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# Land Appraisal for the State of Montana

ValleyCounty SALE #720

SW1/4NW1/4 Section 29, T35N-R42E;

SALE #721

NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;

SALE #722

SW1/4SE1/4,SECTION25,T35N-R41E;

SALE#723

S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E



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# APPRAISAL REPORT

Of a State owned Lands: in Valley County near Larslan Mt.

Valley County described as

SALE #720	SW1/4NW1/4 Section 29, T35N-R42E;
SALE #721	NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;
SALE#722	SW1/4SE1/4,SECTION25,T35N-R41E;
SALE#723	S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E



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## EFFECTIVE DATE OF VALUE

06/17/2015

## EFFECTIVE DATE OF REPORT

07/31/2015

## PREPARED FOR

Trust Land Management Division

PO Box 201601

Helena, MT 59620-1601

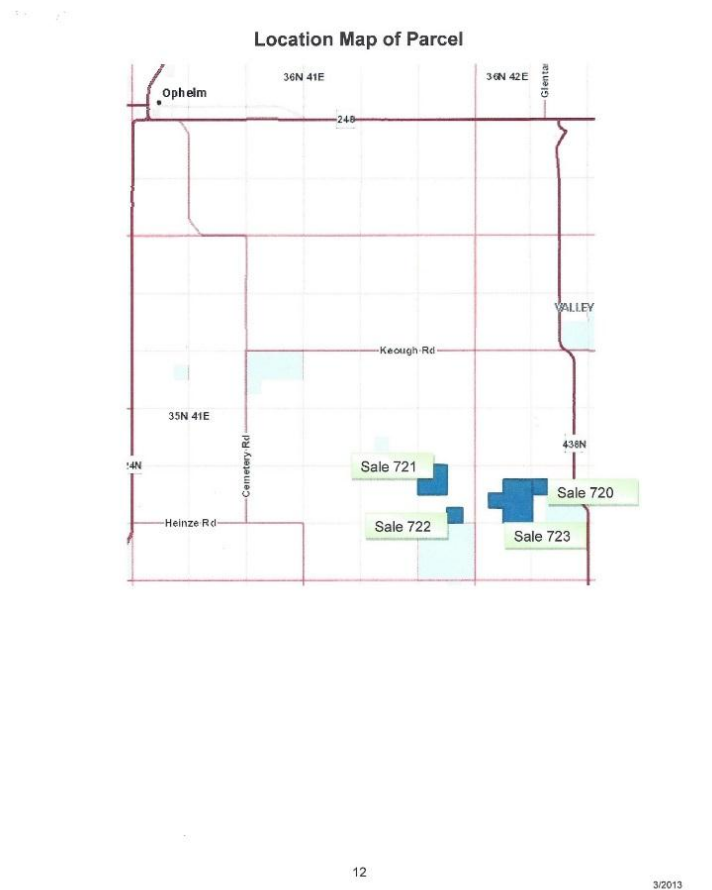
## PREPARED BY

Allen L Bunk

Appraisal Services Allen L Bunk LLC

PO Box 333, 302 Hobart St Nashua, MT

File #: 20150018



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# LAND Appraisal

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State of Montana

Department of Natural Resources & Conservation

Trust Land Management Division

PO Box 201601 Helena, MT. 59620-1601

RE: SALE #720

SW1/4NW1/4 Section 29, T35N-R42E;

SALE #721

NE1/4NW1/4, S1/2NW1/4, SECTION 25, T35N-R41E;

SALE#722

SW1/4SE1/4, SECTION 25, T35N-R41E;

SALE#723

S1/2NE1/4, SE1/4, NE1/4SW1/4, SECTION 30, T35N-R42E

Dear Emily Cooper:

Accompanying this letter of transmittal is an appraisal report containing 34 pages plus a 24 page addenda (total 58 pages starts with 0) which has been prepared for a State of Montana Department of Natural Resources & Conservation Trust Land Management Division property located at in Valley County. I have made the necessary inspection and analysis to appraise the above referenced property. The attached report provides the essential data and detailed reasoning employed in estimating my final value estimate.

I have appraised the property as a whole, owned in fee simple ownership. The lease indicates the property is leased to Ken Greenwood. I assume no responsibility for matters that are legal in nature nor do I render any opinion as to title.

**The property being appraised consists of 4 parcels containing 480 + - acres and in the report is a complete legal description and detail of subject property.**

The purpose of the report is to develop an opinion of market value of the Fee Simple interest of the subject property as of the effective date of inspection of **06/17/2015**.

The intended use of this appraisal is to determine market value. The intended user of this report is DNRC and Greenwood, Ken. The appraisal is reflective of the real estate interest identified only. The accompanying appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, quantitative and qualitative analysis, conclusions, and



pertinent data researched and analyzed in the development of this appraisal and which were relied upon to determine the stated opinion of value.

An external viewing of the subject property was made by this appraiser on 06/17/2015. The level of viewing, investigation, and analysis performed by this appraiser are disclosed herein in the referenced Scope of Work. The value opinion presented is qualified by definitions, limiting conditions, and certifications herein included. Your attention is directed to the Assumptions and Limiting Conditions, beginning on page 7. I certify that I have no present or contemplated future interest in the property beyond this opinion of value; an additional Certification appears on page 25.

The appraisal report is predicated upon extraordinary assumptions<sup>1</sup> and/or hypothetical conditions referenced in the Scope of Work section beginning on page 11.

As a result of my analysis, it is my opinion that the market value, as herein defined in the report, subject to, subject to the definitions, certifications, and limiting conditions set forth in the attached report, as of the effective date of appraisal of 06/17/2015, was as follows:

TRACT #	LEGAL	# OF ACRES	Improved pasture	Cropland	Pasture	Value per parcel
SALE #720	SW1/4NW1/4 Section 29, T35N-R42E;	"+-40 Acres		40		\$25,320
SALE #721	NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;	+120 Acres		44	76	\$55,592
SALE #722	SW1/4SE1/4,SECTION25,T35N-R41E;	+ - 40 Acres			40	\$14,600
SALE#723	S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E	+280		113	167	\$132,484
Average value per acre			\$400/Ac	\$633/Ac	\$365/Ac	
			+480 acres		Total	\$227,996
Value Conclusion, As-Is			\$227,996			

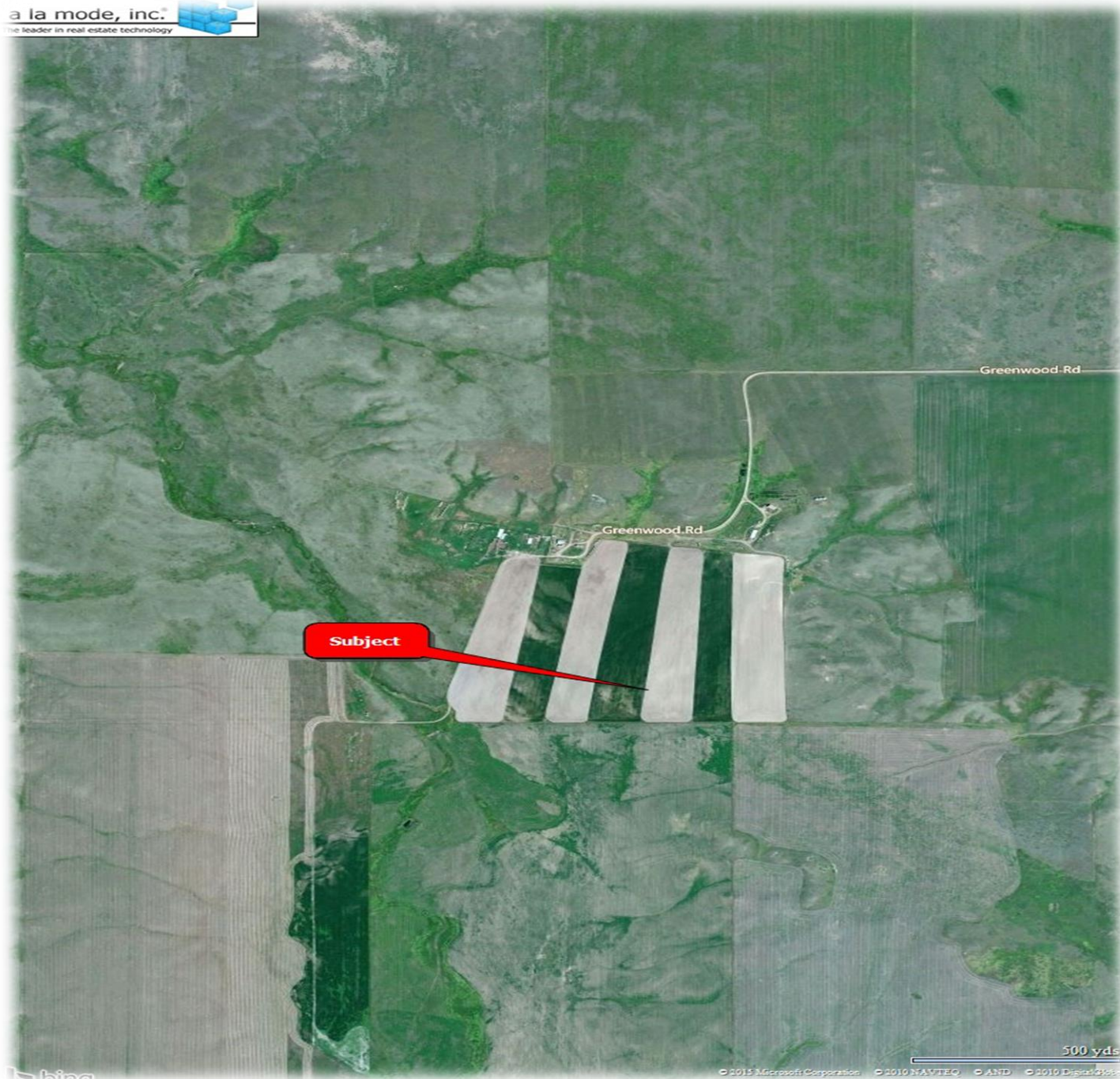


Signature Allen L Bunk	Name, Address, Etc. Allen L Bunk Appraisal Services Allen L Bunk LLC PO Box 333; 302 Hobart St. Nashua, MT. 59248	
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## ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions.

1. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.
2. No part of this appraisal, its value estimates, or the identity of the firm or the appraiser may be communicated to the public through advertising, public relations, media sales, or other media.
3. All files, work papers and documents developed in connection with this assignment are the property of the appraiser. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans and sketches provided are intended to assist the client in visualizing the property; no other use of these plans is intended. The work file prepared is an electronic work file and incorporates by reference all pertinent electronic data and analysis files retained by the appraiser.
4. No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser or made known to the appraiser. No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property. The appraiser is not qualified to detect hazardous or toxic materials. Such determination would require investigation by a qualified environmental engineer or other expert, and is beyond the scope of this assignment. The value estimate presented is based upon the assumption that the subject is free and clear of contamination or toxic materials of any kind either upon, or impacting, the subject property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover such conditions.
5. Unless otherwise stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
6. Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature. The subject is assumed to be in compliance with all zoning and legal encumbrances.
7. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place as of the date of appraisal or reasonably obtainable.
8. Unless otherwise stated herein, it is assumed there are no zoning violations, encroachments, easements, or other restrictions which would affect the subject property, unless otherwise stated herein. The subject is a 4 Parcels containing 480 acres total no zoning requirements, to the knowledge of the appraiser.
9. The appraiser is not required to give testimony in Court in connection with this appraisal. If the appraiser is subpoenaed pursuant to a court order, the client agrees to pay the appraisers regular per diem rate plus expenses for appearance time, preparation time, travel time, and document preparation time at the regular hourly rate in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes, the subject of litigation, condemnation, or other legal proceeding, it is assumed the appraiser will be given reasonable advance notice, and reasonable additional time for preparation.
10. The appraiser has not observed the subject property to determine compliance with the Americans with Disabilities Act (ADA). As the appraiser has no direct evidence or knowledge pertaining to the subject's compliance, or non-compliance, with the Americans with Disabilities Act, this appraisal does not consider possible non-compliance or its effect upon the subject property or value opined.
11. Appraisals are based on the data available at the time the assignment is completed. Reasonable amendments or modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.



12. Unless otherwise stated herein, the subject property has been appraised as though free and clear of all encumbrances.
13. All maps, plans, property specifications and data relied upon by the appraiser and presented herein are assumed to be correct. No survey of the subject was made by this appraiser. A 'viewing' or 'observation' of the subject was made, which is not defined as an 'inspection' and should not be utilized as, or in lieu of, a property inspection, a building inspection, a home inspection, an engineering inspection, or an environmental inspection. All dimensions referenced have been provided by available public records or personal measurements by the appraiser rounded to the nearest ¼' increment.
14. Where the value of the land and improvements is shown separately, the value of each is presented only as an aid to compare the value which it lends to the parcel in its entirety.
15. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
16. Any compensation is not contingent upon any action resulting from the analysis, opinions, or conclusions presented, or the use of the appraisal report.
17. To the best of my knowledge and belief, the statements of fact contained in this appraiser report are true and correct. Furthermore, no known important or materially relevant facts have been withheld.
18. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal unbiased professional analysis, opinions, and conclusions.
19. I have made a personal viewing of the property that is the subject of this report on the stated date.
20. No one provided significant professional assistance to the signatory appraiser.
21. The client and all intended users agree to all of the following: i) this appraisal does not serve as a warranty on the physical condition or operability of the property appraised, ii) all users of this report should take all necessary precautions before making any financial commitments to or for the subject, iii) any estimate for repairs, alterations, or cost to cure, is (are) a non-warranted opinion(s) of the appraiser.
22. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation radon, underground storage tanks, underground debris, lead based paint, chemical spills or contamination, mold, fire resistant treated plywood, asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraisers viewing of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated herein. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them. The intended user is recommended to retain an expert in this field, if desired.
23. The opinion of value(s) presented may differ if ownership is fractured or if the interest being appraised is less than an ownership interest.
24. Use by the stated client(s), and use by any stated intended user(s), implies acceptance of all prior statements; if client(s) and any stated intended user(s) does not agree to all above statements, do not use or rely upon this report for any purpose.

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Type:	Pasture and Crop Land
Location:	Valley County MT. Near Larslan
Property Overview:	<p>Site Size: 480 acres:</p> <p>Owner of Record: State of Montana.</p> <p>Lessee: Ken Greenwood.</p>
Legal Description <sup>2</sup> :	<p>RE: SALE #720 SW1/4NW1/4 Section 29, T35N-R42E;</p> <p>SALE #721 NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;</p> <p>SALE#722 SW1/4SE1/4,SECTION25,T35N-R41E;</p> <p>SALE#723 S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E</p>
Date of Value Opinion:	06/17/2015.
Property Rights Appraised:	Fee Simple
Intended Use:	Purchase transaction
Intended User:	DNRC.
Zoning:	None.
Highest and Best Use As Vacant:	<b>Pasture and Cropland today Agriculture use as is.</b>
Assessment and RE Tax Data:	Exempt from property tax on state owned property
Income Approach:	Income approach is not applicable and was not developed
Cost Approach:	Cost approach is not applicable and was not developed.







## SCOPE OF WORK

### Scope of Work:

Appraisal Report Type:	<p>This is an 'appraisal report', as defined in USPAP. The Scope of Work of this appraisal report is herein contained and additionally referenced throughout the body of this appraisal report. An electronic work file for the subject assignment has been prepared and will be retained by appraiser compliant with statutory record keeping provisions.</p> <p>I spoke with Ms. Cooper and placed bid on the appraisal.</p> <p>Emily answered my reply with a go ahead to proceed with the assignment. She also provided me with the Scope of work, Parcel description and contact information.</p> <p>I had a short conversation with Kenneth Greenwood and we set a time to visit the property which didn't occur for several weeks.</p> <p>I looked for surrounding neighborhood sales and asked Ken greenwood to ask around and help me locate recent land sales in the area.</p> <p>All of the comparable sales were listed in the summary sheet in a separate document.</p>
Property Identification and Viewing:	<p>The subject, client, intended use, intended user, type of value, date of value, property characteristics, and assignment conditions have been identified in applicable sections of this report. The subject was viewed by the appraiser as follows by driving over a large area of subject property as of date of viewing. Comparable photographs were taken externally from the report date.</p>
Analysis of Physical Factors:	<p>All known pertinent physical factors were analyzed. Physical data of comparable sales is based upon MT Dept. of Revenue assessment records, MT Cadastral records, prior viewings and appraisals, property owners and agents, and MLS records, as available.</p>
Analysis of Economic Factors:	<p>None considered</p>
Extent of Data Research:	<p>Sources of information include:</p> <ul style="list-style-type: none"><li>• Valley County Dept. of Revenue Office</li><li>• County Clerk and Records Office</li><li>• County Online and MT Cadastral Records</li><li>• Purchaser – Ken Greenwood.</li><li>• Lessor – Ken Greenwood.</li><li>• Individual Buyers &amp; Sellers</li></ul>
Extraordinary Assumptions <sup>3</sup>	<ul style="list-style-type: none"><li>• Features of the subject site such as legal descriptions, dimensions, size, etc.</li></ul>

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<sup>3</sup> If extraordinary assumptions or hypothetical conditions are found to be false, the estimated value and conclusions herein may or may not be impacted.

	<p>were obtained from publicly available sources. All information taken therefrom is assumed to be correct.</p> <ul style="list-style-type: none"> <li>• Real estate tax, zoning, deed information, etc. was obtained from public online records and are assumed correct. All information obtained from any credible source is assumed correct.</li> <li>• A title policy was not provided to appraiser as a component of this assignment; if detrimental features were identified or suggested in a title policy, or other professional report, this appraisal does not address issues that are significantly atypical for a valuation of a property of this type unless specifically identified as such herein.</li> <li>• The above extraordinary assumptions, and other assumptions which may be contained herein, are an integral premise upon which the conclusions of this appraisal report are based; if any of these assumptions are found to be untrue or materially inaccurate, the report assignments results may or may not be impacted.</li> <li>• No responsibility is assumed for matters legal in nature nor is any opinion rendered on title of property appraised.</li> <li>• Unless otherwise noted, the property has been appraised as though free and clear of all encumbrances.</li> <li>• This appraisal considers only surface rights to the property with consideration of current zoning and land use controls. The estimate of highest and best use will form the basis for value. This appraisal does not consider mineral, gas, oil or other natural resource rights that might be inherent in the ownership of the property.</li> <li>• There shall be not an obligation to give testimony or attendance in court by reason of this appraisal with reference to the property in question unless arrangement have been previously made at and additional fee.</li> <li>• Neither all nor any part of this report, especially the conclusions to value, the identity of the appraiser shall be disseminated to the public through advertising media without the prior written consent of the appraiser.</li> <li>• The fee for this appraisal report is for the service rendered.</li> <li>• This Appraisal Report is intended to comply with the reporting requirements set for the under Uniform Standards of Professional Practice for and Appraisal Report.</li> </ul>
Hypothetical Conditions	<ul style="list-style-type: none"> <li>• USPAP defines a hypothetical condition as ‘a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.’ Hypothetical conditions assume conditions that are contrary to know fact. This appraisal assignment is based upon the following hypothetical conditions, if any:</li> <li>• The subject property is owned by the State of Montana and this appraisal assumes the property is held in private ownership. This is noted in the “Scope of Work for Appraisals of Potential Sales through the Land Banking Program” which is included in the addenda.</li> <li>• The “Scope of Work for Appraisal of Potential Property Sales though the Land Banking program” also notes that Landlocked parcel, with be appraised with the hypothetical condition of having legal access and should be appraised as the property currently exists, which is without legal access, (as is). This is further discussed in the highest and best use section of this report.</li> <li>• Even though the subject property is leased, this appraisal assumes that the current lease does not exist. This is part of the scope of the assignment and is noted in the “Supplemental Appraisal Instructions”</li> </ul>
Personal Property & Intangibles	<p>Personal property is movable and not permanently affixed to the real estate. This reports final value opinion <b>excludes</b> personal property and intangibles unless</p>

	otherwise stated herein.
The Type and Extent of Analysis:	<p>Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.</p> <p>Income Approach: This approach is applicable, not necessary and has not been fully developed.</p> <p>This approach is not applicable due to a lack of a demonstrated rental market for comparable properties in the subject market area, and has not been provided. Any attempt at the income approach would be a theoretical application only, lacking merit for the subject assignment.</p>

## PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion as to the market value market of the said subject properties of State land described as sales: 720, 721, 722, and 723 for the purpose in the decision making process of selling the said subject properties as of the effective date of **06/17/2015 which is the inspection date**. The effective date of the report is 07/31/2015

## INTENDED USE OF THE APPRAISAL

To be an intended use and intended user of, the appraisal This appraisal is intended to be used in the decision making process concerning the potential sale of the stated subject properties The intended users, are the State of Montana, the Montana Land Board of Land Commissioners and the Department of Natural Resources and Conservation(DNRC). And ancillary use by Ken Greenwood as permitted by the stated client. Any other use or use by any entity other than the above referenced client is unintentional and prohibited. This report should not be relied upon by any other entity for any other purpose. Unauthorized users do so at their own risk. This report should be treated as confidential and/or copyrighted material and cannot be otherwise utilized or reproduced in any fashion without the written consent of the signatory appraiser.

## PROPERTY RIGHTS APPRAISED

► Fee Simple Equivalent Interest ◀ True fee simple interest can seldom, if ever, be appraised due to the encumbrances placed upon real estate through easements, zoning, deed restrictions, etc. As such, the fee simple equivalent interest is viewed as “the fee simple interest in the appraised property, subject to zoning (if any), easements (if any), and restrictions of record (if any), as identified within the report as available during the background data research conducted for the subject assignment”. A title report was not provided as a component of this assignment.

## DATE OF VALUE OPINION

06/17/2015

The effective date of the value opinion, which is the effective date of the appraisal, is 06/17/2015. The effective date report which is the date that it was signed and delivered 07/31/2015.

## DEFINITION OF VALUE

(MCA 70-30-313)

The definition of “Market Value”, as defined as follows: 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, 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 any other relevant factors as to which evidence is offered.
- (3) Any other relevant factors as to which evidence is offered.

## IDENTIFICATION OF THE SUBJECT PROPERTY

SALE #720

SW1/4NW1/4 Section 29, T35N-R42E;



SALE #721	NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;
SALE#722	SW1/4SE1/4,SECTION25,T35N-R41E;
SALE#723	S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E
Legal Description	

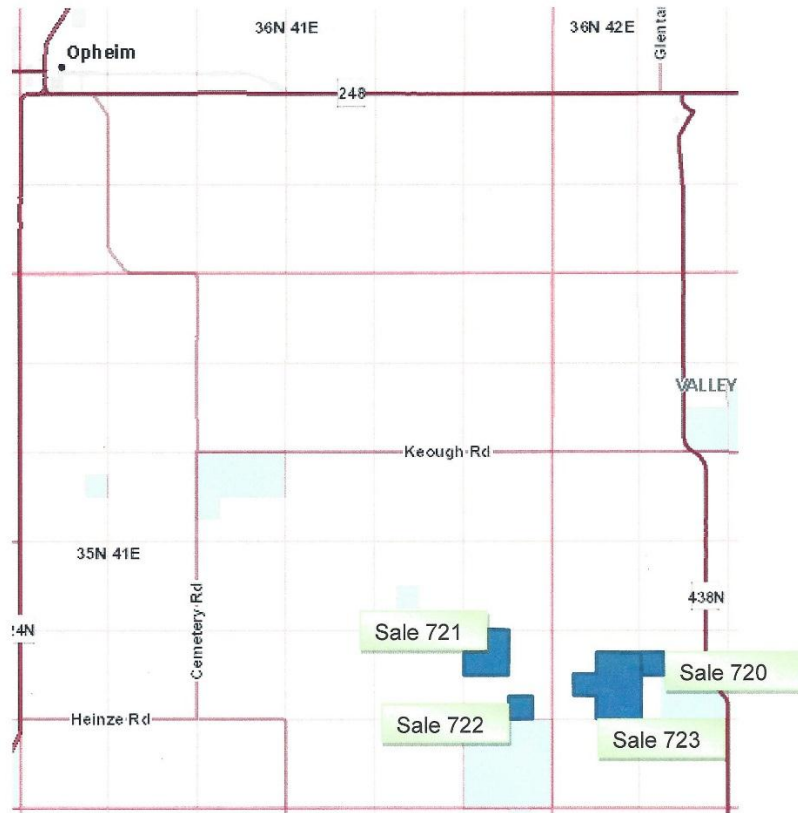
There have been no sales in the past three years that I could find of the 4 subject properties and I have not reviewed these 4 subject properties in the last three years.

## PART II: DESCRIPTIONS, ANALYSIS, AND VALUE CONCLUSIONS

<b>Site</b>	
<b>Information Sources:</b>	Site Viewing; Assessment and Tax Records; County Clerk & Recorder Office; Plat Map of Record; Owner.
<b>Site Shape:</b>	Parcels are rectangular Corner pins are neither visible nor marked. Approximate boundaries were visualized by aerial cadastral images.
<b>Size</b>	The Subject consists of 480+ - acres of cropland and pasture.
<b>Topography</b>	Parcel has rolling hills and some (low land area with poor drainage).
<b>Drainage, Soil, Subsoil Conditions:</b>	Farnuf loam/Tally Soil conditions are unknown. No soil tests were provided to your appraiser. DNRC maps were reviewed for soils types.
<b>Road Frontage/Access:</b>	Greenwood road is the only access. Parcel Sale # 720 is adjacent to the road way. It has been taken as a county road to the point where it turns South. Sales # 721 thru 723 are land locked parcels the only access is through private lands owned by Greenwoods.
<b>Utilities:</b>	Electrical and 2 wells for water
<b>Site Improvements:</b>	Barbed wire fencing Underground water line and stock waterer. Wind breaks Pole shed Personal property one hopper bin, and two older Butler type(approximately 1200 bushel) bins
<b>Easements/</b> <b>Encroachments:</b>	Typical Typical utility easements are present, with no adverse encroachments noted. Legal access to and buildability of the subject property is assumed.
<b>Water</b>	Seasonal runoff, And 2 wells for stock water

<b>Flood Plain</b>	Not mapped
NUISANCES OR HAZARDS:	<p>None noted</p> <p>However Richardson Ground squirrels and lots of Cow pies are quite common.</p>
<b>Improvements</b>	The improvements to the property included on separate addenda listing page. None considered in value as per instructions.
<b>Marketing Analysis</b>	<p>The Comparable sales have all sold within 30 - 180 days of the time they were decided to be put up for sale. Most of them were never listed publicly (this is normal in the area). ("word of mouth only sales method employed").</p> <p>The time to market these 4 subject properties I would assume would be similar. <b>However with no access to roads they might be impossible to sell to the normal buyer.</b></p> <p>Some local tribal lands in the area also have problems with access and would not market at all locally because of access issues.</p>

## Location Map of Parcel



## ZONING AND LAND USE PATTERNS

No Zoning in rural Valley County except for commercial properties. No known zoning or exceptions for the subject properties.

<b>Conforming:</b>	The subject property is legally permissible use.
<b>Applicable Permitted Uses<sup>4</sup>:</b>	<ul style="list-style-type: none"><li>• Agriculture use</li></ul>

## REAL ESTATE TAX AND ASSESSMENT ANALYSIS

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

The subject property is state owned and is currently exempt from taxation. If the parcel sells to private ownership it will be subject to taxation.

## MARKET ANALYSIS

Please see comp grid sheet

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### SOCIAL INFLUENCES

No known Social influences other than considered normal in the area.

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### ECONOMIC INFLUENCES

A Bullish market in Agriculture caused by better cattle and crop prices. Which has also caused agricultural land and machinery to increase in value in recent years. Causing more demand for pasture and crop land in the area.



## Highest and Best Use Analysis

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in the highest value.”

The definition above applies to the highest and best use of vacant land or improved property. It is to be recognized that in cases where a site has 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.

Often in estimating the highest and best use of land, the government controls the regulations, and these controls are general zoning ordinances, building codes and parking requirements. The attitudes of the typical investors in the market place.

Most estate normally will fall into definite patterns, normally these uses can be classified as: residential, agricultural, recreational, industrial, commercial and public use. In valuing the highest and best use of the land both as if it is vacant and improved, the following criteria must be met: 1 legally permissible, 2 physically possible, 3 financially feasible, and 4 maximally productive.

### **Legally Permissible**

The subject property has no zoning. The subject has always been used as agricultural grazing and or cropland. Because of the location there is no apparent need for the property to be used as commercial or industrial, or by any government entity for public use.

### **Physically possible**

The subject property area is predominately agricultural lands. The subject property has limited legal access and physical access is from adjacent private lands. The “Assignment Conditions “provided by the client tell the appraiser to appraise the property as though legal and physical access exists. The topography of the subject parcels is rolling hills.

### **Financially Feasible**

The predominate use in the area is agricultural. The subject has been operated by the lessee’s family for two generations. The lessee contacted the DNRC about possible purchase of the tracts through the Land Banking Program. If the sale occurs these tracts will be operated by the Greenwood family.

### **Maximally Productive**

The subject would conform to the first three requirements of Highest and best use, and would provide the maximum productivity of the subject site, is at this time for agricultural use as cropland and grazing pasture.

## THE VALUATION PROCESS

Three basic approaches may be used to arrive at an opinion of market value. They are:

- The Cost Approach
- The Income Approach
- The Sales Comparison Approach

The **Cost Approach** is summarized as follows:

Cost New

Depreciation

+ Land Value

= Value

The **Income Approach** converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

The **Sales Comparison Approach** compares sales of similar properties with the subject property, if timely comparable sales exist in the subject market area. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

The appraisal process concludes with the **Final Reconciliation** of the values derived from the approaches applied for a single opinion of market value. Different properties require different means of analysis and lend themselves to one approach over the others. This appraisal includes the following approaches:

- Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.
- Income Approach: This approach is applicable, necessary and has not been fully developed.

## COST APPROACH

The Cost Approach is defined as:

### Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use. I have utilized the Sales Comparison Approach to estimate land value; the process is as follows:
  - Comparable sales, contracts for sale and current offerings are researched and documented.
  - Each comparable is analyzed and adjusted to equate with the subject property.
  - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
2. Estimate the replacement cost of the building and site improvements.
3. Estimate the physical, functional and/or external depreciation accrued to the improvements.
4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

**\*\*\*The Cost approach is not applicable in a land appraisal when no improvements are considered in the final value CONCLUSION.**

## THE INCOME APPROACH

The Income Capitalization Approach is defined as:

### **Income Capitalization Approach**

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Source: Appraisal Institute, **THE DICTIONARY OF REAL ESTATE APPRAISAL**, 5th ed. (Chicago: Appraisal Institute, 2010).

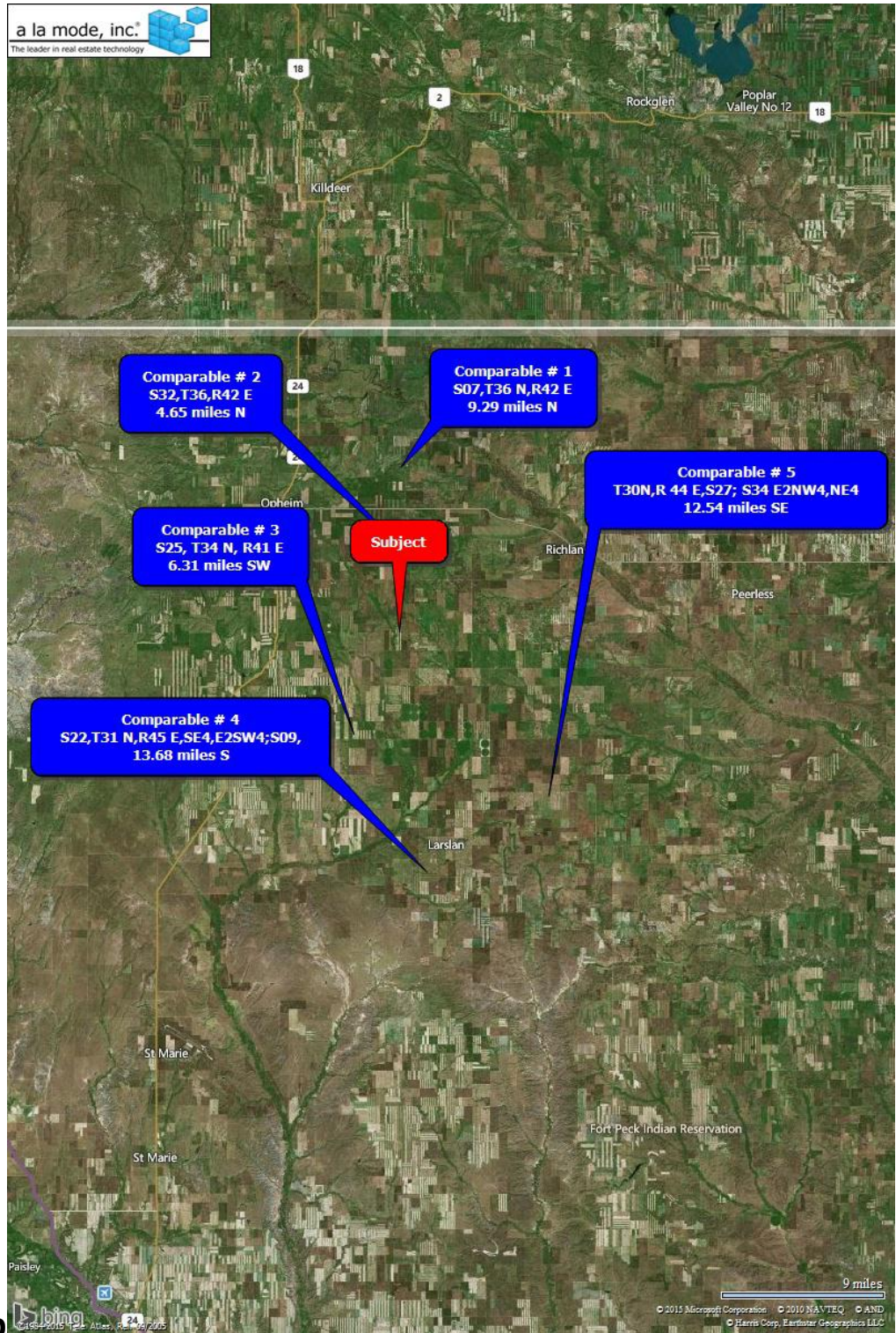
The steps involved in capitalizing the subject's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate ( $R_o$ ).
5. Divide the net operating income by the capitalization rate for an opinion of value through direct capitalization.

---

**The income approach is not deemed necessary in this appraisal. And therefore it is not developed.**

---



**Sales Location Map**

## SALES COMPARISON APPROACH

The Sales Comparison Approach is defined as:

## Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Source: Appraisal Institute, *THE DICTIONARY OF REAL ESTATE APPRAISAL*, 5th ed. (Chicago: Appraisal Institute, 2010).

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principals of supply and demand, balance, substitution, and externalities. This in the market is often difficult and nearly impossible to accurately isolate a given factor. In short it is very difficult and seldom possible to find identical sales in all respects but one, and thus is able to prove conclusively the value, or lack of value, due to the difference in sale price. There are often plus and minus factors which offset each other, Therefore the use of subjective judgment, to some degree, may need to be exercised. The differences in values are real and adjustments based on as much fact as can be found, will be made. Then, the appraiser may call on his experience I to make subjective judgments.

## SALES COMPARISON APPROACH CONCLUSION

### RECONCILIATION AND FINAL VALUE OPINION

The appraiser has reviewed the above sales the best, nearest sales and used the average number of (\$ per soil crop type) {Total Value} and divided that by the [total number] of acres to find the average \$ per acre land value (per crop land, pasture type). This was used to develop a value for the subject crop and pasture land. Although it seems fairly simple when laid out in a spreadsheet fashion there is some unknown factors that have to be taken into consideration. In all these sales there are acres that don't appear in any known category of cropland or pasture. Montana Cadastral Site does not match acre per acre with FSA maps and small inconsistencies' occurs that is why I have tried to use a (+ -) on said sale acres.

In my opinion the method works however it does not put the most emphases on the best compare sale and weight that with a more adequate amount of that sale's value. Unfortunately there are no known identical sales in the area at this time.

## Sales Adjustment Grid

	SUBJECT	COMP # 1	COMP #2	COMP # 3	COMP # 4	COMP # 5				
Geocode	20-4790-30-1-03-01-0000	20-4896-07-2-04-04-0000	20-4896-32-2-04-03-0000	20-4683-25-1-04-03-0000	20-4365-22-3-01-01-0000	20-4254-34-1-01-01-0000				
LOCATION	VALLEY COUNTY	VALLEY COUNTY	VALLEY COUNTY	VALLEY COUNTY	VALLEY COUNTY	VALLEY COUNTY				
		+/- 9 miles	+/- 5 miles	+/- 6 miles	+/- 8 miles	+/- 20 miles				
SALE DATE		3/4/2015	12/4/2014	12/4/2013	2/25/2015	12/19/2012				
SIZE, ACRES	480	573	160	320	360	280				
SALE PRICE	NA	\$215,000	\$104,000	\$200,000	\$200,000	\$188,370				
LESS CONTRIBUTING IMPS	NA				-5000					
LAND VALUE	NA				195000					
PRICE PER ACRE	NA	\$375.00	\$650.00	\$625.00	\$541.67	\$672.75				
LOCATION	NORTH VALLEY COUNTY	NORTH VALLEY COUNTY	NORTH VALLEY COUNTY	NORTH VALLEY COUNTY	NORTH VALLEY COUNTY	NORTH VALLEY COUNTY				
COMPAIRASON										
USE TYPE ACRES										Average
IRRIGATED	NONE	NONE	NONE	NONE	NONE	NONE	Total	Total		\$/Acre
HAY	NONE	NONE	NONE	NONE	NONE	NONE	Value	Acres		
DRY CROP	197	"NONE	146+- @676.71	98800 298+- @647.32	192900 337+- @560.83	189000 269+- @684.93	184245	664945	1050	\$633
" @ \$ 633	124,701									
IMPROVED PASTURE		76+- @400	30200	NONE	NONE	NONE				\$400
@ \$400	0									
PASTURE	283	497+- @372	184800 14+- @371.43	5200 22+- @300	6600 23+- @260.87	6000 11+- @375	4125	206725	567	\$365
@ \$365	103,295									
OTHER				5+- ac roads	500					
net		215000	104000	200000	195000	188370				
COMPARISON										
COMPARISON		inferior	similar	similar	similar	superior				

## ADJUSTMENT NOTES

The comparable properties differ from each other and the subject. The differences are for cash equivalency, market conditions, location, and physical characteristics. When differences are found adjustments are necessary if the comparable is inferior adding to the value, when superior subtracting from the comparable is necessary. The sale properties are then adjusted to the subject property.




## CERTIFICATION

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

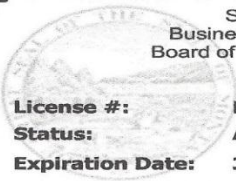
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.

I have used the Average value based on the sales Grid located on page 10

TRACT #	LEGAL	# OF ACRES	Improved pasture	Cropland	Pasture	Value per parcel
SALE #720	SW1/4NW1/4 Section 29, T35N-R42E;	"+-40 Acres		40		\$25,320
SALE #721	NE1/4NW1/4, S1/2NW1/4,SECTION 25,T35N-R41E;	+120 Acres		44	76	\$55,592
SALE #722	SW1/4SE1/4,SECTION25,T35N-R41E;	+ 40 Acres			40	\$14,600
SALE#723	S1/2NE1/4,SE1/4,NE1/4SW1/4,SECTION30,T35N-R42E	+280		113	167	\$132,484
Average value per acre			\$400/Ac	\$633/Ac	\$365/Ac	
	Total	+480 acres			Total	\$227,996
TRACT #	LEGAL	# OF ACRES	Improved pasture	Cropland	Pasture	Value per parcel

		Report Date 07/31/2015	
Signature		<b>\$227,996</b>	





State of Montana  
Business Standards Division  
Board of Real Estate Appraisers

This certificate verifies licensure as:  
**CERTIFIED GENERAL APPRAISER**

**License #:** REA-RAG-LIC-522  
**Status:** Active  
**Expiration Date:** 3/31/2016

**ALLEN L. BUNK**  
302 HOBART ST  
PO BOX 333  
NASHUA, MT 59248



RENEW OR VERIFY YOUR LICENSE AT:  
<https://ebiz.mt.gov/pol/>

**To use license as a Wall License, cut off excess paper and affix the above to wall for display.**

**Remember to renew online if possible. Benefits of renewing online include:**

- The ability to change an address (for most professions)
- The ability to print license(s) the same day as the renewal
- The ability to print additional licenses for no additional charge up to 45 days following the end of the renewal cycle

**To verify licenses or renew online: <https://ebiz.mt.gov/pol>**



## QUALIFICATIONS OF THE APPRAISER

3/4/2013	Page 1	NAME	Allen L. Bunk		
	TRAINING RECORD	CLASSIFICATION TITLE	Certified General Real Estate Appraiser		
	Allen L. Bunk RAG Appraiser		Montana # 522		
	COURSE TITLE & LOCATION GIVEN	GIVEN BY	DATES OF TRAINING	HOURS	RECORDED
	COURSE 1 COST APPROACH IAAO	IAAO	8/20/1988	40	
	CERTIFIED AGRICULTURAL APPRAISER	DOR	10/19/1989		
	COURSE 2 INCOME APPROACH TO VALUE	IAAO	10/20/1989	40	
	CERTIFIED RESIDENTIAL APPRAISER	DOR	1/15/1990		
	STANDARDS OF PROFESSIONAL APPRAISAL	DOR	8/27/1993	15	
	FINANCIAL CALCULATORS	MAA	9/23/1994		
	LAND VALUATION	DOR	7/25/1995		
	COST APPROACH COURSE	DOR	7/28/1995		
	INCOME MODELING	DOR	11/1/1995	24	
	ADVANCED MARKERT MODELING	DOR	12/15/1995	24	
	CERTIFIED COMMERCIAL APPRAISER	DOR	2/7/1996		
	STANDARDS OF PROFESSIONAL APPRAISAL	MAA	2/17/1998	15	
	COURSE 312 COM/ IND MODELING	IAAO	5/22/1998	30	
	CERTIFIED GENERAL REAL ESTATE APPRAISER	MT.DEPT. OF COMMERCE	6/11/1998		
	MT- PEAP-980603 MARSHALL VAL SERVICE	MAA	9/21/1998	7.5	
	FHA APPRAISING: CHANGES & TRENDS	LEE & GRANT	1/23/1999	15	
	INTERMEDIATE EXCEL	DOR	11/15/1999		
	ARCVIEW & GPS TRAINING	VALLEY COUNTY EXT.	5/25/2000	12	
	CALP	DOR	1/8/2001	5	
	HUD Federal Housing Administration test	Hud	5/4/2001		Pass
	INTRODUCTION & APPLICATION OF APPRAISAL THEORY	DOR	5/1/2001	15	
	Market Modeling ( Charlie Sowell)	DOR	1/28/02-2/01/02	30 +	
	Uniform standards of Professional Appraisal Practice	McKissock	2/15/2002	16	
	Appraising the Oddball: Nonconforming & Difficult P	McKissock	2/17/2002	8	
	Appraiser Liability	McKissock	February 18, 2002	8	
	On line Residential Property Construction	Appraisal Institute	March 3, 2002	7	
	Online Analyzing Operating Expenses	Appraisal Institute	March 3, 2002	7	
	Ag Lenders Range School, Inc	Ag Lenders	6/23/2002	15	Pass
	National USPAP Update	McKissock	2/12/2004	7	credit
	Marshall Valuation Service (MT REA 040960)	DOR	9/21/2004	8	
	Advanced Writing Skills for The Residential Appraiser	Montana Real Estate Inst.	11/3/2004	15	
	Factory -Housing - Virtual Calassroom	McKissock	2/7/2005	7	
	Model Building of Income and Expense Data	DOR	1/12-13/06	8	
	Reading and Understanding Leases IAAO #931	IAAO	1/11/2006	7	
	Art of Residential Appraisal Review	McKissock	2/14/2007	7	
	National USPAP Update	McKissock	2/18/2007	7	
	The Dirty Dozen	McKissock	2/25/2007	3	32
	The Art of the Addenda	McKissock	1/18/2009	4	
	Private Appraisal Assignments	McKissock	1/25/2009	7	
	National USPAP Update 2008-2009)	McKissock	2/7/2009	7	
	Relocation Appraisal is Different!	McKissock	2/28/2009	7	
	Disclosures & Disclaimers	McKissock	3/8/2009	5	30
	7hr Residential Report Writing	McKissock	1/15/2011	7	
	Land and Site Valuation	McKissock	2/12/2011	7	
	National USPAP Update 2/18/2011	McKissock	2/18/2011	7	
	The changing world of FHA Appraising	McKissock	2/19/2011	7	28 Hr.
	New technology for Real Estate Appraisers	Appraisal Institute	1/12/2013	7	
	Online FHA and The Appraisal Process	Appraisal Institute	1/29/2013	7	
	National USPAP (2012-2013) Kalispell MT	McKissock	2/20/2013	7	
	Intro to Complex Appraisal Assignments	McKissock	2/21/2013	7	28 Hr.

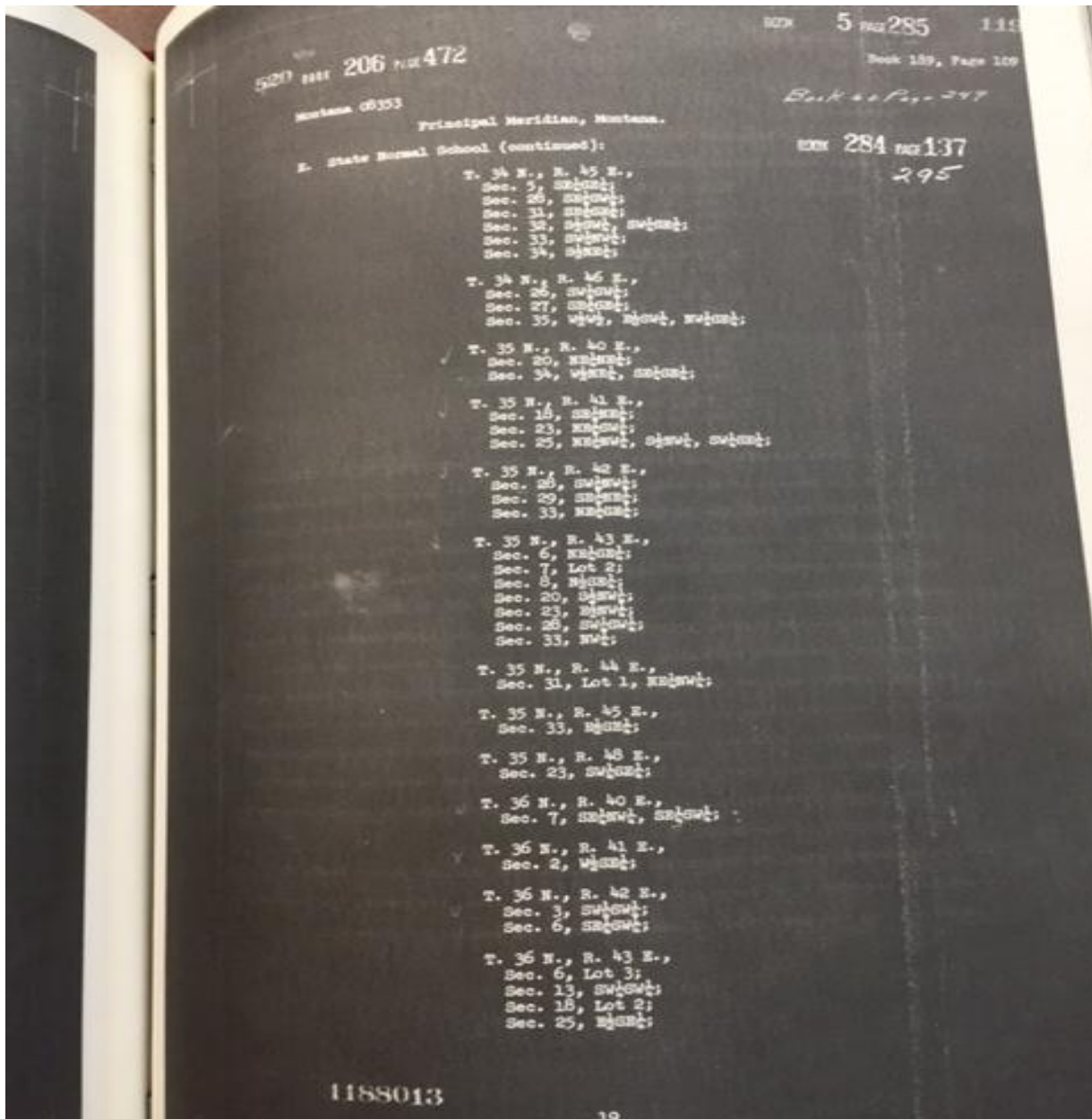
1

3/4/2013

Allen's PERSONAL TRAINING record.xls

The Appraiser has not completed this particular type of appraisal assignment in the pasted. I have completed a few land appraisals that were less extensive than this appraisal. I believe the biggest problem was that I did not understand that I was DNRC Was asking for a value for each parcel individually. I thought that the potential sale was for the 4 parcels and put the total value together. The software program was one that I have never used before. I found very difficult to maneuver material around in the report. Like dates and page numbers and charts.

I grew up as a farm boy here in Valley County. I own a small farm and have a very good understanding of crops and soil types. I have spent the last 27+ years as an, Res, Ag, Commercial lead appraiser for DOR here in Valley County.



Patten for School lands Section 25



DEED RECORD NO. 42, VALLEY COUNTY

Document No. 251732 (cont)

mainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the premises above mentioned and described, and hereby conveyed, or intended so to be, together with the appurtenances, unto said party of the second part, its assigns, forever.

IN WITNESS WHEREOF, the said party of the first part to these presents, Sheriff as aforesaid, hath hereunto set his hand and seal the day and year first above written.

Witness of Signature:

Chas. H. Reed

STATE OF MONTANA,  
County of VALLEY

A. G. FASSETT (Seal)  
Sheriff of the said County of Valley  
State of Montana.

} ss

On this 27th day of June one thousand nine hundred and thirty-four before me the undersigned, a Notary Public in and for the State of Montana, personally appeared A. G. FASSETT Sheriff of the said County of Valley, State of Montana, personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he, as such Sheriff aforesaid, executed the same.

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

G. A. Bertson  
Notary Public for the State of Montana.

Residing at Glasgow, Montana.  
My Commission expires Dec. 8 1934

(JUDICIAL SEAL)

Filed for Record July 2 1934  
G. A. M.

F. J. MEYER, CLERK & RECORDER  
By B. Anderson Deputy

Document No. 251735 SPECIAL WARRANTY DEED By Corporation

THIS INDENTURE, Made this 25th day of April, in the year of our lord one thousand nine hundred and thirty-two between First Trust & Savings Bank (a corporation under the laws of the State of Minnesota), party of the first part, and David Francis of Helena, Montana, of the County of Valley and State of Montana party of the second part; for and in consideration of

Filed for record Jan 30 1934 at 3 P. M.

F. J. MURPHY, CLERK & RECORDER  
By M. E. Brown, Deputy

Document No. 251277 SHERIFF'S DEED UNDER FORECLOSURE

THIS INDENTURE, Made this Ninth day of June in the year of our Lord one thousand nine hundred and thirty-four BETWEEN A. G. FASSETT, Sheriff of the said County of Valley, State of Montana, the party of the first part and - THE STATE OF MONTANA- the party of the second part, WITNESSETH:

WHEREAS, In and by a certain judgment or decree, rendered by the District Court of the said County of Valley, State of Montana on the 16th day of February 1933, and entered on the 16th day of February 1933, in a certain action then pending in said Court, wherein The State of Montana was Plaintiff, and Guy Pattison, executor of the estate of Margaret Ann Jeffers, (a single woman) now deceased, was defendant --, and of which said judgment or decree a certified copy was delivered to said party of the first part, as such Sheriff for execution, it was among other things ordered, adjudged and decreed, that all and singular, the mortgaged premises described in the complaint in said action, and specifically described in said judgment or decree, be sold at public auction by the Sheriff of the said County of Valley, in the manner required by law, and according to the course and practice of said court; that such sale be made at public auction at the front door of the Court House, in the City of Glasgow, County of Valley State of Montana; That any of the parties to said action might become the purchasers at such sale, and that said Sheriff execute the usual certificate and deeds to the purchaser or purchasers as required by law;

AND WHEREAS, The said Sheriff did, at the hour of 2:00 o'clock P. M., on the 16th day of March 1933, after due public notice had been given, as required by the laws of this State and the course and practice of said Court, duly sell at public auction in front of the Court House door in the said County of Valley agreeably to the said judgment or decree and the provisions of law, the premises in the said decree or judgment mentioned, at which sale the premises in said judgment or decree, and hereinafter described, were fairly struck off to the said second party, THE STATE OF MONTANA, for the sum of TWENTY-SEVEN HUNDRED SIXTEEN and 22/100 - - - - - DOLLARS lawful money of the United States, the said second party, THE STATE OF MONTANA, being the highest bidder, and that being the highest sum bid for the same:

AND WHEREAS, the said second party, THE STATE OF MONTANA, thereupon paid to the said Sheriff the said sum of a day, so bid by said second party, THE STATE OF MONTANA,

AND WHEREAS, The said Sheriff thereupon made and issued the usual certificate in duplicate of the said sale in due form of law and delivered one thereof to the said THE STATE OF MONTANA, and caused the other to be filed in the office of the County Recorder of said County of Valley, Montana.

AND WHEREAS, more than one year has elapsed since the date of said sale, and no redemption has been made of the premises so sold as aforesaid, by or on behalf of the said judgment debtor, the said Defendant Margaret Ann Jeffers, a single woman, (now deceased) Mortgagee, her heirs, assigns, legatees or all parties interested of record - or by, or on behalf of any other person - - - - -

NOW, THIS INDENTURE WITNESSETH, That the said party of the first part, the said A. G. FASSETT Sheriff, in order to carry into effect the sale so made by him as aforesaid, in pursuance of said judgment or decree and in conformity to the Statute in such case made and provided, and also in consideration of the premises and of the said sum of - TWENTY SEVEN HUNDRED SIXTEEN and 22/100 - - - - - Dollars - - - as bid and paid to him by the said purchaser the said - THE STATE OF MONTANA - the said party of the second part, the receipt whereof is hereby acknowledged, hath granted, bargained, sold and conveyed, and by these presents, doth grant, bargain, sell and convey unto the said party of the second part, and to its assigns, forever, all that certain lot -- piece -- or parcel -- of land, situate, lying and being in the said County of Valley State of Montana, and bounded and particularly described as follows, to-wit:

The Southeast Quarter (SE $\frac{1}{4}$ ), the East Half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$ ), Southwest Quarter of the Northeast Quarter (SW $\frac{1}{4}$ NE $\frac{1}{4}$ ), and the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section Twenty-nine (29), in Township Thirty-five (35) North, Range Forty-two (42) East of the Montana Meridian, containing 320 acres, more or less, according to the Government Survey thereof;

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the same to have and to hold unto the said party of the second part, and to its assigns, forever.

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DEED RECORD NO. 49. VALLEY COUNTY

Doc. No. 279030 (C. 622)

forever, all the certain lot, piece or parcel of land, situate lying and being in the said County of Valley State of Montana, and bounded and particularly described as follows, to wit:

The Southwest Quarter of the Northeast Quarter (SW $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section Twenty nine (29), The Southeast Quarter (SE $\frac{1}{4}$ ) and the South Half of the Northeast Quarter (S $\frac{1}{2}$  NE $\frac{1}{4}$ ), and the Northeast Quarter of the Southwest Quarter (NE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section Thirty (30), Township Thirty Five (35) North, Range Forty two (42) East, of the Montana Meridian, containing 320 acres, more or less, according to the Government survey thereof.

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD, all and singular the premises above mentioned and described, and hereby conveyed, or intended so to be, together with the appurtenances, unto said party of the second part, its assigns, forever.

IN WITNESS WHEREOF, the said party of the first part to these presents, Sheriff as aforesaid, hath hereunto set his hand and seal the day and year first above written.

Witness of Signature: ED. McPHERSON (SEAL)  
Sheriff of the Said County of Valley State of Montana

STATE OF MONTANA, }  
COUNTY OF VALLEY, } ss.

On this 20th day of September one thousand nine hundred and thirty seven before me the undersigned, a Notary Public in and for the State of Montana, personally appeared Ed. McPherson, Sheriff of the said County of Valley, State of Montana, personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he, as such Sheriff aforesaid, executed the same.

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

(NOTARIAL SEAL)

C. W. KAMFEN  
Notary Public for the State of Montana.  
Residing at Glasgow, Mont.  
My commission expires March 22, 1940.

E. B. SCHMIDT, Clerk and Recorder.  
By FRANK HINTON, Deputy.

Filed for Record this 2nd day of  
Oct. A.D. 1937 at 1 o'clock P.M.

Document No. 279030

SHERIFF'S DEED



Notary Public for the State of Montana  
Residing at Glasgow,  
My commission expires Nov. 17, 1909.

Filed for record Oct. 2, 1907  
at 1 P.M.

Record No. 279022

SHERIFF'S DEED UNDER FORECLOSURE

THIS INDENTURE, Made this \_\_\_\_\_ day of September, in the year of our Lord one thousand nine hundred and thirty seven between Ed McPherson Sheriff of the said County of Valley, State of Montana, the party of the first part and THE STATE OF MONTANA, the party of the second part, WITNESSETH

WHEREAS, In and by a certain judgment or decree, rendered by the District Court of the said County of Valley, State of Montana, on the 24th day of August, 1906, and entered on the 24th day of August, 1906, in a certain action then pending in said Court, wherein THE STATE OF MONTANA, was Plaintiff and JAMES JEFFERS and Mrs. JAMES JEFFERS, his wife, were defendants, and of which said judgment or decree a certified copy was delivered to said party of the first part, as such Sheriff for execution, it was among other things ordered, adjudged and decreed, that all and singular, the hereinbefore described premises described in the complaint in said action, and specifically described in said judgment or decree, be sold at public auction by the Sheriff of the said County of Valley, in the manner required by law, and according to the course and practice of said court; that such sale be made at public auction at the front door of the Court House, in the City of Glasgow County of Valley State of Montana. That any of the parties to said action might become the purchasers at such sale, and that said Sheriff execute the usual certificate and deeds to the purchaser or purchasers as required by law;


AND WHEREAS, The said Sheriff did, at the hour of 2:00 o'clock P. M., on the 23rd day of September, 1906, after due public notice had been given, as required by the laws of this State and the course and practice of said Court, duly sell at public auction, in front of the Court House door in the said County of Valley agreeably to the said judgment or decree, and the provisions of law, the premises in the said decree or judgment mentioned, at which sale the premises in said judgment or decree, and hereinafter described, were fairly struck off to the said THE STATE OF MONTANA for the sum of Three Thousand Eighty two and 00/100 (\$3,082.00) DOLLARS lawful money of the United States, the said THE STATE OF MONTANA being the highest bidder, and that being the highest sum bid for the same.

AND WHEREAS, the said THE STATE OF MONTANA thereupon paid to the said Sheriff the said sum of money, so bid by it

AND WHEREAS, The said Sheriff thereupon made and issued the usual certificate in duplicate of the said sale in due form of law and delivered one thereof to the said The State of Montana and caused the other to be filed in the office of the County Recorder of said County of Valley Montana.

AND WHEREAS, more than one year has elapsed since the date of said sale, and no redemption has been made of the premises so sold as aforesaid, by or on behalf of the said judgment debtor, the said defendants JAMES JEFFERS and Mrs. JAMES JEFFERS, his wife, or by, or on behalf of any other person

NOW, THIS INDENTURE WITNESSETH, That the said party of the first part, the said Ed McPherson Sheriff, in order to carry into effect the sale so made by him as aforesaid, in pursuance of said judgment or decree and in conformity to the Statute in such case made and provided, and also in consideration of the premises and of the said sum of Three Thousand Eighty two and 00/100 (\$3,082.00) - - - Dollars so bid for and paid to him by the said purchaser the said THE STATE OF MONTANA the said party of the second part, the receipt whereof is hereby acknowledged, hath granted, bargained, sold and conveyed, and by these presents, doth grant, bargain, sell and convey unto the said party of the second part, and to its assigns,

<b>FOR DNRC USE ONLY</b>			<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Approved</p> <p>No. <u>155128</u></p> <p>Division <u>J.G. THB</u></p> <p>Legal <u>                    </u></p> <p>F.S.O. <u>                    </u></p>  </div>											
Maximum amount under this agreement: <u>\$ 2,000.00</u>														
<u>Source of Funds</u>														
<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Fund Name</th> <th style="text-align: left; border-bottom: 1px solid black;">Fund No.</th> </tr> <tr> <td>Land Banking Private Closing Costs</td> <td>02031</td> </tr> </table>	Fund Name	Fund No.		Land Banking Private Closing Costs	02031	<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Subclass</th> <th style="text-align: left; border-bottom: 1px solid black;">Org. No.</th> <th style="text-align: left; border-bottom: 1px solid black;">Percent</th> </tr> <tr> <td>555HA</td> <td>6043-55</td> <td>50%</td> </tr> <tr> <td>555HA</td> <td>6043-59</td> <td>50%</td> </tr> </table>	Subclass	Org. No.	Percent	555HA	6043-55	50%	555HA	6043-59
Fund Name	Fund No.													
Land Banking Private Closing Costs	02031													
Subclass	Org. No.	Percent												
555HA	6043-55	50%												
555HA	6043-59	50%												

### TRUST LAND MANAGEMENT DIVISION

## APPRAISAL OF POTENTIAL LAND BANKING SALE PARCELS IN VALLEY 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 201601, (406) 444-2074 and **Allen L. Bunk, Appraisal Services Allen L. Bunk**, (Contractor), whose address and phone number are P.O. Box 333, Nashua, MT 59248 and (406) 746-3483.

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

**1.1 Contract Term.** The contract's initial term is upon contract execution, through **August 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 DNRC, Emily Cooper, and P.O. Box 201601, Helena, MT 59620-1601 by July 20, 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, for the parcels in Valley County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions. The appraisal will be an Appraisal Report, conducted and prepared in compliance with the current Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions.

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

3/2013



1) The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value for the parcel. 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 may be returned to the appraiser for retention in his/her files upon request. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

2) The definition of market value is that as defined in 70-30-313, MCA.

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

**3.1 Payment Schedule.** In consideration of the appraisal report to be provided, together with all the tasks and services described herein above, the State shall pay Contractor **Two Thousand Dollars (\$2,000.00)**. 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 Two Thousand Dollars (\$2,000.00).

**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 13, 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 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 **\$500,000** 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 DNRC Financial Services, P.O. Box 201601, Helena, MT 59620-1601. 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.

## **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 DNRC Financial Services, P.O. 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 19.1 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 13; 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.

Emily Cooper, Lands Section Supervisor is the State's liaison.

(Address): P.O. Box 201601

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

Telephone: (406) 444-4165

Fax: (406) 444-2684

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

Allen L. Bunk is Contractor's liaison.

(Address): P.O. Box 333

(City, State, ZIP): Nashua, MT 59248

Telephone: (406) 746-3483

Cell Phone: (406) 263-8483

E-mail: [albunk@nemont.net](mailto:albunk@nemont.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, pages 9-10 and Attachment B – Supplemental Appraisal Instructions, pages 11-14. 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**

**Allen L. Bunk, Appraisal Services Allen L. Bunk**  
**P.O. Box 333**  
**Nashua, MT 59248**

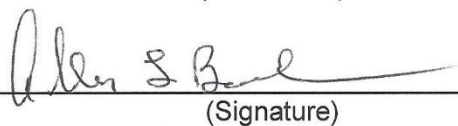
**FEDERAL ID #:** \_\_\_\_\_

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

  
(Signature)

DATE: 6/18/15

BY: Allen L. Bunk  
(Name/Title)

  
(Signature)

DATE: 6/15/2015

## ATTACHMENT A

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

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

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

#### **DEFINITIONS:**

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

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

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

#### **PROPERTY RIGHTS APPRAISED:**

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

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

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

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

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



**ASSIGNMENT CONDITIONS:**

The appraiser must be a 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 properties at a level that will allow the appraiser to render a credible opinion of value about the properties. For those properties which consist of more than one section, the appraiser must at least view each section. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)

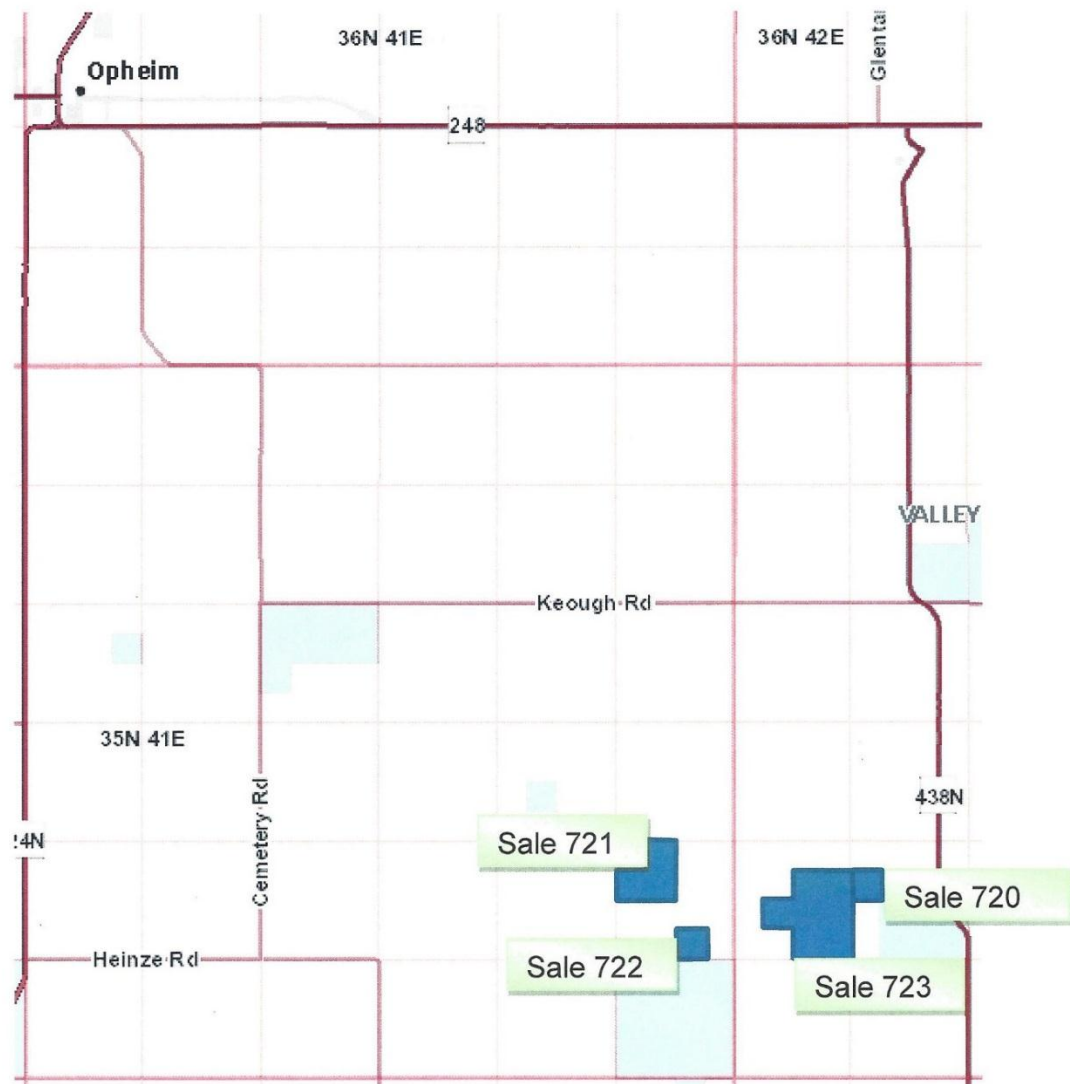
Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order 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.

Parcels with no legal access must be appraised with the hypothetical condition of having legal access, and should also be appraised as the property currently exists, which is without legal access. If no evidence through reasonably recent sales of comparable properties is found in the subject's market or similar markets, and thus no "as is" value can be properly supported, then state such in the report. Access typically consists of two parts; legal access and physical accessibility. The above references to access, hypothetical and "as is" are in regards to legal access. The physical accessibility to the subject parcel is to be appraised as it currently exists.

Legally accessible state lands are appraised as accessible only.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the market value trends, and provide a rate of change, for the markets of each subject property. Comparables sales used should preferably have sales dates within one year of the appraisal and should not be over three years old. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county.

## Location Map of Parcel



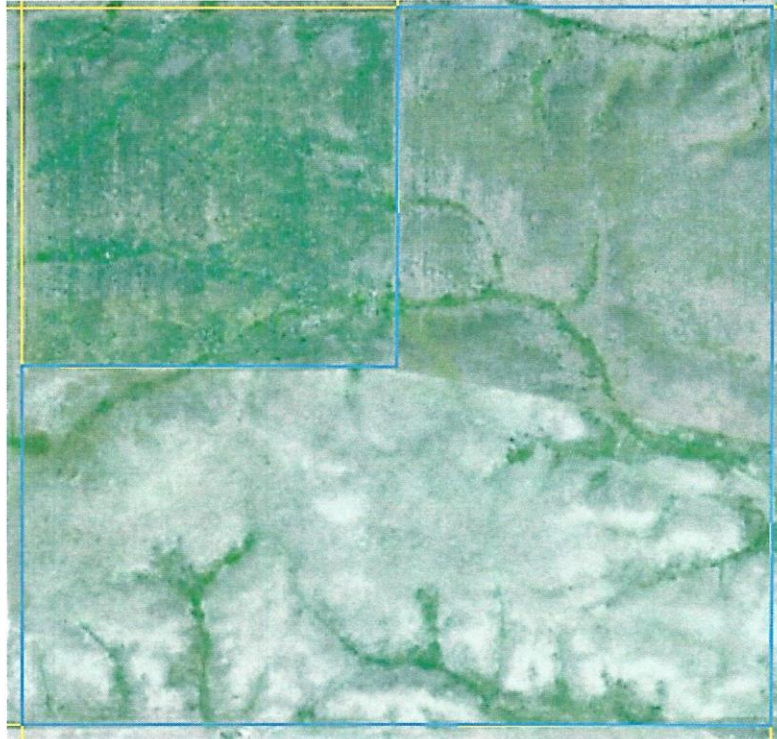


## Land Banking Sales Parcel Maps

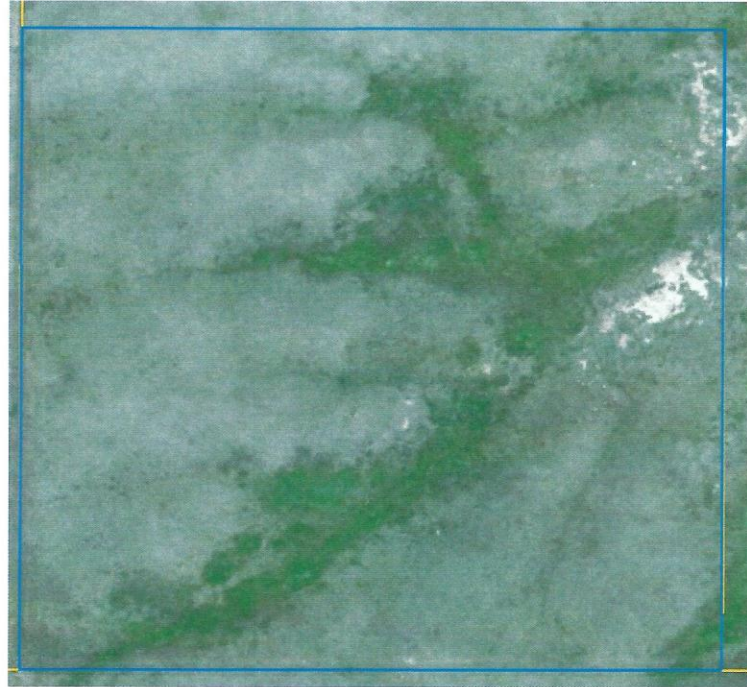
**Sale 720:** SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 29, T35N-R42E



**Sale 721:** NE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , Section 25, T35N-R41E



**Sale 722:** SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 25, T35N-R41E



**Sale 723:** S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , Section 30, T35N-R42E



## Personal property improvements to property not consider in the appraised value!

Lease NO 8407

Two well	\$10,000.00
Two well pits, pressure tank, and submersible pump	4,000.00
Three hydrants	300.00
Underground waterline—connecting the two wells 715ft	2,000.00
Underground water and electric line from pump house to waters 519ft	1400.00
Six automatic waterer	4,500.00
00 electric line from meter pole to pump house 575 ft	2,000.00
Double throw switch	300.00
Insulated, heated pump house	2,500.00
Cattle sheds	10,000.00
Wind break and corrals	10,000.00
Hopper Bottom bin	5000.00
Two steel bins	500.00
Fences 1 ½	2000.00
One and ¼ miles elevated, graded and graveled road	<u>30,000.00</u>

\$84,500.00



# Property Record Card

## Summary

### Primary Information

Property Category:RP

Subcategory:Real Property

Geocode:20-4790-30-1-03-01-0000

Assessment Code:4108001934

Primary Owner:

PropertyAddress:

STATE OF MONTANA

1625 11TH AVE

COS Parcel:

HELENA, MT 59620-1601

*NOTE: See the Owner tab for all owner information*

Certificate of Survey:

Subdivision:

Legal Description:

S30, T35 N, R42 E, ACRES 280, S2NE4, NE4SW4, SE4

Last Modified:6/26/2015 10:31:03 PM

### General Property Information

Neighborhood:001.0

Property Type:EP - Exempt Property

Living Units:0

Levy District:20-1934-9

Zoning:

Ownership %:100

Linked Property:

No linked properties exist for this property

Exemptions:

No exemptions exist for this property

Condo Ownership:

General:0

Limited:0

### Property Factors

Topography:8

Fronting:0 - None

Utilities:0

Parking Type:

Access:0

Parking Quantity:

Location:0 - Rural Land

Parking Proximity:

### Land Summary

Land Type	Acres	Value
Grazing	0.000	00.00
Fallow	0.000	00.00
Irrigated	0.000	00.00
Continuous Crop	0.000	00.00
Wild Hay	0.000	00.00





Farmsite	0.000	00.00
ROW	0.000	00.00
NonQual Land	0.000	00.00
Total Ag Land	280.000	00.00
Total Forest Land	0.000	00.00
Total Market Land	0.000	00.00

#### Deed Information:

Deed Date	Book	Page	Recorded Date	Document Number	Document Type
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## Owners

#### Party #1

**Default Information:** STATE OF MONTANA

1625 11TH AVE

**Ownership %:** 100

**Primary Owner:** "Yes"

**Interest Type:** Fee Simple

**Last Modified:** 1/20/2011 9:42:38 AM

Other Names	Other Addresses
-------------	-----------------

Name	Type	
DEPT OF NATURAL RESOURCES & CONSERVATION	L Additional Legal Owners	No other address

## Appraisals

#### Appraisal History

Tax Year	Land Value	Building Value	Total Value	Method
2014	43145	0	43145	COST
2013	43145	0	43145	COST

## Market Land

#### Market Land Info

No market land info exists for this parcel

## Dwellings

#### Existing Dwellings

No dwellings exist for this parcel

## Other Buildings/Improvements

Outbuilding/Yard Improvements
-------------------------------

No other buildings or yard improvements exist for this parcel

## Commercial

### Existing Commercial Buildings

No commercial buildings exist for this parcel

## Ag/Forest Land

### Ag/Forest Land Item #1

**Acre Type:**G - Grazing

**Irrigation Type:**

**Class Code:**1651

**Timber Zone:**

Productivity

**Quantity:**0.22

**Commodity:**Grazing Fee

**Units:**AUM/Acre

Valuation

**Acres:**6.439

**Per Acre Value:**0

**Value:**0

### Ag/Forest Land Item #2

**Acre Type:**G - Grazing

**Irrigation Type:**

**Class Code:**1651

**Timber Zone:**

Productivity

**Quantity:**0.226

**Commodity:**Grazing Fee

**Units:**AUM/Acre

Valuation

**Acres:**69.266

**Per Acre Value:**0

**Value:**0

### Ag/Forest Land Item #3

**Acre Type:**F - Summer Fallow

**Irrigation Type:**

**Class Code:**1451

**Timber Zone:**

Productivity

**Quantity:**28.031

**Commodity:**Spring Wheat

**Units:**Busheis/Acre

Valuation

**Acres:**81.858

**Per Acre Value:**0

**Value:**0

### Ag/Forest Land Item #4

**Acre Type:**G - Grazing

**Irrigation Type:**

**Class Code:**1651

**Timber Zone:**



Productivity

Quantity:0.214

Commodity:Grazing Fee

Units:AUM/Acre

Valuation

Acres:28.544

Per Acre Value:0

Value:0

Ag/Forest Land Item #5

Acre Type:G - Grazing

Irrigation Type:

Class Code:1651

Timber Zone:

Productivity

Quantity:0.187

Commodity:Grazing Fee

Units:AUM/Acre

Valuation

Acres:36.539

Per Acre Value:0

Value:0

Ag/Forest Land Item #6

Acre Type:G - Grazing

Irrigation Type:

Class Code:1651

Timber Zone:

Productivity

Quantity:0.569

Commodity:Grazing Fee

Units:AUM/Acre

Valuation

Acres:24.591

Per Acre Value:0

Value:0

Ag/Forest Land Item #7

Acre Type:F - Summer Fallow

Irrigation Type:

Class Code:1451

Timber Zone:

Productivity

Quantity:22.866

Commodity:Spring Wheat

Units:Bushels/Acre

Valuation

Acres:30.858

Per Acre Value:0

Value:0

Ag/Forest Land Item #8

Acre Type:G - Grazing

Irrigation Type:

Class Code:1651

Timber Zone:

Productivity

Quantity:0.245

Commodity:Grazing Fee

Units:AUM/Acre

Valuation

Acres:1.905

Per Acre Value:0

Value:0

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

*mailed 11-8-13*



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE: (406) 444-2074  
FAX: (406) 444-2684

PO BOX 201601  
HELENA, MONTANA 59620-1601

18-Jul-2013



SUES1400003

VALLEY COUNTY  
COMMISSIONERS

501 COURT SQUARE - BOX 1

GLASGOW, MT, 59230

Invoice No SUES1400003

RE: Right of Way Application No. 16278

Easement Purpose County Road

Legal Description

60-foot strip through the S2NW4\_SW4NE4

Twp Rng Sec County

35N 42E 29 Valley, Montana

Billing Statement - Date Due 30-Aug-2013

The above referenced Right of Way Application was presented to and approved by the State Board of Land Commissioners at their meeting; said action being pursuant to their authority under 77-2-101, et seq

Total Amount Due \$875.00

Please review the enclosed easment. Sign where indicated and return with your payment. The original document will be returned to you upon final execution by the appropriate state officials.

Sincerely,

Lisa Axline, R/W Supervisor

Real Estate

Management Bureau

Enclosure

cc: NELO

DIRECTOR'S  
OFFICE  
(406) 444-2074

CONSERVATION & RESOURCE  
DIVISION  
(406) 444-6667

RESERVED WATER RIGHTS  
COMPACT COMMISSION  
(406) 444-6841

OIL & GAS  
DIVISION  
(406) 444-6675

TRUST LAND MANAGEMENT  
DIVISION  
(406) 444-2074



Right of Way Application No. 16278  
Affecting a 60-foot strip through  
S2NW4, SW4NE4, Sec. 29, Twp. 35N, Rge.  
42E, Valley County, Montana

EASEMENT NO. D-

## RIGHT OF WAY DEED

=====

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF MONTANA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Know ye that the State of Montana (hereinafter referred to as "Grantor"), in consideration of the sum of Eight Hundred Seventy Five and NO/100 Dollars (\$875.00), now paid, grants to Valley County (hereinafter referred to as "Grantee") a right of way upon and across State lands for a public county road known as Greenwood Road, as follows:

A 60-foot strip through S2NW4, SW4NE4, Section 29, Township 35 North, Range 42 East, Principal Meridian Montana, Valley County, Montana, more particularly described as follows:

A tract or strip of land 60 feet wide, 30 feet on each side of a centerline as shown and depicted on the Exhibit attached hereto and made a part hereof and containing 2.50 acres, more or less.

The grant of this easement is subject to the following conditions:

The Grantee shall comply with the Montana Antiquities Act, Title 22, Chapter 3, MCA. In particular, Sections 22-3, Parts 4 and 8.

It is also agreed that the Grantee shall comply with such rules or regulations as may be hereafter imposed by the State Board of Land Commissioners to insure that the environment will be adequately protected and the public health and safety not be endangered.

The Grantee shall be responsible for controlling any noxious weeds introduced by Grantee's activity on State-owned land. The Grantee's methods of control must be reviewed by the Grantor's Area Field Office that has jurisdiction for that locale.

The Grantee shall comply with the Montana County Noxious Weed Management Act, Section 7-22-2101 MCA, as follows:

The Grantee shall notify the local weed board that is responsible for that geographical area that the project is located in. If the Grantee disturbs vegetation for any reason, Grantee shall be required to revegetate the disturbed area. The Grantee shall submit to the local weed board a written plan specifying the methods to be used to accomplish revegetation. The plan must describe the time and method of seeding; fertilization, recommended plant species, use of weed-free seed, and the weed management procedures to be used. This plan is subject to approval by the local weed board, and therefore must be signed by the chairman of the board.

It is further agreed by the Grantee that Grantee shall backfill, grade and revegetate all disturbed areas that are not part of the road surface to the satisfaction of the State. If the first seeding of compatible grass species does not germinate to the satisfaction of the Department, the Grantee may be required to reseed in those areas open to erosion and weeds. Upon termination of this easement, Grantee shall reclaim the entire area in accordance with this paragraph.

Provided, further, that the right of way deed granted herein shall be assignable by Grantee only with the written approval of the Director, Department of Natural Resources and Conservation.

Provided, further, that permission must be obtained in writing, from the Director, Department of Natural Resources and Conservation, prior to the construction of any improvements on the right of way herein granted which is 60 feet wide, 30 feet on each side of the centerline.

Provided, however, that the right of way granted herein is not exclusive and Grantee shall not interfere with the Grantor and its successors, assigns, lessees or other parties authorized to use State lands, in their right, at all times to go upon, cross and re-cross the land covered by said right of way and any road thereon, at any point, for any and all purposes in a manner that will not unreasonably interfere with the rights granted to the Grantee.

Provided further that the Grantee agrees that it shall indemnify and reimburse the State of Montana for all future assessments made upon Section 29, Township 35 North, Range 42 East, Valley County, pursuant to Title 7, Chapter, 12, Part 21, MCA for the creation or maintenance of a rural improvement district. This condition shall apply only so long as the lands are held by the state or until waived in writing by the state.

Provided, that Grantor may terminate this right of way for a material breach of any of the conditions or provisions of this deed. Before termination, the Board shall give Grantee written notice of intent to terminate and a reasonable period to cure the breach.

It is further provided that whenever said lands herein granted as a right of way shall cease to be used for such purpose, the right of way shall terminate upon notice to that effect being given to the said grantee named herein.

IN TESTIMONY WHEREOF, the State of Montana has caused these presents to be executed by the Governor, and to be attested by the Secretary of State, and countersigned by the Director, Department of Natural Resources and Conservation, and the Great Seal of the State, and the Seal of the State Board of Land Commissioners to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 2013.

.....  
Governor of the State of Montana

ATTEST:

.....  
Secretary of State

Countersigned by:

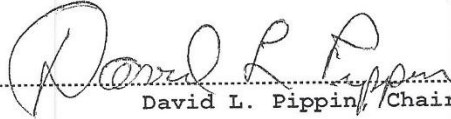
.....  
Director, Department of Natural  
Resources and Conservation



Accepted and Approved:

Valley County

Applicant

A handwritten signature in dark ink, appearing to read "David L. Pippin", is written over a horizontal dotted line.

David L. Pippin, Chairman

