permitted to be given hereunder shall be in writing and shall be deemed given upon personal service or receipt after deposit in the United States first class mail addressed as follows:

To Seller: Clearwater Montana Properties Inc.  
Attn: Jim or Brock Bouma  
P.O. Box 248  
Choteau, Montana 59422

To the DNRC: Department of Natural Resources  
Lands Section Supervisor  
ATTN: Emily Cooper  
P.O. Box 201601  
Helena, MT 59620-1601

With a copy to: DNRC Area Manager  
ATTN: Hoyt Richards  
8001 N. Montana Avenue  
Helena, MT 59602

The foregoing addresses may be changed by written notice.

## SECTION 15 - MISCELLANEOUS

**15.1 Entire Agreement.** This Agreement constitutes the entire agreement between the Parties. No other prior and contemporaneous negotiations, understandings and agreements, whether oral or written, shall be deemed to exist or bind any of the Parties hereto.

**15.2 Binding Nature.** All rights and obligations arising out of this Agreement shall insure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto.

**15.3 Montana Law/Venue.** This Agreement shall be construed, interpreted and enforced pursuant to the laws of State of Montana. Venue for any disputes involving this Agreement shall be in Lewis and Clark County, Montana.

**15.4 Construction.** The terms of this Agreement shall be given their ordinary meaning and shall not be presumed construed in favor of or against either Party hereto.

**15.5 Time of the Essence/Waiver.** Time is of the essence of this Agreement. No waiver or consent to any breach or other default in the performance of any of the terms of this Agreement shall be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition hereof. In the event time for performance falls on a weekend or legal holiday designated by the United States or Montana State, performance shall be deemed to be timely rendered if so rendered on the next business day.



SELLER:

Dale Seifert

By: Dale Seifert

Date: Feb 10, 2015

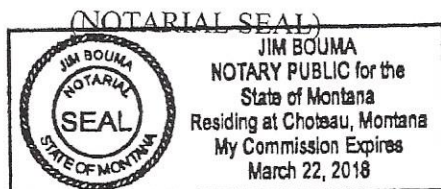
ACKNOWLEDGMENT

STATE OF MONTANA )  
 ) : ss.  
County of Pondera )

This instrument was signed and acknowledged before me on the 10 day of FEB, 2015, by **Dale Seifert**.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Signature: [Signature]  
Printed Name: JIM BOUMA  
Notary Public for the State of Montana  
Residing at: CHOTEAU  
My Commission expires: 3-22, 2018





**SELLER:**

**Gene R. Curry**

By: Gene R. Curry

Date: 2-12, 2015

**Cheryl S. Curry**

By: Cheryl S. Curry

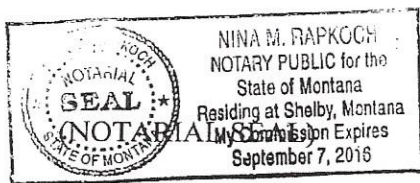
Date: Feb 12, 2015

**ACKNOWLEDGMENT**

STATE OF MONTANA                    )  
  : ss.  
County of Pondera                    )

This instrument was signed and acknowledged before me on the 12<sup>th</sup> day of February, 2015, by **Gene R. Curry and Cheryl S. Curry.**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Signature: Nina M. Rapkoeh  
Printed Name: NINA M. RAPKOECH  
Notary Public for the State of Montana  
Residing at: Shelby MT  
My Commission expires: September 07, 2017

SELLER:

SANDRA L. STARBUCK REVOCABLE TRUST

By: Sandra L. Starbuck, Trustee  
Sandra L. Starbuck, Trustee

Date: 1-26-2015, 2015

ACKNOWLEDGMENT

STATE OF WASHINGTON )  
County of Washington : ss.

This instrument was signed and acknowledged before me on the 26 day of January, 2015, by Sandra L. Starbuck, Trustee of the Sandra L. Starbuck Revocable Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Signature: Kathy Rodgers  
Printed Name: Kathy Rodgers  
Notary Public for the State of Washington  
Residing at: Anacortes  
My Commission expires: August, 15, 20 18

58  
1-26-15



**EXHIBIT A**  
**FORM OF DEED**

**DRAFT WARRANTY DEED TO BE RECEIVED**

Prior to receiving Land Board final approval to close the acquisition the legal descriptions of lands to be deeded to Trust lands will be determined and identified in draft deeds.

After Recording Return to:  
Emily Cooper,  
Lands Section Supervisor  
Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, MT 59620-1601

**WARRANTY DEED**

The Grantors, \_\_\_\_\_, whose address is \_\_\_\_\_, \_\_\_\_\_, MT \_\_\_\_\_ and their heirs, successors and assigns (herein referred to as 'Grantor'), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, does hereby grant, and convey with full warranty of title to the STATE OF MONTANA, STATE BOARD OF LAND COMMISSIONERS, its successors and assigns, in trust for the financial benefit of Montana's \_\_\_\_\_ Trust as described in Article X, Section 2 of the Montana Constitution, whose address is P.O. Box 201601, Helena, Montana 59620-1601 (hereinafter referred to as 'Grantee'), the following described real property, in \_\_\_\_\_ County, Montana, together with all easements appurtenance thereto, and incorporated by this reference:

*A tract of land described ^ of Section ^, Township ^, Range ^, P.M.M., ^  
County, Montana, containing ^ acres more or less.*

SUBJECT TO all interest, mineral reservations, easements and encumbrances of record, and,

Reserving unto the Grantors, ^

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, its successors and assigns forever, and the said Grantor does hereby covenant to and with the said Grantee, that will WARRANT and DEFEND the title to the premises hereby conveyed against the claim of every person whatsoever, claiming by through or under the said Grantor.

EXHIBIT B

SELLER'S DISCLOSURE STATEMENT

Beneath this page lies the Disclosure Statement Form.

Qf5



Please use the spaces provided to describe any Adverse Material Facts affecting the Property and concerning the matters noted below or other matters. If the space provided is inadequate, please attach additional sheets.

Easements (written or unwritten): None

Boundaries or property lines and any disputes: None

Encroachments or similar matters that may affect your interest in the subject Property including but not limited to buildings, fences, etc: None

Disputes, agreements, or problems regarding access to the Property: None

Outstanding unrecorded deed, mortgage, lease, contract, or other instrument adversely affecting the title to the property; None

Evidence of any person having obtained any rights of possession or other interest in this property adverse to my rights as the seller or the rights of the proposed purchaser, the State of Montana;

None

Landfills (compacted or otherwise) or dumps on or adjacent to the Property or any portion thereof:

See Attached

Conservation Easements (existing or proposed): None

Settling, slippage, sliding or other soil problems: None

Flooding, drainage or grading problems: None

Location of the Property, or portion of, in a flood plain, shoreline master plan, wetland or other environmentally sensitive area:

None

Zoning or land use change planned or being considered by the city or county:

None

Proposed increase in tax assessment value or property owner's association dues for the Property:

None

Environmental issues affecting the Property:

None Known of See Attached

Any repairs or construction work done on the Property in the last six months that would entitle any person to a lien upon the premises for work or labor performed or materials furnished;

None

Noxious weeds or any other type of pests on or directly adjacent to the Property:

Some weeds on State Noxious weed List

Any other adverse material conditions affecting the Property:

None

#### SELLER'S ACKNOWLEDGEMENT:

Seller certifies that the information herein is true, correct and complete to the best of the Seller's knowledge and belief as of the date signed by Seller.

Seller

Bah J. Seibert

Date

2/10/15

Seller

Date

Subscribed and sworn to before me this 10 day of FEB, 2015

[Signature]  
(Signature of notarial officer)

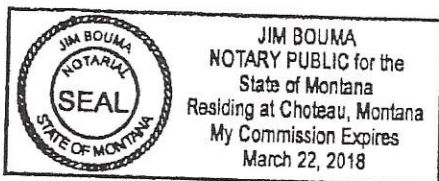
JIM BOUMA

(Name – typed, stamped, or printed)

Notary Public in and for State of Montana

Residing at CHOTEAU

My appointment expires 3-22-18





STATE OF MONTANA ACKNOWLEDGMENT:

Subject Property Address:

---

---

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS  
STATEMENT

State of Montana: \_\_\_\_\_

Date: \_\_\_\_\_

[End of Exhibit B to Agreement]

## FARM LEASE

THIS AGREEMENT is made and entered into this 31<sup>st</sup> day of Dec, 2014 by and between DALE SEIFERT, 509 Blue Heron Ln, Valier, MT 59486, CHERYL & GENE CURRY, 130 Curry Rd, Valier, MT 59486; DONALD SEIFERT, 5700 Fowler Lane, Bozeman, MT 59715; LEE S. SEIFERT, Box 772, Cut Bank, MT 59427, and SANDRA L. STARBUCK REVOCABLE TRUST, PO Box 1107, ANACORTES, WA 98221, all five herein known as LESSORS, and CURRY CATTLE COMPANY, INC., 130 Curry Rd, Valier, MT 59486, hereinafter known as LESSEE.

### WITNESSETH:

That the said LESSORS for and in consideration of the rents and covenants hereinafter mentioned and to be paid and performed by the said LESSEE have demised, leased, and let and by these premises do demise, lease and let unto the said LESSEE the following described real property located in Pondera County, Montana:

Township 30 North, Range 3 West  
Section 9: W 1/2 NE 1/4, NE 1/4 NE 1/4, E 1/2 NW 1/4, W 1/2 NW 1/4, W 1/2 SW 1/4, PT E 1/2 SW 1/4  
Section 4: N 1/2 NE 1/4, SW 1/4 NE 1/4, N 1/2 SE 1/4 NE 1/4, W 1/2 SE 1/4, SE 1/4 SE 1/4, SE 1/4 SW 1/4  
Section 3: Lot 4  
Township 31 North, Range 3 West  
Section 33: SW 1/4, S 1/2 SE 1/4, NW 1/4 SE 1/4  
Township 30 North Range 3 West  
Section 18: SE 1/4, S 1/2 NE 1/4  
Section 9: W 1/2 NW 1/4  
Section 8: N 1/2, N 1/2 S 1/2  
Section 6: SE 1/4 SE 1/4  
Section 5: NW 1/4 SE 1/4, NE 1/4, SW 1/4, S 1/2 SE 1/4, NE 1/4 SE 1/4  
Section 4: NW 1/4, N 1/2 SW 1/4, SW 1/4 SW 1/4

**CONSERVATION RESERVE PROGRAM:** This lease does not include the portion of the above croplands which are currently subject to CRP contracts.

**TERM.** LESSEE is to have and to hold the above rented premises for and during the term of one (1) year, from and after the 1<sup>st</sup> day of January, 2015 to and including the 31<sup>st</sup> of December, 2015 or, in the event of a sale, at such time as is mutually agreed upon by all interested parties. The lease may be renewed upon the same terms and conditions, for successive one (1) year terms, upon agreement of the LESSEE and the majority of the owners by August 15 of each year for the next ensuing calendar year. However, in no event will any renewal of this lease extend beyond December 31, 2016, when it shall expire absolutely.

LESSORS expressly reserve the right of sale of the above-described property.

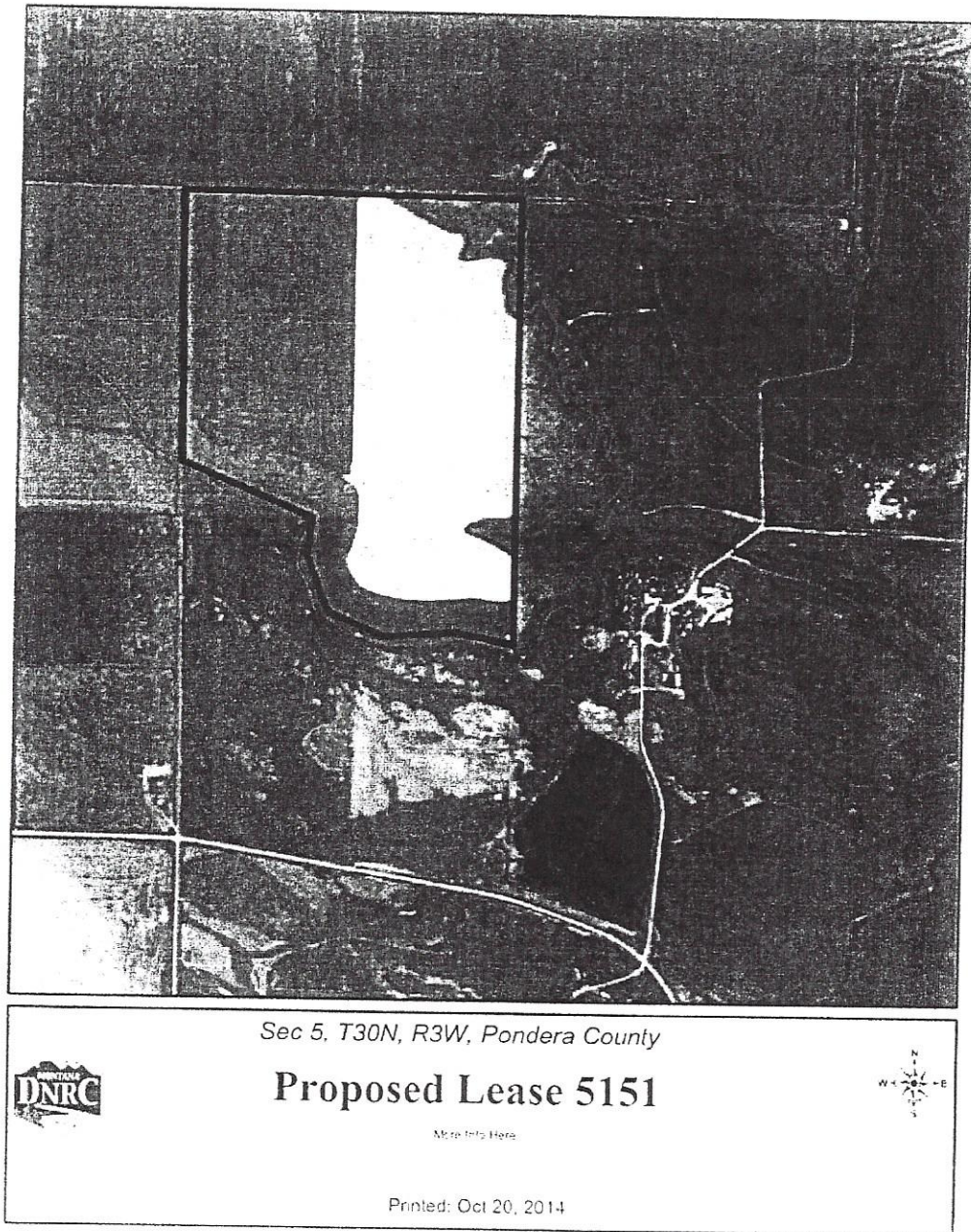
**RENTAL.** LESSEE agrees to pay to LESSORS as rent for the above-mentioned premises, the cash sum of \$32,500, plus an amount that is equivalent to the PCCRC Water Shares, each year. Payment shall be made as follows: The first payment is due on January 15, and is equal to \$16,250. The remainder is due on or before July 15, and is equal to \$16,250, plus an amount equivalent to that year's water shares. The lease payment is to be made payable to Donald Seifert and Cheryl Curry et al, and the proceeds will be deposited in an account at First State Bank in Shelby, Montana. Donald Seifert and Cheryl Curry will be designated to serve as authorized agents to accept the proceeds and disburse the proceeds as appropriate.

LESSORS shall pay for the water shares from the farm account when due; Lessors shall also pay real estate taxes and fire insurance on the structures located on the lease. All other expenditures except as hereinafter set forth shall be paid by LESSEE.

LESSEE shall be responsible for all normal day-to-day maintenance and upkeep expense. If LESSEE wishes to make any improvement to the buildings or to the properties it must receive prior written approval from the majority of LESSORS before LESSORS are obligated to pay for said improvements.



EXHIBIT D



*D/S*

EXHIBIT E

**AGREEMENT TO REMOVE OR SELL OR FORFEIT  
IRRIGATION EQUIPMENT**

This Agreement is entered into between the State of Montana, acting by and through the Department of Natural Resources and Conservation (hereinafter referred to as "the State"), as the Purchaser of certain real property located in Pondera County and identified more specifically in the Agreement for Purchase and Sale of Real Estate dated \_\_\_\_\_, 2015, (hereinafter referred to as the "Bullhead Ranch") and Curry Cattle, Inc., 130 Curry Road, Valier, MT 59486, as the current lessee of the Bullhead Ranch.

Curry Cattle, Inc. owns the following irrigation equipment that is located upon the Bullhead Ranch:

All irrigation equipment located on  
leased property including but not limited  
to:  
the Valley Center Pivot, machine, and diesel  
pump and engine  
four wheel lines (1/4 mile, each), machine  
and pump, and power line

The irrigation equipment listed above is specifically excluded from the sale of the Bullhead Ranch but Curry Cattle, Inc., would like to retain its opportunity to either use the irrigation equipment if it is the successful lessee of the Bullhead Ranch or sell the irrigation equipment to the successor lessee of the Bullhead Ranch as opposed to removing the irrigation equipment prior to the closing date of the sale;

WHEREFORE, the parties agree that should the State of Montana purchase the Bullhead Ranch, the irrigation equipment may remain in place on the Bullhead Ranch after the date of the closing and successful sale to the State, under the following terms and conditions:

- (1) the State shall offer all portions of the Bullhead Ranch, except 189.1 acres located north and east of irrigation ditch, in the West half of Section 5, Township 30 North, Range 3 West, for lease and shall subsequently issue a competitively-bid agricultural lease upon the historically irrigated portion of the Bullhead Ranch;



- (2) if Curry Cattle, Inc. is not the highest bidder and not awarded the lease, Curry Cattle, Inc. agrees to remove or sell the irrigation equipment to the successful lessee within forty-five (45) days of the lease being awarded;
- (3) Upon the expiration of the forty-five (45) day period that begins on the day the new lease is awarded, Curry Cattle, Inc., hereby grants, transfers, and quitclaims to the State of Montana, State Board of Land Commissioners, whose address is P.O. Box 201601, Helena, Montana 59620-1601, as grantee, all the right, title or interest that it may possess in any of the above-described irrigation equipment that remains located upon the Bullhead Ranch, free and clear of all liens, encumbrances, liabilities and adverse claims of every nature and description whatsoever, without further notice from the State.

IN WITNESS WHEREOF, the parties have executed this Agreement that date set forth opposite their respective names.

CURRY CATTLE, INC.

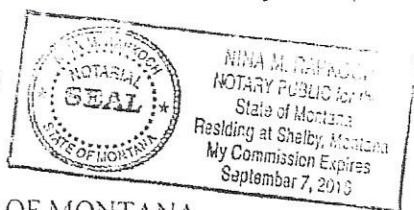
By: Gene Curry  
Gene Curry, President

Date: 2-12-15

STATE OF MONTANA )  
County of Pondera )

This instrument was acknowledged before me on February 12, 2015 by Gene Curry, President of Curry Cattle, Inc., on whose behalf this instrument was executed.

(SEAL)



7 Feb 12 2015

STATE OF MONTANA,  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

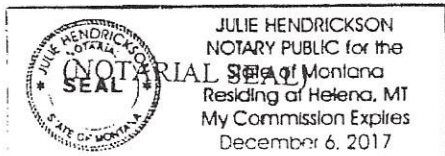
By: John E. Tubbs  
John E. Tubbs  
Director, Department of Natural Resources and Conservation

Bullhead Ranch  
1-23-2015

STATE OF MONTANA     )  
  :SS.  
County of Lewis & Clark     )

On this 23<sup>rd</sup> day of October, 2015, personally appeared before me JOHN E. TUBBS, known to me to be the Director and administrator of the Department of Natural Resources and Conservation of State of Montana, that he executed the within and foregoing instrument on behalf of the State of Montana, and acknowledged said instrument to be the free and voluntary act and deed of the State of Montana for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the official seal of the State of Montana.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Notary Signature: *Julie Hendrickson*  
Printed Name: Julie Hendrickson  
Notary Public for the State of Montana  
Residing at: Helena, MT  
My Commission expires: Dec 6, 2017