

**STATE OF MONTANA SALE #2059  
REAL ESTATE APPRAISAL  
GALLATIN COUNTY, MONTANA**



**PREPARED FOR**

**MONTANA DNRC  
ATTN: DEIDRA KLOBERDANZ  
BUREAU CHIEF  
PO BOX 201601  
1539 ELEVENTH AVENUE  
HELENA, MT 59620-1601**

**PREPARED BY**

**J. SCOTT CROSBY  
MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER  
COWLEY, WYOMING**

**&**

**VALERIE CROSBY  
MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER  
COWLEY, WYOMING**

**APPRAISAL REPORT  
DATE OF VALUATION – MAY 16, 2024**



# Crosby Analytics, LLC

P.O. Box 742, Cowley, WY 82420 • Phone: (307) 548-2079 • Email: scottcrosby@crosbyanalytics.com

August 30, 2024

Montana DNRC  
Attn: Deidra Kloberdanz  
Bureau Chief  
P.O. Box 201601  
1539 Eleventh Avenue  
Helena, MT 59620-1601

Re: State of Montana Sale #2059 Real Estate Appraisal, Gallatin County, MT

Dear Ms. Kloberdanz:

Transmitted herewith is our report covering findings and conclusions resultant from our inspection of the above referenced property. The facts and opinions of the As Is Fee Simple Market Value, based on cash, as of May 16, 2024 as follows:

<b>State of Montana Property Real Estate With Legal Access</b>	<b>\$376,000.00</b>
<b>State of Montana Property Real Estate Without Legal Access</b>	<b>\$226,000.00</b>

The main body of our report provides you with detailed studies, as well as the assumed limitations placed upon this work product by the undersigned. You will also find the development of Market Value. If any of the Hypothetical Conditions or Extraordinary Assumptions on page 10 are different from what is shown, the market value may change. The Appraisers have not performed appraisal services regarding the subject property within the three-year period immediately preceding the agreement to perform this assignment. Please review this material carefully so that you will properly understand our working guidelines.

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

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

Respectfully submitted,

J. Scott Crosby  
Certified General Real Estate Appraiser  
Wyoming Certificate #1512, Montana Certificate #8183  
Idaho Certificate #4314, North Dakota Certificate #21769  
South Dakota Certificate #1659CG-R

Valerie Crosby  
Certified General Real Estate Appraiser  
Wyoming Certificate #1995, Montana Certificate #13693

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**SUMMARY AND SALIENT FACTS**

**Owner of Record:** State of Montana  
1539 11th Ave  
Helena, MT 59620-4600

**Location:** Approximately 4.75 miles east of Three Forks, MT.

**Property Address:** No Address

**Property Parcel #:** RDD51896

**Interest Appraised:** Fee simple unencumbered value of the property as a whole for Sale #2059.

**Date of Value:** May 16, 2024

**Property Description:** 23.037 acres of land.

**Zoning:** None; classified as rural land

**Highest and Best Use:** Rural Residential/Commercial

**Conclusion of Value:**

With Legal Access \$376,000.00  
Without Legal Access \$226,000.00

### **Authorization:**

Scott Crosby and Valerie Crosby have been authorized to appraise real estate vested to the State of Montana. The property is in Gallatin County, Montana. Authorization to do the appraisal was given by Deidra Kloberdanz, Lands Section Supervisor, DNRC, PO Box 201601, Helena, MT 59620-1601. The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The appraisal is written as an Appraisal Report under the guidelines of the Uniform Standard of Professional Appraisal Practice.

### **Statement of Limiting Conditions:**

1. The information contained in this report was gathered from reliable sources, but is no way guaranteed.
2. It is assumed that the title of this property is good and merchantable and that there are no encumbrances which cannot be cleared through regular processes.
3. The Appraisers did not search validity of title, nor do they assume responsibility for corrections which survey of the property may reveal. A title report was not provided to the appraisers showing the legal description, easements or any clouds that may be on the title. It is assumed that there are no clouds on the title that would affect value. The legal description of the various properties was taken from the respective County Assessors computer records. It could be possible that not all the properties were on the computer records. A title search would be the only way to verify the accuracy of the legal description use for this appraisal.
4. This report is not to be reproduced in part without written consent of the Appraisers.
5. The employment of Crosby Analytics to make this appraisal is not in any manner contingent upon the value reported.
6. The value of the land and improvements (if applicable) as contained in this report are constituent parts of the total value and neither is to be used in aiming a summation appraisal by a combination of value created by another Appraiser.
7. The total purchasing power of the dollar is the basis for the value reported.
8. We are not required to give testimony in court with reference to the subject property unless further written arrangements are made.
9. Valerie Crosby and/or Scott Crosby have personally inspected the appraised property.
10. Neither all nor any part of the contents of this report shall be used for any purposes by anyone but the client without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation and conclusions, the identity of the Appraisers or firm with which they are connected.
11. The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.
12. Unless otherwise stated in this report, the existence of hazardous or nonhazardous material, which may or may not be present on the property, was not observed by the Appraisers. The Appraisers have no knowledge of the existence of such materials on or in the property. The Appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-

formaldehyde am insulation, pesticides, herbicides, petroleum products, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property (unless specifically identified) that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field.

13. This appraisal can be reviewed by the American Society of Farm Managers and Rural Appraiser Ethics Committee for compliance with their Code of Ethics and Standards of Professional Practice without permission of the Client.
14. **Should mathematical, judgmental, or data errors be found in this report the Appraisers reserve the right to make corrections.**
15. The Appraisers are **not responsible** for any Federal or State Income Tax consequences that may result from the values arrived at in this appraisal.
16. **The liability of the Appraiser and employees is limited to the client and to the fee collected.** Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and legally.
17. The State of Montana is a "non-disclosure" state and as such, sale prices of real estate are not publicly recorded, therefore, few centralized sources of sale prices for real estate transactions exist. In addition, no one associated with a real estate sale transaction is obligated to release or verify information. The client is hereby notified that it is possible there may be sales of comparable properties of which we have no knowledge and, therefore, have not been analyzed herein. The information presented herein has been gathered from sources deemed reliable and every effort has been made to ensure its accuracy.
18. If applicable, furnishing and equipment, personal property or business operations except as specifically indicated and typically considered as part of the real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. **If applicable, all irrigation equipment including pumps, sprinkler systems, gated irrigation pipe, headgates and any other items required to provide irrigation water to the land are included in the irrigated land value.**
19. This appraisal is written as an Appraisal Report according to the Uniform Standards of Professional Appraisal Standards. Our office file may contain additional information relating to valuation not included in this report.
20. Unless otherwise disclosed in this report, we have provided no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year (36-months) period immediately preceding the agreement to perform this assignment.
21. **ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTE ACCEPTANCE OF THE ABOVE CONDITIONS.**

## **Appraisal Process:**

An appraisal is defined as:

*“The act or process of developing an opinion of value; an opinion of value. An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, more than, not less than, less than) to a specified amount.”* (Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition)

An appraisal is based on an impartial or unbiased perspective; it is not made for the purpose of favoring a specific cause or any particular part. The appraisal process is an orderly procedure in which the data used in estimating the value of the subject property is assembled, classified, analyzed, and interpreted into a final opinion or conclusion. The conclusion of market value is developed through a course of accepted analytical procedure reflecting only the opinion(s) of the appraisers involved in the analysis.

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

## **Statement of Competency:**

The Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP) recognizes that the background and experience of appraisers can vary widely, and that a lack of knowledge or experience can lead to an inaccurate or inappropriate appraisal practice. Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This rule requires an appraiser to use due diligence and due care. The Competency Provision states:

*An appraiser must determine, prior to agreeing to perform an assignment, that he or she can perform the assignment competently. Competency requires:*

- 1. the ability to properly identify the problem to be addressed;*
- 2. the knowledge and experience to complete the assignment competently; and*
- 3. Recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.*

The knowledge and experience of the signatory of this appraisal in the valuation of agricultural property is established, it is confirmed through the successful completion of numerous appraisals completed over the last 11 years. The signatory appraiser is certified as a General Real Estate



Appraiser by the Montana State Appraisal Board, in addition the appraiser is considered an Associate Appraiser by the American Society of Farm Managers and Rural Appraisers.

It is the opinion of this appraiser that all necessary and appropriate steps were taken to ensure that a properly developed appraisal has been completed. Valerie Crosby, General Real Estate Appraiser, assisted at a value and writing this appraisal.

**Purpose of Appraisal:**

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

**Effective Date of Appraisal:**

The effective date of the appraisal for the subject property is May 16, 2024. The property was inspected on May 16, 2024. This report was completed on August 30, 2024.

**Estate to be Appraised:**

The estate or property right being appraised is the surface rights of record in the real property known as the State of Montana Sale #2059 property. A title search has not been seen by the appraiser. The appraisal assumes that full and complete marketable title is available to the subject property, subject to standard easements, such as power lines and underground oil or gas pipelines.

**Intended Use of Appraisal:**

The intended use of the appraisal is to provide the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee Mountain West Veterinary, LLC, C/O Peter Heidmann (intended users) with a market value estimate of the property to be used in the decision-making process concerning the potential sale of said subject property. This is an **Appraisal Report**. The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC).

**Sales & Transfer History of Property:**

The appraised property has been owned by the State of Montana for more than three years and is not listed for sale as of the date of this report. There were no known deed transfers that have taken place within the last three years through a simple search.

**Hypothetical Conditions:**

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

the hypothetical conditions upon which this appraisal is based:

1. The land is in fee simple ownership.
2. The land has legal access.

The readers of this report need to be aware that the use of any Hypothetical Conditions might have affected the assignment results.

### **Extraordinary Assumptions:**

An extraordinary assumption presumes as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property or about conditions external to the property. There are no extraordinary assumptions upon which this appraisal is based.

### **Distribution of Value:**

Value as assigned in this report applies to the real estate as described and is based on the unencumbered value. It does not consider the value of personal property. As noted herein, a separate contributory value analysis of any existing mineral rights or water rights is not made. Water rights are considered as part of the overall values as assigned to the real estate and their values are reflected by the land values exhibited in the market. In other words, water rights are considered part of the value identified for the various land classes. All livestock water facilities such as dams, wells, and spring developments. In addition, fences, and irrigation equipment, if applicable, are included in the land value.

### **Scope of Work:**

The property was inspected on May 16, 2024. Scott Crosby inspected the property. Seth Goodwin, DNRC representative, and Peter Heidmann (lessee) accompanied the appraiser. Valerie Crosby assisted in analyzing sales comparisons, writing the appraisal, gathering information, and creating maps. The final opinion of value was determined by Scott Crosby and Valerie Crosby. A conversation was had with Mr. Goodwin and Mr. Heidmann concerning the appraised property. We analyzed several real estate sales that have taken place in the area during the last 3 to 4 years. We considered the cost, sales, and income approach to value in arriving at the final value of the property.

The cost approach will not be utilized in this report. The subject property has no improvements and consists of one land class. Therefore, the cost approach is less applicable. The income approach will not be utilized in arriving at a value for the subject property. The subject is located in an area with rural residential and commercial appeal. Also, the property is currently being utilized for agricultural use and it is not considered to be an economically sized unit and would be used as an add-on property to a local producer. Buyers of the property would be more interested in the location of the property for rural residential/commercial use and/or as an add-on property rather than the income earning potential of the property. For these reasons, the income approach will not

be used in this report.

Per the statement of work, the appraiser is to use a hypothetical condition that the property has legal access. Currently, the property does lack legal access. The appraiser has been asked to value the property as having legal access and if sales are available that have a lack of legal access, the appraiser is to include that value also. A value will also be provided to account for no legal access. There were no sales found in the area of the subject property that sold with lack of legal access. Therefore, a direct comparison approach, such as the sales comparison approach will not be utilized. The analysis performed will be a percent diminution in value through the analysis of numerous sales with lack of legal access.

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

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

**Map Source:**

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

**Legal Description:**

The following is the legal description of the deeded lands being appraised. The acreage shown are the assessed acres and was verified with Gallatin County records and matches the legal description provided to the appraisers in the contract.

**Township 2 North. Range 2 East. M.P.M., Gallatin County, Montana.**

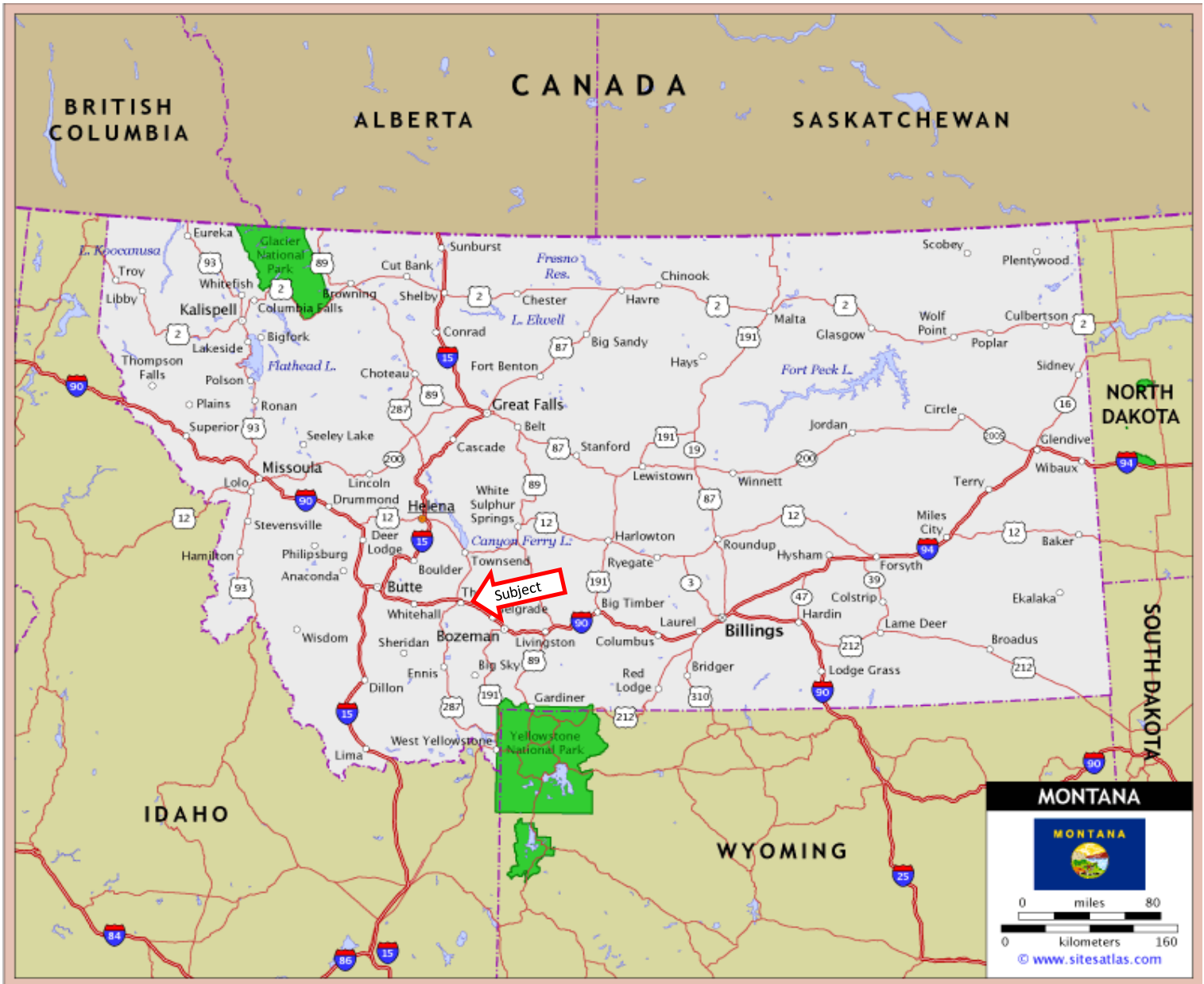
Section 34: NE4 N OF I-90 23.037 AC

**Total State of Montana Deeded Land 23.037 AC**

**Leases**

No leases are being considered in this report. A hypothetical condition is being used in this report that the property is not encumbered with a lease.

# State Location Map



# County Location Map



## AREA DESCRIPTION

Gallatin County's diverse geography transitions from south-central Montana's Yellowstone National Park to multiple large mountain ranges located along the eastern side of the county and down to the southern portion of the county. The county transitions away from the mountain ranges down to mountain foothill land to a river valley. Land along the river valley is level to sloping and quite fertile. In terms of geographic size, the county ranks 24th in Montana with nearly 2,608 square miles.

The Missouri River starts in Gallatin County at Three Forks, where the Jefferson River, Madison River and Gallatin River come together. This takes place on the western side of the county. There are numerous tributaries to these rivers fed by mountain streams. The mountain lands in Gallatin County vary in topography and climate from temperate river valleys to snow-capped peaks and open ranch lands. Nearly half of all the land in Gallatin County is under public ownership by the Gallatin National Forest, the State of Montana, Bureau of Land Management or the National Park Service.

The county is governed under a commissioner structure and has no glaring deficiencies in availability of modern retail, governmental, medical, or utility services. Some of the county's smaller and more remote towns have only limited availability of goods and services; however, none of the county's population centers are located beyond a one-hour drive from Bozeman, Montana, a regional trade and transportation center.

The 2020 census figures place Gallatin County's population at 118,960. Gallatin County ranks 3rd in population among Montana's 56 counties. The age of the population was well distributed with 24.1% under the age of 18, 62.6% from 18-64, and 13.3% who are 65 years of age or older. The median age was 33.4 years, compared to 40.1 years for Montana as a whole. The average household size was 2.36.

Gallatin County's economy centers around tourism and recreation. Tourism plays a big role because of the county's location to Yellowstone National Park and also being located between Yellowstone and Glacier National Park. Recreation includes fishing, hiking, camping, skiing, snowmobiling etc. Due to recreation, manufacturing is also an important part of the economy with multiple outdoor product companies being located in the county to produce their goods and services. In addition, the provision of governmental services looms large in the county. With hospitals, a university, forest service office, and jobs through the multiple forest service ranges in the area, government jobs has a large impact on the area.

Gallatin County reported a civilian labor force 71.7% of the population. The median household income for the county is \$70,124 with 8.8% of residents living below the poverty line. Gallatin reported 51.6% of its residents have a bachelor's degree or higher and 97.0% were High School graduates. Residents in the county have access to higher education opportunities through Montana's university and community college systems. The colleges and universities found closest to the county is Montana State, which is in Bozeman. Also, Montana Tech is in Butte and the

University of Montana is in Helena. The county also has multiple high schools and primary schools.

Expectations of continued strength in the region's tourism sector contribute to a positive outlook for the region's employment picture in the near to mid-term range of the next few years. Top employers in the county include governmental entities, including school districts and hospitals, retail stores, and tourism-oriented businesses such as resorts, restaurants, and motels.

Transportation in the County consists of private and commercial road travel relies on Highways 84, 85, 86, 191, 287 and Interstate 90. Interstate 90 is the main road through the county traveling from east to west through the center of the county and through Bozeman. Numerous county roads also are maintained in Gallatin County. Bozeman has a regional airport that has flights to multiple airports. There are also smaller non-commercial airfields located in the county. Many of the county's businesses and residents commonly utilize the extensive transportation options found in the Bozeman area. Montana Rail Link provide extensive service to the region by railroad and splits between Manhattan and Three forks going north and south.

The City of Bozeman is located near the geographic center of Gallatin County at the foot of the mountains. Established in 1864, Bozeman is Gallatin County's largest city and county seat. The City of Bozeman and its surrounding area largely share Gallatin County's descriptive and demographic characteristics. Consequently, we address only relevant considerations specific to the City of Bozeman.

Bozeman's 2020 population of 54,539 makes it Montana's 4th largest city. The city is governed under a mayor and council structure and has full-time police officers and a fire department. The city has many recreational and cultural amenities, including athletic fields, a golf course, a public swimming pool, rodeo grounds, parks, a movie theater, and a library; numerous churches are organized in the city. Standard utilities and city services are widely available within the city, and modern healthcare facilities are available and well-staffed.

Bozeman is well-known for its picturesque setting, and tourism is a leading economic driver for the town. Located just over 1 hour from Yellowstone National Park's Northwest (West Yellowstone) Entrance and located along I-90, the city is a natural overnight stopover for many tourists. Consequently, the city is home to many campgrounds, Federal, state, and local governmental services help to drive the area's retail, service, financial, and transportation industries.

The area climate of Gallatin County is continental in nature, with four distinct seasons. Generally, the subject area receives around 24 inches of annual precipitation, with more than two thirds of that amount expected to fall during the annual growing season. This period extends from May to September.

Generally, summers are warm and mild, with frequent afternoon thunder showers. Fall can extend to late October, and winter snow will begin to fall in November. Spring snowstorms can have deep accumulations.

## PROPERTY DESCRIPTION

### Location & Roads:

The State of Montana property is located east of Three Forks. The property is reached by traveling north from Three Forks on Highway 2/205 for approximately 4.65 miles. Turn right (south) onto a private gravel road, and travel for approximately 0.1 miles. This brings you to the northwest corner of the property. The property is located in the northwest portion of the county just south of the Gallatin River and I-90 borders the property along the southern boundary.

State and county location maps are shown on page 12 and 13.

### Markets:

Grain markets are located in multiple locations in the area of the subject property. Livestock auction markets are located at Bozeman, Montana. Most supplies are acquired in Three Forks or Bozeman.

### Community Facilities:

School for grades K-12 are located at Three Forks, Montana. School bus service is reportedly available to the subject property. Medical facilities, including a hospital clinic, are located in Bozeman, MT. Major medical services are located in Billings.

### Climate:

The average annual precipitation, according to precipitation maps is approximately 12.24 inches. The frost-free period averages over 100 days.

### Property Operation:

The property has historically been operated as grazing for livestock by the lessee. Livestock water is provided by a well located off the property and owned by the lessee.

### Land Use:

The land current use as a whole is for livestock grazing. There is a small section north of the railroad tracks (see following page for picture) that is not usable and will be considered as waste.

Pasture	22.878 Ac
Waste	<u>0.159 Ac</u>
<b>Total</b>	<b>23.037 Ac</b>

The land consists of open grassland that is rolling to sloping with no improvements on the property.

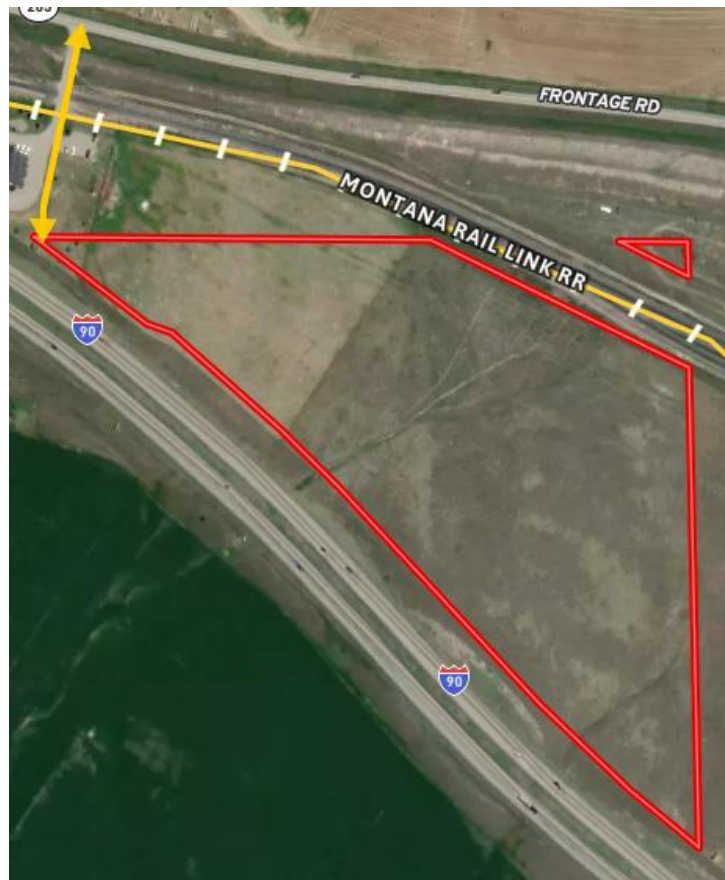


### **Flood Plain:**

There can be some occasional flooding of land along drainage ways. This flooding is generally due to rapid snow melt or heavy thundershowers. The property, as of the date of this report, has been mapped by FEMA and is not located in a flood zone.

### **Accessibility:**

The property is accessed off an unnamed, private road. The following map shows the property access road in yellow. The land is easily accessible. However, the property does not have legal access and an Hypothetical Condition is being utilized that the property has legal access. The use of this Hypothetical Condition may have impacted assignment results.



### **Physical Features:**

The land is typical of land located in this part of Gallatin County. The land consists of land that is rolling to sloping and located along I-90 that is utilized as grazing land for a vet clinic operation. Railroad tracks travel along the northern part of the property as seen in the picture above. The elevation of the property is approximately 3,340 feet. The topography of the unit as a whole is conducive to its use as pasture to support a vet clinic.

### **Soils:**

The Soil Conservation Service has completed a published soil survey of Gallatin County. The title of the publication is "Soil Survey of Gallatin County Area, Montana." A copy of this publication can be had at the local FSA office. The following information was taken from online mapping software and is assumed to be correct. This is not a warranty.

Following is a brief description of the major soils that make up the State of Montana Property:

SOIL CODE	SOIL DESCRIPTION	ACRES	%	CPI	NCCPI	CAP
38B	Chinook fine sandy loam, 0 to 4 percent slopes	10.09	43.89	0	16	4e
3C	Glendive sandy loam, 2 to 8 percent slopes	8.26	35.93	0	17	4e
38C	Chinook fine sandy loam, 4 to 8 percent slopes	4.64	20.18	0	16	4e

These soils are typical for the area and are suitable for grazing land.

### **Vegetation:**

Dominant grassland species in the area include native grasses that are productive for livestock grazing.

### **Weeds:**

No noxious weeds were seen on inspection. This is not a warranty.

### **Water:**

Livestock water is also provided by a well. However, this well is located off the property and reportedly owned by the lessee. Without this well, livestock water would be seasonal.

### **Government Programs:**

The appraiser is not aware of any FSA grain base with the property. This information was not provided to the appraiser. Any grain base with the property would not alter the market value.

### **Hazards and Detriments:**

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

### **Garbage Dump:**

A garbage dump was not seen during the inspection. This is not a warranty.

**Fuel Tanks:**

No evidence of underground fuel tanks was seen during the property inspection. This is not a warranty.

**Zoning and Mineral Rights:**

There are no zoning ordinances in the area and the property is classified as rural land. No opinion of value for any mineral rights with the property is being given in this appraisal.

**Fences:**

There is a perimeter fence on the property. There is also interior fencing dividing the property into different grazing pastures. Both wood and steel posts are used. The fences appear to be in average to fair condition.

**Utilities:**

There is electricity to the property. There are no other known utilities, this is not a warranty.

**Real Estate Taxes:**

The subject property is State land and exempt from being taxed. If the State land property were taxed, it is estimated that the tax amount would be less than \$500. These taxes are typical for the area. Taxes in the county are stable with no foreseeable increases or decreases that are abnormal.

**Environmental Audit:**

The appraisers are not an expert in the field of environmental hazards or toxic substances and has not completed an environmental audit of the subject property. During the property inspection no visible environmental hazards were evident and no buried fuel tanks were observed on the property. The property is being appraised assuming there are no toxic or hazardous substances located on the subject property that would render the property more or less valuable. Should it be discovered that there are toxic or hazardous substances located on the subject property, the appraisers reserve the right to re-analyze the situation and adjust values if deemed necessary.

## VALUATION

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

The determination of the market value includes consideration of the highest and best use for which the appraised property is clearly adapted.

Highest and Best Use is the legal and probable use that supports the highest present value, as defined, of vacant land or improved property, as of the date of the appraisal.

It is that use found to be:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive

Consideration is given to trends of recent land sales, economic factors, and strength of the local market. An analysis of the highest and best use of the property forms a basis for the valuation of the property. Highest and best use serves as a guide in the selection of comparable sales to be used in the analysis of the subject property.

The definition applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. These definitions imply a recognition of the contribution of existing specific uses to the community environment or to community development goals in addition to increasing the wealth of individual property owners.

The final determination of the highest and best use is a result of appraisers' judgement and analytical skills. The use determined from analysis represents an opinion, not a determination of fact. Consideration must be given to that range of uses which fit the appraised property. Consideration must be given to alternative uses, as well as existing use.

The property has a current existing use of agricultural with livestock grazing taking place.

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

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

### **Legally Permissible:**

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

Physically Possible:

The current use is physically possible as this has been the use of the property for many years.

Financially Feasible:

The current use is financially feasible. The subject property can create a net income as an agricultural property.

Maximally Productive:

The maximally productive use is the use that will yield the highest net present value for the property. When considering the maximally productive use of a property, consideration is given to other possible uses that may yield a higher value than the existing use.

The property generates the most income through agricultural use. Agricultural use is an interim use of the property. Such properties are purchased with the expectation that the buyer can rent out the grazing land to create income. While doing this, properties can also capitalize on the recreational amenities to provide hunting and add additional income. Given the location of the subject property, recreational use is not likely. However, properties located in this part of Gallatin County are being utilized for rural residential or commercial use, especially given its location along Interstate 90. The neighboring property is being utilized as a commercial business. There are no city subdivisions located in the area of the subject nor does it appear that there will be in the foreseeable future. The maximally productive use of the State of Montana Property is for rural residential/commercial with agricultural as an interim use.

Therefore, the highest and best use of the subject as vacant is for commercial/rural residential.

**Highest and Best Use As Improved**

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

There are no improvements located on the subject property, therefore, this analysis is not required.

**Conclusion**

The conclusion is that the highest and best use of the State of Montana Real Estate property is for rural residential/commercial as **unimproved**.

Market Value:

**Current fair market value. (12 C.F.R. § 34.42 (h))** Market value means the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the

price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable period of time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted to anyone associated with the sale."

### **Exposure Time:**

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

### **Marketing Time:**

The amount of marketing time for a property such as this is estimated to be between three months and six months.

### **COVID-19 Pandemic:**

As of the date of this report the COVID-19 Pandemic is going on. This has impacted the economy as a whole. However, in this part of the county where the subject is located, the markets have been affected positively. Having discussed this with numerous buyers as an appraiser, buyers are more motivated now than ever. Scott Crosby is also a realtor and has discussed the impacts of COVID-19 with numerous buyers and other realtors about motivations and what they are seeing in the market currently. Interest rates have increased, which has caused buyers to be more cautious. However, buyers are also looking to leave places of higher populations and political unrest to be in remote areas. With more work being done remotely, people are realizing they do not need to be confined to cities. In conclusion, COVID-19 has not impacted the area market negatively but has caused it to surge.

### **Approach to Value:**

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

The cost approach includes estimating the reproduction or replacement cost of all

improvements new, subtracting from these costs any accrued depreciation, and adding the various land class values.

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

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

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

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

### **Comparable Sales:**

Following is a summary of the comparable sales that have taken place in the area and will be used to value the State of Montana real estate. There was a total of 7 sales considered with 5 being considered the most comparable to the subject. The majority of the sales in this report had land classes, like the subject or similar.

**SALE #1**

**SALE DATE:** 6/21

**GRANTOR:** Confidential

**GRANTEE:** Confidential

**DEED:** Warranty

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

**COUNTY:** Gallatin

**ACREAGE:** 84.68

**DOM:** 0

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

**LOCATION:** This property is located northwest of Manhattan, MT.

**LEGAL DESCRIPTION:** See Office File

**COMMENTS:** Sale of a property located northwest of Manhattan along Interstate 90. The property is irrigated cropland that is irrigated using wheel lines. Property access is provided by a county gravel road, which makes up the eastern property boundary.

Site

84.68 Ac @ \$14,171/Ac





**SALE #2**

**SALE DATE:** 8/21

**GRANTOR:** Confidential

**GRANTEE:** Confidential

**DEED:** Warranty

**SALE PRICE:** \$275,000

**COUNTY:** Gallatin

**ACREAGE:** 20.00

**DOM:** 69

**LIST PRICE:** \$275,000

**LOCATION:** This property is located northwest of Three Forks, MT.

**LEGAL DESCRIPTION:** See Office File

**COMMENTS:** Sale of a property located northwest of Three Forks. The property is pasture located next to a rural residential subdivision. Property access is provided by a gravel road. The property is open and level to slightly sloping.

Site

20.00 Ac @ \$13,750/Ac



**SALE #3**

**SALE DATE:** 5/20

**GRANTOR:** Confidential

**GRANTEE:** Confidential

**DEED:** Warranty

**SALE PRICE:** \$163,800

**COUNTY:** Gallatin

**ACREAGE:** 11.60

**DOM:** 178

**LIST PRICE:** \$180,000

**LOCATION:** This property is located northeast of Three Forks, MT.

**LEGAL DESCRIPTION:** See Office File

**COMMENTS:** Sale of a property just northeast of Three Forks. Property access is provided by a county gravel road. An older structure was located on the property but not given a contributory value.

Site

11.60 Ac @ \$14,121/Ac



**SALE #4**

**SALE DATE:** 4/23

**GRANTOR:** Confidential

**GRANTEE:** Confidential

**DEED:** Warranty

**SALE PRICE:** \$379,000

**COUNTY:** Gallatin

**ACREAGE:** 20.00

**DOM:** 235

**LIST PRICE:** \$399,000

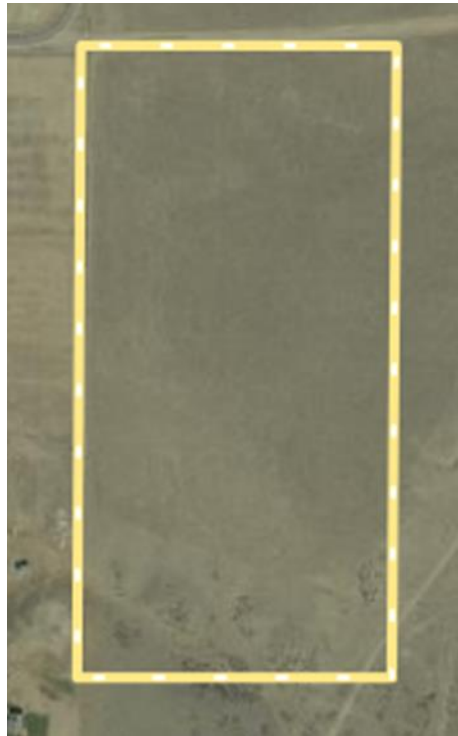
**LOCATION:** This property is located northwest of Three Forks, MT.

**LEGAL DESCRIPTION:** See Office File

**COMMENTS:** Sale of a property located northwest of Three Forks. The property is pasture located next to a rural residential subdivision. Property access is provided by a gravel road. The property is open and level to slightly sloping. Buyer was motivated.

Site

20.00 Ac @ \$18,950/Ac



**SALE #5**

**SALE DATE:** 4/24

**GRANTOR:** Confidential

**GRANTEE:** Confidential

**DEED:** Warranty

**SALE PRICE:** \$3,400,000

**COUNTY:** Gallatin

**ACREAGE:** 398.19

**DOM:** 33

**LIST PRICE:** \$4,378,000

**LOCATION:** This property is located southeast of Three Forks, MT.

**LEGAL DESCRIPTION:** See Office File

**COMMENTS:** Sale of a property located southeast of Three Forks along Rey Creek just east of the Madison River. The property is vacant sub irrigated/creek bottom pasture that has good hunting and is located in an area with rural residential appeal. Property access is provided by a county gravel road, which makes up a portion of the western property boundary.

Site

398.19 Ac @ \$8,539/Ac



SALES CHART

SALE NUMBER	1		2		3		4		5	
GRANTOR	Confidential		Confidential		Confidential		Confidential		Confidential	
GRANTEE	Confidential		Confidential		Confidential		Confidential		Confidential	
DATE OF SALE	6/21		8/21		5/20		4/23		4/24	
SALE PRICE	\$1,200,000		\$275,000		\$163,800		\$379,000		\$3,400,000	
ACRES	84.68		20.00		11.60		20.00		398.19	
PRICE/AC	\$14,171		\$13,750		\$14,121		\$18,950		\$8,539	
UNIMPROVED	\$14,171		\$13,750		\$14,121		\$18,950		\$8,539	
IMPROVEMENTS	\$0		\$0		\$0		\$0		\$0	
LAND USE	Acres	\$/Acre	Acres	\$/Acre	Acres	\$/Acre	Acres	\$/Acre	Acres	\$/Acre
RANGELAND	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
DRY CROPLAND	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
IRRIGATED CROP	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
HAYLAND	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
WASTE	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
RIVER BOTTOM	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
OTHER	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
SITE	84.68	\$ 14,171	20.00	\$ 13,750	11.60	\$ 14,121	20.00	\$ 18,950	398.19	\$ 8,539
TOTAL ACREAGE	84.68		20.00		11.60		20.00		398.19	

**Improvement Description and Valuation:**

There are no improvements associated with the subject property or with the comparable sales utilized in this report.

**Cost Approach:**

Due to there being no improvements or differing land classes, the cost approach will not be utilized in this report. Under these conditions, the cost approach tends to yield the same/similar results as the sales comparison approach and is considered to be redundant.

**Sales Comparison Approach:**

The Sales Chart on pages 29 shows the unadjusted value of each of the sales on an overall value per acre and by component land class. A direct comparison on an overall value per acre of the sales with the subject will be made.

The range in value per overall acre for the comparable sales used to value the State of Montana property is \$8,539 to \$18,950. These sales represent a combination of factors which are subject to many variables. Thus, applicable adjustments to the total sale are difficult to document by data. Adjustments will be based on qualitative analysis along with paired sales (quantitative) analysis.

The following shows the sales adjustment chart used to arrive at the Sales Comparison Approach value for the State of Montana property.

SALES ADJUSTMENT CHART

Item	Subject	Sale 1		Sale 2		Sale 3		Sale 4		Sale 5	
Date of Sale	Current	6/21		8/21		5/20		4/23		4/24	
Size	23.04	84.68		20.00		11.60		20.00		398.19	
SALE PRICE/AC	n/a		\$ 14,171		\$ 13,750		\$ 14,121		\$ 18,950		\$ 8,539
Elements of Comparison	Description	Descript.	Adjust.	Descript.	Adjust.	Descript.	Adjust.	Descript.	Adjust.	Descript.	Adjust.
Rights Conveyed	Fee	Fee	\$ -	Fee	\$ -	Fee	\$ -	Fee	\$ -	Fee	\$ -
Financing	Cash	Cash	\$ -	Cash	\$ -	Cash	\$ -	Cash	\$ -	Cash	\$ -
Conditions of Sale	Normal	Normal	\$ -	Normal	\$ -	Normal	\$ -	Normal	\$ -	Normal	\$ -
<b>Subtotal</b>	-		\$ 14,171		\$ 13,750		\$ 14,121		\$ 18,950		\$ 8,539
Land Mix	Mixed	Mixed	\$ (98)	Mixed	\$ (95)	Mixed	\$ (97)	Mixed	\$ (131)	Mixed	\$ (59)
Improvements	0	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
<b>Subtotal</b>	-		\$ 14,073		\$ 13,655		\$ 14,023		\$ 18,819		\$ 8,480
Market Conditions	Current		\$ 2,242		\$ 2,043		\$ 3,152		\$ 1,062		\$ 36
<b>Subtotal</b>	-		\$ 16,316		\$ 15,698		\$ 17,176		\$ 19,882		\$ 8,516
Access	Private	Mixed	\$ -	Gravel	\$ -	Gravel	\$ -	Gravel	\$ -	Gravel	\$ -
Size	23.04	84.68	\$ -	20.00	\$ -	11.60	\$ -	20.00	\$ -	398.19	\$ 8,500
Quality	A	A	\$ -	A	\$ -	G	\$ (1,500)	A	\$ -	A	\$ -
Net Adjustments			\$ -		\$ -		\$ (1,500)		\$ -		\$ 8,500
<b>Indicated \$/Acre</b>			\$ 16,316		\$ 15,698		\$ 15,676		\$ 19,882		\$ 17,016

**Rights Conveyed:** No adjustments were made.

**Financing:** No adjustments were made.

**Conditions of Sale:** No adjustments were made.

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

**Improvement Adjustment:** No adjustments were made.

**Market Adjustment:** An adjustment for the time of sale will be made for the comparable sales. The market has shown an increase since 2021 that can be documented. A 5.20% increase compounded annually will be applied to the sales starting from the effective date of this appraisal.

**Access Adjustment:** No adjustments were made.

**Size Adjustment:** An adjustment was made. Through paired sales analysis, it was determined that sale 5, which was the largest sale, should be adjusted up by \$8,500 per acre.

**Quality Adjustment:** An adjustment was made. Through paired sales analysis, it was determined that sale 3, which was located along the river, should be adjusted down by \$1,500 per acre.

**Summary of Adjustments:** The range in adjusted value of the comparable sales is \$15,676 to \$19,882 per acre. The average of the adjusted comparable sales is \$16,917 and the median is \$16,316 per acre. Sale 1, which is located in a similar location along Interstate 90, shows an

adjusted value of \$16,316 per acre. The subject property will be valued near sale 1. Based on the adjusted comparable sales and comparing each adjusted sale with the subject we have valued the State of Montana property deeded land at \$375,503 (23.037 Ac x \$16,300/Ac). Rounded to \$376,000.00.

**Income Approach:**

The income approach is not suitable in determining the value of properties such as the State of Montana property in its current use as it creates little income in relation to the property's value. The value in the property is in its location and use as a rural residential/commercial property. A buyer of the property would most likely be purchasing the property to use for something other than its income earning potential alone. For these reasons, the income approach will not be used in the determination of value.

**Reconciliation:**

The final step in the appraisal process is termed Reconciliation; it is defined in the "Dictionary of Real Estate Appraisal", P.91, The Appraisal Institute as:

*"The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a range of value, in relation to a benchmark, or a single point estimate."*

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

Following are the rounded values arrived at by each approach:

Cost Approach	NA
Sales Comparison Approach	\$ 376,000.00
Income Approach	N/A

The cost approach and income approaches to value were not utilized in this report and explained previously. The sales comparison approach is considered a reliable approach as a stand-alone approach.

Based on the comparable sales data, we have arrived at an As Is Fee Simple Market Value, as of May 16, 2024 for the State of Montana property real estate, **with legal access**, of \$376,000.00

A Hypothetical Condition was utilized in this report that may have impacted assignment results.

**No Legal Access Diminution in Value:**

The subject property has good physical access but no legal access to the property. Access to the property is by crossing over private property owned by the lessee. Given the location between I-90 and the railroad, it would be difficult to gain access by some other means.

When valuing properties with no legal access there are a couple approaches that can be taken to determine the impact of not having legal access. One way is to discount the property using sales that do not have legal access in comparison with those that do. Another way is to determine the cost to cure the access issue and apply it to the value of the property.

Comparable sales were searched for in the area of the subject property that had a lack of legal access. There were no sales found in the market area that could support utilizing the sales comparison approach to arrive at a value.

The appraisers have viewed information from over 100 sales that have occurred, comparing properties with legal access to those without in various forms. Of those most applicable, the market showed discounts in property values that had physical but no legal access ranging from 23% to 69%. These sales ranged in value from 85 acres to 1,280 acres. The range in diminution value is estimated to be 23% to 55% with an average diminution in value of 40%. After further analysis formed on these sales and comparing them to the current situation with the subject property, the appraisers will apply a 40% diminution in value due to no legal access.

With Legal Access Value	\$376,000.00
Diminution in Value Without Legal Access	<u>40%</u>
Value of Subject Without Legal Access	\$225,600.00
<b>Rounded To</b>	<b>\$226,000.00</b>

Based on the analysis of sales with no legal access, we have arrived at an As Is Fee Simple Market Value, as of May 16, 2024 for the State of Montana property real estate, **without legal access**, of \$226,000.00.



## APPRAISAL CERTIFICATE

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

- : The statements of fact contained in this report are true and correct.
- : The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- : We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- : We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- : Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- : Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the values opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- : Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- : We have made a personal inspection of the property that is the subject of this report.
- : No one provided significant real property appraisal assistance to the persons signing this certification.
- : Unless otherwise disclosed in this report, we 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 (36-months) period immediately preceding the agreement to perform this assignment.

This report is subject to confidential peer review for Standards and Ethics compliance. The appraisal is a complete appraisal communicated by an appraisal report. Scott Crosby, Certified General Appraiser, analyzed sales comparisons, wrote the appraisal, gathered information, and created maps. The final opinion of value was determined by Scott Crosby.

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

After weighing all of the factors herein reported to the best of our knowledge and belief, it is the Appraisers' opinion that the As Is Fee Simple Market Value, based on cash, of the State of Montana real estate as of May 16, 2024 is as follows:

State of Montana Property Real Estate <b>with</b> Legal Access	\$ 376,000.00
State of Montana Property Real Estate <b>without</b> Legal Access	\$ 226,000.00

Respectfully submitted,



J. Scott Crosby  
Certified General Real Estate Appraiser  
Montana Cert. #8183, Wyoming Cert. #1512,  
Idaho Cert. #4314, North Dakota Cert. #21769  
South Dakota Cert. #1659CG-R

Respectfully Submitted,



Valerie K. Crosby  
Certified General Real Estate Appraiser  
Wyoming Cert. #1995  
Montana Cert. #13693

## QUALIFICATIONS

J. SCOTT CROSBY

### EDUCATION:

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

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

### DESIGNATIONS:

MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #8183.

WYOMING CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #1512.

IDAHO CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #4314.

NORTH DAKOTA CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #21769.

SOUTH DAKOTA CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #1659CG-R.

WYOMING LICENSED REAL ESTATE SALESPERSON, License #15001.

MONTANA LICENSED REAL ESTATE SALESPERSON, License #72020.

### PROFESSIONAL SOCIETIES

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

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

### EXPERIENCE:

1994 to Present: Crosby Farms, Cowley, Wyoming

2007 to 2015: Custom Ag Solutions, Cowley, Wyoming

2015 to 2016: Luther Appraisal Services, Miles City, Montana

2013 to 2023: Wicks & Associates, LLC, Billings, Montana

2013 to Present: Crosby Analytics, Cowley Wyoming

I am currently self-employed and doing work in the areas of real estate appraisals, farm and ranch management, agricultural economic and financial consulting. I am also a partner in Wicks & Associates doing real estate appraisals. My focus is real estate appraisals with an agricultural/recreational influence.

Appraisal assignments include appraising the value of partial interests in property, properties with conservation easements, estates, lender appraisals, valuation and partition analysis for agricultural properties and machinery and equipment. I do work ranging from litigation to estate planning and have been in the courtroom on numerous occasions. I also have experience as a Special Master for the Court.

Farm work has included managing the production of sugar beets, malt barley, corn and alfalfa while assisting in beef production. Consulting work includes work for the United States Department of Agriculture in the area of risk management in 40 states. This work focused primarily on managing risk through hedging with production practices, insurance programs, and lending opportunities available to producers. I also created a web platform for an online feeder cattle price forecasting tool that CAS created.

## SUMMARY OF KINDS OF WORK COMPLETED

I have completed over 1,100 real estate appraisals as of 2024 with a total of over 1,000,000+/- acres. **These appraisals included Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) appraisals.** These appraisals include agricultural, commercial and subdivision analysis and conservation easements. There are some personal property (machinery, equipment, vehicles, and livestock) valuations included in the total number of appraisals completed.

## LIST OF REAL APPRAISAL COURSES COMPLETED

Basic Appraisal Principles	The Valuation of Intangible and Non-Financial Assets
Basic Appraisal Procedures	Valuation of Conservation Easements and Partial Interests
National Uniform Standards and Professional Appraisal Practices	Uniform Standards of Professional Appraisal Practice
Commercial Appraisal Review	ASFMRA Ethics
Expert Witness for Commercial Appraisers	DNRC Water Rights Education
General Appraiser Market Analysis Highest and Best Use	Eminent Domain
General Appraiser Sales Comparison Approach	Report Writing
General Appraiser Site Valuation and Cost Approach	ASFMRA Machinery and Equipment Valuation
General Appraiser Income Approach	ASFMRA Livestock Valuation
General Appraiser Report Writing & Case Studies	Conservation Easements
Statistics, Modeling and Finance	Integrated Approaches to Value
National Certified General Appraiser Examination	Advanced Rural Case Studies
Income Approach Applications	Back to Earth: Current State of Section 1031 Exchanges
Uniform Appraisal Standards for Federal Land Acquisitions	Legal Perspective of Heirs Property Partition Action
Valuing Rural America: The Complexities of Data Analysis in a Low Volume, Non-Uniform World	Mapping Software and Data for Rural Land Appraisal

## TYPICAL CLIENT APPRAISAL WORK HAS BEEN COMPLETED FOR:

1. Various private farm, ranch and commercial property owners located in Montana, Wyoming, and North Dakota including sole proprietors, partnerships, and corporations. Properties ranged in size from a few acres to 150,000+ acres.
2. Government Agencies including the Montana Department of Natural Resources and Conservation, Montana Department of Fish, Wildlife, and Parks, Montana Department of Justice, U.S. Marshals, United States Forest Service, Bureau of Land Management, National Parks, Bureau of Indian Affairs, and the Farm Service Agency in Montana, Wyoming, and North Dakota.
3. Various private institutions such as banks located in Montana and Wyoming, Farm Credit Services, private trust organizations, Westmoreland Coal Company, Spring Creek Coal Company, Western Rivers Conservancy, Rocky Mountain Elk Foundation, Ducks Unlimited, Pheasants Forever, the Conservation Fund, John Deere, and Land Trust Organizations.

## TYPICAL CLIENT CONSERVATION EASEMENT APPRAISAL WORK HAS BEEN COMPLETED FOR:

Montana Land Reliance, Rocky Mountain Elk Foundation, Pheasants Forever, State of Montana DNRC, State of Montana FWP, Wyoming Stock Growers Association, Department of the Interior U.S. Fish and Wildlife, USDA NRCS, Western Rivers Conservancy.

# QUALIFICATIONS

VALERIE CROSBY

## EDUCATION:

UTAH STATE UNIVERSITY, Logan, UT. Graduated with a Bachelor of Science in Statistics, Minor in Sociology.

## DESIGNATIONS:

MONTANA CERTIFIED GENERAL REAL ESTATE APPRAISER, License Number: REA-RAG-LIC-13693

WYOMING CERTIFIED GENERAL REAL ESTATE APPRAISER, Certificate #1995.

## EXPERIENCE:

2012-2014: Northwest College, Powell, Wyoming

2018 to 2023: Wicks & Associates, LLC, Billings, Montana

2012 to Present: Crosby Analytics, Cowley, Wyoming

Taught mathematics and statistics at Northwest College.

Co-founded Crosby Analytics in 2012. Handle all day-to-day operations of the company since its conception including (but not limited to) completing all registrations/certifications required to compete for federal contracts, grants, etc., all accounting/bookwork, creation of the business' website, marketing and advertising.

Currently self-employed and doing work in the areas of real estate appraisals and financial consulting. Focus on real estate appraisals with an agricultural/recreational influence.

Appraisal assignments include appraising the value of properties for estates, lenders, attorneys, accountants, Farm Credit Services, and machinery and equipment.

## SUMMARY OF KINDS OF WORK COMPLETED

I have completed over 350 real estate appraisals as of 2024 with a total of over 500,000+/- acres. These appraisals included Uniform Standards of Professional Appraisal Practice (USPAP). These appraisals include agricultural, commercial and subdivision analysis and conservation easements. There are some personal property (machinery, equipment, vehicles, livestock) valuations included in the total number of appraisals completed.

## LIST OF REAL ESTATE APPRAISAL COURSES COMPLETED


Basic Appraisal Principles  
Basic Appraisal Procedures  
National Uniform Standards and Professional Appraisal Practice  
General Appraiser Market Analysis Highest and Best Use  
General Appraiser Sales Comparison Approach  
General Appraiser Site Valuation and Cost Approach  
General Appraiser Income Approach  
General Appraiser Report Writing & Case Studies  
Statistics, Modeling and Finance  
Conservation Easements  
Introduction to Expert Witness Testimony for Appraisers  
Divorce and Estate Appraisals: Elements of Non-Lender Work  
Commercial Appraisal Review  
Expert Witness for Commercial Appraisers

Valuation of Conservation Easements and Partial Interests

**TYPICAL CLIENTS APPRAISAL WORK HAS BEEN COMPLETED FOR:**

1. Various private farms, ranch and commercial property owners located in Montana and Wyoming including sole proprietors, partnerships and corporations. Properties ranged in size from a few acres to 50,000+ acres.
2. Government Agencies including the Montana Department of Natural Resources and Conservation, Montana Department of Fish and Wildlife, the U.S. Department of Agriculture, and the Farm Service Agency in Montana and Wyoming.
3. Various private institutions such as banks located in Montana and Wyoming, Farm Credit Services, private trust organizations, Montana Land Reliance, and Land Trust Organizations.

## ADDENDA

<i>FOR DNRC USE ONLY</i>			<u>Approved</u>
Amount under this agreement:		\$3,750	No. <u>245134</u>
<u>Source of Funds</u>			Division <u>DK</u>
<u>Fund Name</u>	<u>Fund Number</u>		Legal <u>MP</u>
Land Banking Private Closing Costs	02031		FSO <u>AM</u>
			SPB <u>NH</u>
			
<u>Subclass</u>	<u>Org Number</u>	<u>Percent</u>	
555HA	6043-56	100%	

**TRUST LAND MANAGEMENT DIVISION  
APPRAISAL OF POTENTIAL LAND BANKING SALE PROPERTY IN GALLATIN COUNTY**

**THIS CONTRACT** is entered into by and between the State of Montana, Department of Natural Resources and Conservation, (hereinafter referred to as “the State”), whose address and phone number are P.O. Box 201601, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1601, 406-444-4165 and J. Scott Crosby of Crosby Analytics (Contractor), whose address and phone number are P.O. Box 742 Cowley, WY 82420, (307) 272-7421.

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

**1.1 Contract Term.** The contract’s initial term is upon contract execution, through August 9, 2024, 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 34. **The appraisal report is to be completed and forwarded to DNRC, Seth Goodwin, Lands Section Supervisor at P.O. Box 201601, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1601 by July 12, 2024.**

**1.2 Contract Renewal.** - N/A

**2. COST ADJUSTMENTS – N/A**

**2.1 Cost Increase by Mutual Agreement.** – N/A

**3. SERVICES AND/OR SUPPLIES**

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcel(s) in Gallatin 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 Uniform Standards of Professional Appraisal Practice that will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that supports the analyses, opinions, and conclusions. Attachment A and B are attached hereto and incorporated herein by reference.

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:

- 1) The appraisal report will be one document containing the property data and analysis, opinions, and conclusions of value for the properties. 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 can be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.
- 2) Each sale parcel listed in Attachment A, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions must be assigned separate values.
- 3) The definition of market value is that as defined in **12 C.F.R 34.42(h)**.

#### 4. **WARRANTIES**

**4.1 Warranty of Services.** Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The State's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the State may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

#### 5. **CONSIDERATION/PAYMENT**

**5.1 Payment Schedule.** In consideration of the successful submission of the appraisal report to be provided, the State shall pay Contractor: \$3,750.00

The contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made.

In No case shall the State's total cumulative payment under this contract exceed Three thousand seven hundred and fifty dollars and No/100 (\$3,750.00)

#### **5.2 Withholding of Payment – N/A**

**5.3 Payment Terms.** Unless otherwise noted in the solicitation document, the State has thirty (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.



**5.4 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.

**5.5 Fuel Surcharge – N/A**

**6. PREVAILING WAGES REQUIREMENTS – N/A**

**7. ACCESS AND RETENTION OF RECORDS**

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

**7.2 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.

**8. 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. Contractor is responsible to ensure that any assignee, transferee or subcontractor is subject to all of the terms and conditions of this Contract as fully set forth. Consent of the State to assign, transfer or subcontract any portion of this Contract does not relieve the Contractor in any manner of its responsibilities under this Contract.

**9. HOLD HARMLESS/INDEMNIFICATION**

**9.1** Claims under this provision also include any claim arising out of or in any way connected with Contractor's breach of this contract, including any claims asserting that any of the Contractor's employees are actually employees of the state or common law employees of the state or any of its agencies or political subdivisions, including but not limited to excise taxes or penalties imposed on the State under Internal Revenue Code §§ 4980H, 6055 or 6056 and any subsequent amendments or additions to these Sections. Contractor shall be responsible for implementation of all aspects of the Affordable Care Act as this Act may apply to Contractor and shall be responsible for any violations including any sanction, penalty, fee or tax and shall indemnify the State and hold harmless and defend the State for any omission or failure of Contractor to meet its obligations under Sections 13 and 14.

**9.2** Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of State, under this Contract.

10. **CONTRACTOR REGISTRATION (for construction) – N/A**

11. **CONTRACTOR WITHHOLDING (for construction) – N/A**

12. **REQUIRED INSURANCE**

**12.1 General Requirements.** Contractor shall maintain for the duration of this contract, at its 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.

**12.2 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.

**12.3 Specific Requirements for Commercial General Liability. – N/A**

**12.4 Specific Requirements for Automobile Liability.** Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 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.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by Contractor.

**12.5 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.

**12.6 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.

**12.7 Certificate of Insurance/Endorsements.** A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State, PO 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.

**13. 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 State, PO Box 201601, Helena, MT 59620-1601.

**14. COMPLIANCE WITH LAWS**

**14.1 Federal, State, or Local laws, Rules, and Regulations.** 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. The State may audit or request from Contractor at any time a statement that it is fully compliant with all requirements of this Section.

**14.2 Contractor as Employer under the Patient Protection and Affordable Care Act and this Contract.** The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Contractor represents and warrants that all individuals who perform services for an agency of the State for Contractor under this Contract are without exception Contractor's common law employees at all times and that Contractor acknowledges that Contractor has the responsibility and retains the obligation to direct and control its employees providing services under this Contract for the term of this Contract. Contractor is responsible for providing healthcare benefits for its employees under the Patient Protection and Affordable Care Act.

**14.2.1 State Benefits Plans.** Contractor acknowledges and agrees that it, its agents or employees are not employees of the State and that its agents or employees have no nexus with the State to participate in any of the State's benefits plans or programs that the State offers its employees and maintains for its employees.

**14.2.2 Contractor Provided Health Care Coverage.** Contractor shall, if required by the Patient Protection and Affordable Care Act, offer to all its agents or employees who perform services for the State under this contract for 30 or more hours a week and for employee's or agent's dependents under age 26 health care coverage under its health care plans. Such coverage must provide minimum essential coverage and minimum value, and be affordable for purposes of the employer responsibility provisions under Section 4980H of the Code and otherwise satisfy the requirements of Code 4980H if provided by the State. It shall be contractor's sole responsibility to determine applicability and compliance requirements that may apply to Contractor under the Patient Protection and Affordable Care Act.

**14.2.3 Contractor Reporting Requirements.** Contractor acknowledges that if it is subject to any reporting requirements under Code §§ 6055 and 6066 that Contractor will fully comply with any required reporting with respect to individuals who perform services for the State.

**14.3** Any partial or whole assignment, transfer or subletting or subcontracting by Contractor subjects subcontractors to the same provisions of this Section and it is the responsibility of the Contractor to ensure any agreement to assign, transfer, sublet or subcontract binds any successor to this Contract in whole or in part or binds any subcontractor to all the terms and conditions of this Contract as if a party to the Contract from inception..

**14.4** 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 there will be no 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.

**15. 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.

**16. 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>.

**17. INTELLECTUAL PROPERTY/OWNERSHIP**

**17.1 Mutual Use.** Contractor shall make available to the State, on a royalty-free, non-exclusive basis, all patent and other legal rights in or to inventions first conceived and reduced to practice, or created in whole or in part under this contract, if such availability is necessary for the State to receive the benefits of this contract. Unless otherwise specified in a statement of work, both parties shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use copyrightable property created under this contract. This mutual right includes (i) all deliverables and other materials, products, modifications that Contractor has developed or prepared for the State under this contract; (ii) any program code, or site- related program code that Contractor has created, developed, or prepared under or primarily in support of the performance of its specific obligations under this contract; and (iii) manuals, training materials, and documentation. All information described in (i), (ii), and (iii) is collectively called the "Work Product".

**17.2 Title and Ownership Rights.** The State retains title to and all ownership rights in all data and content, including but not limited to multimedia or images (graphics, audio, and video), text, and the like provided by the State (the "Content"), but grants Contractor the right to access and use Content for the purpose of complying with its obligations under this contract and any applicable statement of work.

**17.3 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.

**17.4 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.

**17.5 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.

18. **PATENT AND COPYRIGHT PROTECTION – N/A**

19. **CONTRACT PERFORMANCE ASSURANCE – N/A**

20. **CONTRACT TERMINATION**

**20.1 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.

**20.2 Termination for Cause with Notice to Cure Requirement.** Contractor may terminate this contract for the State's failure to perform any of its duties under this contract after giving the State written notice of the 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.

**20.3 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.

## **21. EVENT OF BREACH – REMEDIES**

**21.1 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 or breaching Section 26.1, obligations; or
- Voluntary or involuntary bankruptcy or receivership.

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

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

- Terminate this contract under section 20.1; 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 under Section 20.2 and pursue any of its remedies under this Contract, at law, or in equity; 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.

## **22. 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.

**23. 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.

**24. CONFORMANCE WITH CONTRACT**

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State 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.

**25. LIAISONS AND SERVICE OF NOTICES**

**25.1 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.

Seth Goodwin, Lands Section Supervisor, is the State's liaison.  
(Address): PO Box 201601  
(City, State, ZIP): Helena, MT 59620-1601  
Telephone: (406) 444-4165  
E-mail: [seth.goodwin2@mt.gov](mailto:seth.goodwin2@mt.gov)

J. Scott Crosby of Crosby Analytics is Contractor's liaison.  
(Address): PO Box 742  
(City, State, ZIP): Cowley, WY 82420  
Telephone: (307) 272-7421  
E-mail: [scottcrosby@crosbyanalytics.com](mailto:scottcrosby@crosbyanalytics.com)

**25.2 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.

**25.3 Identification/Substitution of Personnel. – N/A**

**26. MEETINGS**

**26.1 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  
Rev. 20231001

three full working day 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.

**26.2 Progress Meetings.** – N/A

**26.3 Failure to Notify.** – N/A

**26.4 State's Failure or Delay.** – N/A

**27. Transition Assistance**

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is 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. The parties agree that such transition assistance is 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 Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the State terminates a project or this contract for cause, then the State may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of Contractor's breach.

**28. 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.)

**29. TAX EXEMPTION**

State of Montana is exempt from Federal Excise Taxes (#81-0302402) except as otherwise provided in the federal Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119].

**30. AUTHORITY**

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

**31. 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.

**32. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT**

**32.1 Contract.** This contract consists of 11 numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, Pages 12-17. In the case of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.



**32.2 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.

**33. 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.

**34. EXECUTION**

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

A scanned copy or facsimile copy of the original has the same force and effect as the original document.

**STATE OF MONTANA**

**CONTRACTOR**

**Dept. Natural Resources & Conservation  
Trust Land Management Division  
PO Box 201601  
1539 11<sup>th</sup> Avenue  
Helena, MT 59620-1601**

**J. Scott Crosby  
PO Box 742  
Cowley, WY 82420  
FEDERAL ID #:45-4815811**

Deidra Kloberdanz                      REMB Chief  
BY: \_\_\_\_\_

Scott Crosby                              Appraiser  
BY: \_\_\_\_\_

(Deidra Kloberdanz, Bureau Chief)

(J. Scott Crosby of Crosby Analytics)



  
(scottcrosby@crosbyanalytics.com)

CE58DE0D083D45E...

C7509053B83B4CF...

(Signature)  
5/2/2024

(Signature)  
5/1/2024

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

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

## **ATTACHMENT A**

# **Scope of Work for Appraisal of Potential Property Sale through the Land Banking Program**

### **DNRC FTLD Real Estate Management Bureau Land Banking Program**

Scope of Work for the Appraisal of Potential Property Sale Through the Land Banking Program:  
2024 Gallatin County Appraisal

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

The clients are the State of Montana, the Montana Board of Land Commissioners (Land Board) and the Department of Natural Resources and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners (Land Board), the Department of Natural Resources and Conservation (DNRC) and Lessee Mountain West Veterinary, LLC., C/O Peter Heidmann. 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. (12 C.F.R. § 34.42 (h))** Market value means the most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**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.

The subject property must be valued with the actual or hypothetical condition that the site has legal access. Parcels with no legal access will be appraised with the hypothetical condition of having legal access. For a parcel that lacks legal access, the appraiser is to:

- (A) provide a value with the hypothetical condition that the parcel has legal access;
- (B) if there are comparable sales available to provide a credible opinion of the value without legal access, the appraiser is to provide that value as well; and
- (C) if comparable sales are not available to provide a credible opinion of value without legal access, the appraiser will note the unavailability of sufficient sales data.

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.

Comparable sales used should preferably be most recent sales available or be adjusted for market trends if appropriate. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county. Use comparable sales of like properties.

**ATTACHMENT B  
MONTANA DNRC TRUST LAND MANAGEMENT DIVISION  
Supplemental Appraisal Instructions**

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

**Subject Property (Located in Gallatin County):**

Sale #	Acres ±	Legal Description
2059	23.037±	Tract 1-A and Tract 1-B, Gallatin County COS 3137, Section 34, T2N-R2E

<p><u>DNRC Area Office Contact Information:</u> Kara Huyser, Bozeman Unit Manager Bozeman Unit Office 2273 Boot Hill Court, Suite 110 Bozeman, MT 59715 Phone: (406) 556-4503 <a href="mailto:khuyser@mt.gov">khuyser@mt.gov</a></p>	<p><u>DNRC REMB CONTACT</u> Seth Goodwin, Lands Section Supervisor, DNRC FTLD Real Estate Management Bureau PO Box 201601 Helena, MT 59620-1601 Phone (406) 444-4165 <a href="mailto:Seth.goodwin2@mt.gov">Seth.goodwin2@mt.gov</a></p>	<p><u>Lessees:</u> Sale 2059: Mountain West Veterinary, LLC., C/O Peter Heidmann 3934 Frontage Road Three Forks, MT 59752 (406) 220-1221</p>
--	---	--

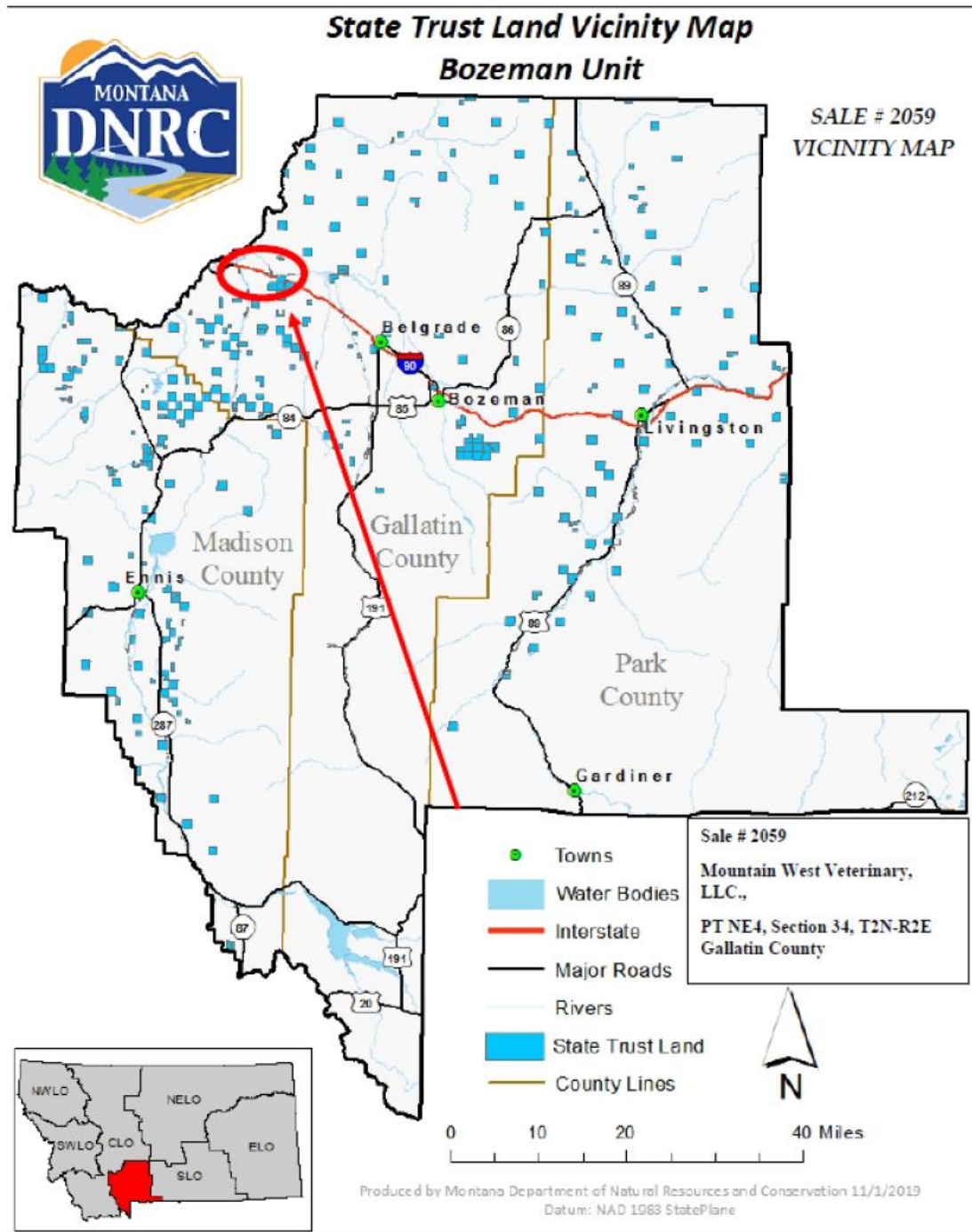
***The following will be located in the body of the contract:***

The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the parcel(s). 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.

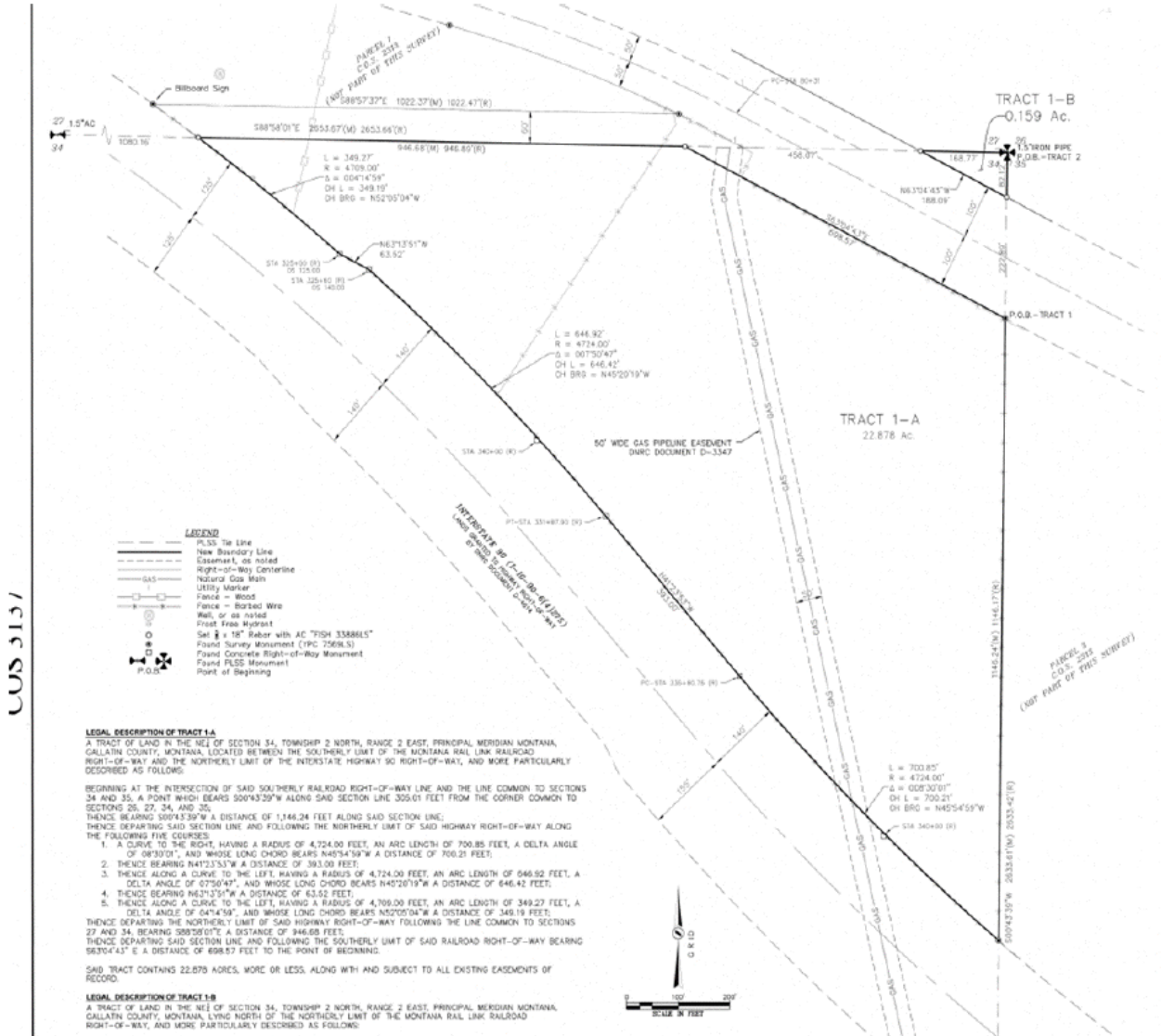
The definition of market value is that as defined in 12 C.F.R. § 34.42 (h).

The DNRC will provide access to each state parcel record, as maintained by the land offices, including but not limited to aerial photos, land improvements, current lease data (lease #, name of lessee, AUMs, acres, costs, etc.), any known property issues, surveys (if any), and production history. The local land office will provide the contact information to the appraiser, if necessary, in order for the appraiser to obtain access to the property.


### Location Map of Parcel



# Land Banking Sale COS 3137



COS 3137

<u>FOR DNRC USE ONLY</u>			Approved	
Amount Increased under this Agreement: <u>\$0</u>			Document # <u>245134</u>	Amendment # <u>1</u>
Fund Name Land Banking Private Closing Costs			Fund No. 02031	Division <u>DK</u>
Subclass 555HA			Org. No. 6043-56	Legal <u>CB</u>
Contract Expiration Date: September 20, 2024			FSO <u>AM</u>	SPSD <u>NH</u>
				

This Amendment to Contract No. 245134, hereinafter called the "Amendment #1", is made and entered into between the Montana Department of Natural Resources and Conservation, (hereinafter called the "State"), whose address and phone number are PO Box 201601, 1539 11<sup>th</sup> avenue, Helena, MT 59620-1601, 406-444-4165 and, J. Scott Crosby of Crosby Analytics (hereinafter called the "Contractor"), whose address and phone number are PO Box 742 Cowley, WY 82420, (307) 272-7421. Except as amended herein, Contract No. 245134 remains fully in effect.

The parties to this Amendment #1, in consideration of the mutual covenants and stipulations, and Pursuant to SECTION 32.2 Entire Agreement, agree to amend the following sections of the aforementioned contract as follows:

Section 1.1. Contract Term is hereby deleted and the following inserted in its place:

"1.1 Contract Term. "1.1 Contract Term. This contract shall take effect when signed by all parties to the agreement and terminate on September 20, 2024, unless terminated earlier in accordance with the terms of this contract. (Section 18-4-313, MCA)."

The effective date of this Amendment is the last day of signing by all parties.

This Amendment consists of two (2) page(s). A scanned copy or facsimile copy of the original has the same force and effect as the original document.



8/14/2024  
\_\_\_\_\_  
Date

8/14/2024  
\_\_\_\_\_  
Date

Signed by:  
*Scott Crosby*  
C750053B83B4CF  
By: \_\_\_\_\_  
Contractor's Authorized Representative

Signed by:  
*Deidra Klobendanz*  
CF580F00083045F  
By: \_\_\_\_\_  
Department of Natural Resources & Conservation



**State of Montana**  
Employment Standards Division  
Board of Real Estate Appraisers

**REA-RAG-LIC-8183**

Status: **Active**  
Expires: **03/31/2025**

This certificate verifies licensure as:

**CERTIFIED GENERAL APPRAISER**

With endorsements of:

\* **REAL ESTATE APPRAISER MENTOR**

**CROSBY ANALYTICS  
JESSE SCOTT CROSBY  
310 S. DIVISION ST.  
PO BOX 742  
COWLEY, WY 82420**



Montana Department of  
**LABOR & INDUSTRY**  
RENEW OR VERIFY YOUR LICENSE AT:  
<https://ebiz.mt.gov/pol>

**Renew online at <https://ebiz.mt.gov/pol> by signing in with your username and password.**

The renewal cycle opens 60 days prior to the expiration date on your current license.

Renew your license prior to your expiration date to avoid being charged a late fee(s).

**Remember to maintain your online account information with a password, security question and a valid email address. You can update your account information by accessing the 'Account Management' link when logged in.**



**State of Montana**  
Employment Standards Division  
Board of Real Estate Appraisers

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

**REA-RAG-LIC-13693**

Status: **Active**  
Expires: **03/31/2025**

**CROSBY ANALYTICS  
VALERIE KIM CROSBY  
PO BOX 742  
COWLEY, WY 82420**



Montana Department of  
**LABOR & INDUSTRY**  
RENEW OR VERIFY YOUR LICENSE AT:  
<https://ebiz.mt.gov/pol>

**Renew online at <https://ebiz.mt.gov/pol> by signing in with your username and password.**

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Renew your license prior to your expiration date to avoid being charged a late fee(s).

**Remember to maintain your online account information with a password, security question and a valid email address. You can update your account information by accessing the 'Account Management' link when logged in.**

# STATE OF MONTANA PROPERTY PHOTOGRAPHS

All Pictures Taken On 5-16-24 By Scott Crosby

**PIC #1: SITE – PIC TAKEN LOOKING SOUTHEAST**



**PIC #2: SITE/INTERSTATE 90 – PIC TAKEN LOOKING SOUTHEAST**



**PIC #3: SITE – PIC TAKEN LOOKING NORTH**



**PIC #4: SITE - PIC TAKEN LOOKING NORTHWEST**



**PIC #5: SITE (WAST LAND IN MIDDLE OF PIC) – PIC TAKEN LOOKING NORTH**



**PIC #6: SITE – PIC TAKEN LOOKING SOUTH**



**PIC #7: SITE – PIC TAKEN LOOKING WEST**



**PIC #8: SITE – PIC TAKEN LOOKING WEST TO SOUTHWEST**



**PIC #9: SITE – PIC TAKEN LOOKING SOUTH**



**PIC #10: ROAD NEAR SITE – PIC TAKEN LOOKING WEST**





PICTURE LOCATION MAP





Sale #3					Subject						
Category	Acres	Value Per Acre		Total	Category	Acres	% Total	Value Per Acre	Total		
RANGELAND	-	\$ 0.00		\$ -	RANGELAND	-	0.00%	\$ 0.00	\$ 0		
DRY CROPLAND	-	\$ 0.00		\$ -	DRY CROPLAND	-	0.00%	\$ 0.00	\$ 0		
IRRIGATED CROP	-	\$ 0.00		\$ -	IRRIGATED CROP	-	0.00%	\$ 0.00	\$ 0		
HAYLAND	-	\$ 0.00		\$ -	HAYLAND	-	0.00%	\$ 0.00	\$ 0		
WASTE	-	\$ 0.00		\$ -	WASTE	0.16	0.69%	\$ 0.00	\$ 0		
RIVER BOTTOM	-	\$ 0.00		\$ -	RIVER BOTTOM	-	0.00%	\$ 0.00	\$ 0		
OTHER	-	\$ 0.00		\$ -	OTHER	-	0.00%	\$ 0.00	\$ 0		
STATE/FEDERAL LEASE	-	\$ -		\$ -	STATE/FEDERAL LEASE	-	0.00%	\$ -	\$ 0		
FARMSTEAD	11.60	\$ 14,121.00		\$ 163,804	FARMSTEAD	22.88	99.31%	\$ 14,121.00	\$ 14,024		
<b>TOTAL</b>	<b>11.60</b>	<b>\$ 14,121.00</b>		<b>\$ 163,804</b>	<b>TOTAL</b>	<b>23.04</b>	<b>100.00%</b>	<b>\$ 608.74</b>	<b>\$ 14,024</b>		
<b>LAND MIX ADJUSTMENT (\$ 97)</b>											
Sale #3 Improvements	Utility	Cond.	Size	\$/Unit	Contrib. Value	Subject Improvements	Utility	Cond.	Size	\$/Unit	Contrib. Value
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
<b>TOTAL</b>			Per Acre	\$ -	\$ 0	<b>TOTAL</b>			Per Acre	\$ -	\$ -
<b>IMPROVEMENT ADJUSTMENT \$ 0</b>											
Sale #4					Subject						
Category	Acres	Value Per Acre		Total	Category	Acres	% Total	Value Per Acre	Total		
RANGELAND	-	\$ 0.00		\$ -	RANGELAND	-	0.00%	\$ 0.00	\$ 0		
DRY CROPLAND	-	\$ 0.00		\$ -	DRY CROPLAND	-	0.00%	\$ 0.00	\$ 0		
IRRIGATED CROP	-	\$ 0.00		\$ -	IRRIGATED CROP	-	0.00%	\$ 0.00	\$ 0		
HAYLAND	-	\$ 0.00		\$ -	HAYLAND	-	0.00%	\$ 0.00	\$ 0		
WASTE	-	\$ 0.00		\$ -	WASTE	0.16	0.69%	\$ 0.00	\$ 0		
RIVER BOTTOM	-	\$ 0.00		\$ -	RIVER BOTTOM	-	0.00%	\$ 0.00	\$ 0		
OTHER	-	\$ 0.00		\$ -	OTHER	-	0.00%	\$ 0.00	\$ 0		
STATE/FEDERAL LEASE	-	\$ -		\$ -	STATE/FEDERAL LEASE	-	0.00%	\$ -	\$ 0		
FARMSTEAD	20.0	\$ 18,950.00		\$ 379,000	FARMSTEAD	22.88	99.31%	\$ 18,950.00	\$ 18,819		
<b>TOTAL</b>	<b>20.00</b>	<b>\$ 18,950.00</b>		<b>\$ 379,000</b>	<b>TOTAL</b>	<b>23.04</b>	<b>100.00%</b>	<b>\$ 816.91</b>	<b>\$ 18,819</b>		
<b>LAND MIX ADJUSTMENT (\$ 131)</b>											
Sale #4 Improvements	Utility	Cond.	Size	\$/Unit	Contrib. Value	Subject Improvements	Utility	Cond.	Size	\$/Unit	Contrib. Value
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
				0.00	\$ 0		0	0	0	-	\$ -
<b>TOTAL</b>			Per Acre	\$ -	\$ 0	<b>TOTAL</b>			Per Acre	\$ -	\$ -
<b>IMPROVEMENT ADJUSTMENT \$ 0</b>											

Sale #5		Value		Subject		Subject		%		Value	
Category	Acres	Per Acre		Total	Category	Acres	Total	Per Acre	Total		
RANGELAND	-	\$ 0.00		\$ -	RANGELAND	-	0.00%	\$ 0.00	\$ 0		
DRY CROPLAND	-	\$ 0.00		\$ -	DRY CROPLAND	-	0.00%	\$ 0.00	\$ 0		
IRRIGATED CROP	-	\$ 0.00		\$ -	IRRIGATED CROP	-	0.00%	\$ 0.00	\$ 0		
HAYLAND	-	\$ 0.00		\$ -	HAYLAND	-	0.00%	\$ 0.00	\$ 0		
WASTE	-	\$ 0.00		\$ -	WASTE	0.16	0.69%	\$ 0.00	\$ 0		
RIVER BOTTOM	-	\$ 0.00		\$ -	RIVER BOTTOM	-	0.00%	\$ 0.00	\$ 0		
OTHER	-	\$ 0.00		\$ -	OTHER	-	0.00%	\$ 0.00	\$ 0		
STATE/FEDERAL LEASE	-	\$ -		\$ -	STATE/FEDERAL LEASE	-	0.00%	\$ -	\$ 0		
FARMSTEAD	398.2	\$ 8,539.00		\$ 3,400,144	FARMSTEAD	22.88	99.31%	\$ 8,539.00	\$ 8,480		
<b>TOTAL</b>	<b>398.19</b>	<b>\$ 8,539.00</b>		<b>\$ 3,400,144</b>	<b>TOTAL</b>	<b>23.04</b>	<b>100.00%</b>	<b>\$ 368.11</b>	<b>\$ 8,480</b>		
<b>LAND MIX ADJUSTMENT</b>				<b>(\$ 59)</b>							
<b>Sale #5 Improvements</b>	<b>Utility</b>	<b>Cond.</b>	<b>Size</b>	<b>\$/Unit</b>	<b>Contrib. Value</b>	<b>Subject Improvements</b>	<b>Utility</b>	<b>Cond.</b>	<b>Size</b>	<b>\$/Unit</b>	<b>Contrib. Value</b>
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
				0.00	\$ 0		0	0		0.00	-
<b>TOTAL</b>			<b>Per Acre</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>TOTAL</b>			<b>Per Acre</b>	<b>\$ -</b>	<b>\$ -</b>
<b>IMPROVEMENT ADJUSTMENT</b>				<b>\$ 0</b>							


# PROPERTY MAP

State of Montana Sale #2059  
Gallatin County, Montana, AC +/-



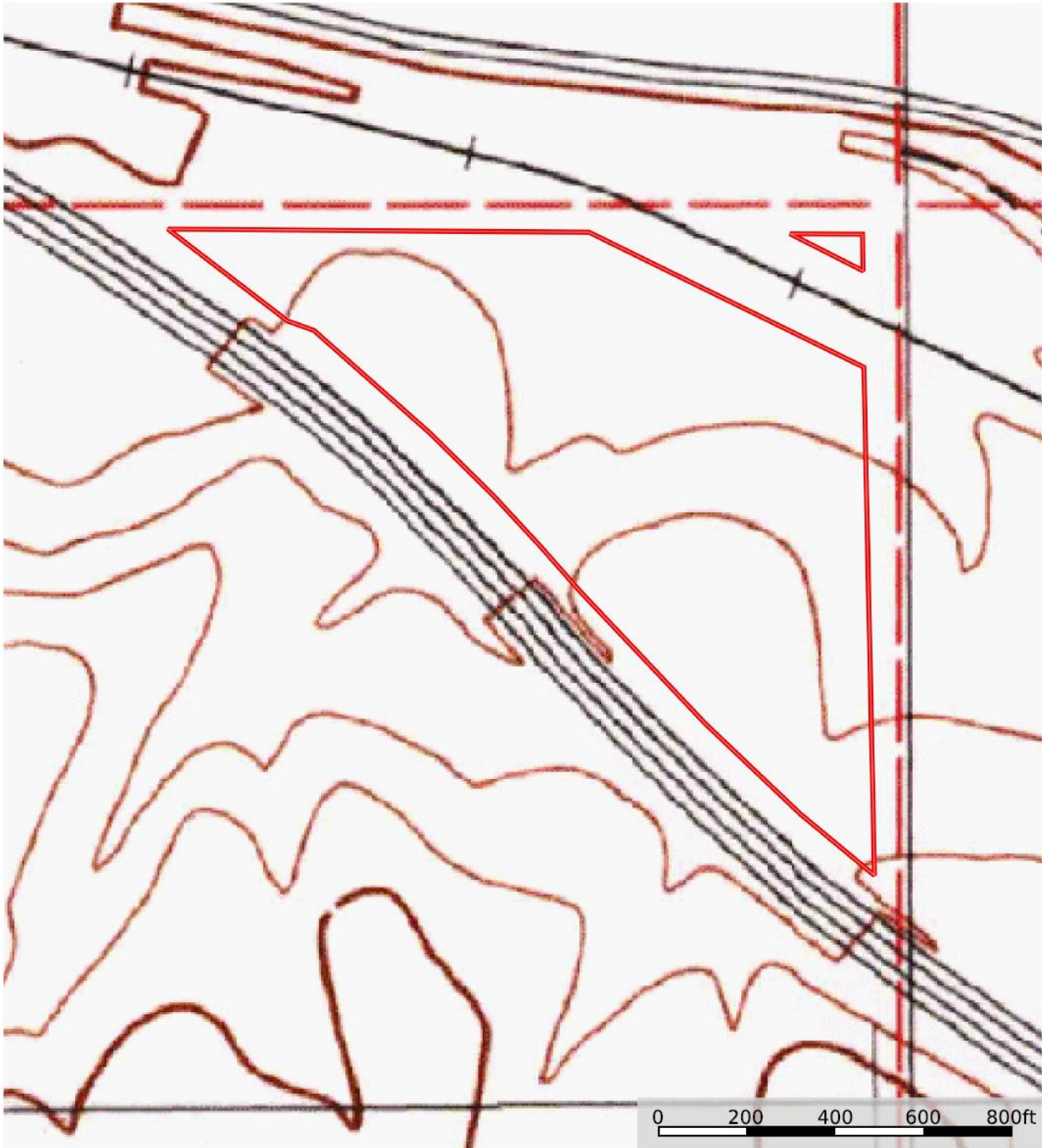
 Boundary

Scott Crosby  
scottcrosby@crobyanalytics.com

 The information contained herein was obtained from sources deemed to be reliable. Land id™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.


# TOPO MAP

State of Montana Sale #2059  
Gallatin County, Montana, AC +/-



 Boundary

Scott Crosby  
scottcrosby@crobyanalytics.com

 The information contained herein was obtained from sources  
seemed to be reliable.  
Land id™ Services makes no warranties or guarantees as to it  
completeness or accuracy thereof.


# SOILS MAP


State of Montana Sale #2059  
Gallatin County, Montana, AC +/-



 Boundary


Scott Crosby  
scottcrosby@crosbyanalytics.com

 The information contained herein was obtained from sources deemed to be reliable. Land id™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.

||  All Polygons 22.99 ac


SOIL CODE	SOIL DESCRIPTION	ACRES	%	CPI	NCCPI	CAP
38B	Chinook fine sandy loam, 0 to 4 percent slopes	10.09	43.89	0	16	4e
3C	Glendive sandy loam, 2 to 8 percent slopes	8.26	35.93	0	17	4e
38C	Chinook fine sandy loam, 4 to 8 percent slopes	4.64	20.18	0	16	4e
TOTALS		22.99(*)	100%	-	16.36	4.0

(\*) Total acres may differ in the second decimal compared to the sum of each acreage soil. This is due to a round error because we only show the acres of each soil with two decimal.

|  Boundary 22.83 ac

SOIL CODE	SOIL DESCRIPTION	ACRES	%	CPI	NCCPI	CAP
38B	Chinook fine sandy loam, 0 to 4 percent slopes	10.09	44.2	0	16	4e
3C	Glendive sandy loam, 2 to 8 percent slopes	8.1	35.48	0	17	4e
38C	Chinook fine sandy loam, 4 to 8 percent slopes	4.64	20.32	0	16	4e
TOTALS		22.83(*)	100%	-	16.35	4.0

(\*) Total acres may differ in the second decimal compared to the sum of each acreage soil. This is due to a round error because we only show the acres of each soil with two decimal.

|  Boundary 0.16 ac

SOIL CODE	SOIL DESCRIPTION	ACRES	%	CPI	NCCPI	CAP
3C	Glendive sandy loam, 2 to 8 percent slopes	0.16	100	0	17	4e
TOTALS		0.16(*)	100%	-	17.0	4

(\*) Total acres may differ in the second decimal compared to the sum of each acreage soil. This is due to a round error because we only show the acres of each soil with two decimal.



### Capability Legend

Increased Limitations and Hazards

Decreased Adaptability and Freedom of Choice Users

Land, Capability

	1	2	3	4	5	6	7	8
'Wild Life'	•	•	•	•	•	•	•	•
Forestry	•	•	•	•	•	•	•	
Limited	•	•	•	•	•	•	•	
Moderate	•	•	•	•	•	•		
Intense	•	•	•	•	•			
Limited	•	•	•	•				
Moderate	•	•	•					
Intense	•	•						
Very Intense	•							

### Grazing Cultivation

(c) climatic limitations (e) susceptibility to erosion

(s) soil limitations within the rooting zone (w) excess of water

# COMPARABLE SALES LOCATION MAP

State of Montana Sale #2059 Comparable Sales Location  
Gallatin County, Montana, AC +/-



Sale Boundary

Scott Crosby  
scottcrosby@crobyanalytics.com

**id.** The information contained herein was obtained from sources deemed to be reliable. Land ID™ Services makes no warranties or guarantees as to the completeness or accuracy thereof.

**Exposure Time**

When analyzing sales to determine an exposure time for the subject, sales were sought that had influences like the subject. Over 30 sales were analyzed. The following is the analysis:

Number of Sales Analyzed	30
Max Months on Market	34.77
Min Months on Market	0.00
Mean Months	8.69
Median Months	7.2

Out of these 30 sales, only 4 were over 12 months (21.36, 16.13, 34.77, 14.30).

Market Adjustment Support									
Prior Sale Date	Sales Price	Current Sale Date	Sales Price	HBU	County	Sale Terms	Buyer Motivation	Acreage	Growth Rate
5/28/2021	\$ 4,100,000	12/28/2022	\$ 4,550,000	Ag/Rec	Rosebud	Cash	Open Market	4,565.98	6.78%
4/30/2020	\$ 1,200,000	11/15/2023	\$ 1,600,000	Ag/Rec	Custer	Cash	Open Market	1,831.20	8.34%
10/14/2015	\$ 950,000	9/9/2022	\$ 1,350,000	Ag/Rec	Yellowstone	Cash	Open Market	1,980.55	5.21%
10/15/2013	\$ 1,250,000	6/1/2022	\$ 2,000,000	Ag/Rec	Golden Valley	Cash	Open Market	2,261.26	5.57%
4/8/2013	\$ 385,000	9/28/2020	\$ 500,000	Ag/Rec	Chouteau	Cash	Open Market	800.00	3.58%
3/13/2007	\$ 875,000	10/30/2020	\$ 1,600,000	Ag/Rec	Carter	Cash	Open Market	2,080.00	4.54%
5/5/2015	\$ 550,000	5/27/2020	\$ 705,000	Ag/Rec	Golden Valley	Cash	Open Market	891.47	5.09%
11/1/2012	\$ 2,408,186	5/29/2020	\$ 3,150,000	Ag/Rec	Powder River	Cash	Open Market	4,658.00	3.64%
4/8/2019	\$ 11,500,000	1/20/2021	\$ 12,250,000	Ag/Rec	Golden Valley	Cash	Open Market	8,380.62	4.07%
11/5/2013	\$ 2,840,916	12/30/2021	\$ 3,150,000	Ag/Rec	Big Horn	Cash	Open Market	2,474.38	1.29%
5/22/2017	\$ 750,000	5/25/2021	\$ 960,000	Ag/Rec	Custer	Cash	Open Market	1,590.45	6.37%
11/1/2012	\$ 2,660,590	3/10/2022	\$ 5,250,000	Ag/Rec	Powder River	Cash	Open Market	4,701.40	7.55%
4/27/2011	\$ 1,676,000	12/29/2021	\$ 2,787,233	Ag/Rec	Carbon	Cash	Open Market	1,396.67	4.88%
2/7/2018	\$ 1,650,000	2/1/2023	\$ 2,300,000	Ag/Rec	Powder River	Cash	Open Market	2,720.00	6.87%
5/29/2020	\$ 3,150,000	7/12/2023	\$ 3,875,000	Ag/Rec	Powder River	Cash	Open Market	4,642.00	9.98%
11/3/2021	\$ 9,100,000	2/22/2024	\$ 9,250,000	Ag/Rec	Golden Valley	Cash	Open Market	6,400.23	0.73%
3/11/2015	\$ 2,600,000	3/9/2021	\$ 2,980,000	Ag/Rec	Fergus	Cash	Open Market	1,213.64	2.30%
6/18/2016	\$ 1,435,000	12/9/2021	\$ 1,975,000	Ag/Rec	Lewis & Clark	Cash	Open Market	1,341.28	5.97%
								Low	0.73%
								Median	5.15%
								High	9.98%
								<b>Average</b>	<b>5.15%</b>

## Gallatin County Values Growth Rate From Mid 2021 to Mid 2024

Market Adjustment Support - Vacant Land Sales > 5 Acres				
	Median Sales Price - 2021	Median Sales Price - 2022	Median Sales Price - 2023	Median Sales Price - 2024
January	\$149,500	\$205,000	\$158,750	\$190,000
February	\$194,000	\$165,000	\$190,000	\$183,500
March	\$144,000	\$192,500	\$177,500	\$252,750
April	\$155,000	\$182,500	\$155,000	\$175,000
May	\$129,000	\$185,000	\$192,000	\$275,000
June	\$189,000	\$247,000	\$153,000	\$185,000
July	\$200,000	\$194,000	\$340,000	
August	\$312,500	\$210,000	\$160,000	
September	\$200,000	\$187,000	\$245,000	
October	\$186,625	\$202,500	\$180,000	
November	\$191,800	\$260,000	\$205,000	
December	\$195,000	\$267,500	\$195,000	
Average	\$187,202	\$208,167	\$195,938	\$210,208
<b>Growth %</b>	<b>4.75%</b>			

Market Adjustment Support - All Sales				
	Median Sales Price - 2021	Median Sales Price - 2022	Median Sales Price - 2023	Median Sales Price - 2024
January		\$ 436,500	\$ 496,987	\$ 517,500
February		\$ 470,000	\$ 479,950	\$ 525,000
March		\$ 454,500	\$ 479,900	\$ 525,000
April		\$ 525,000	\$ 504,450	\$ 545,000
May		\$ 529,500	\$ 485,000	\$ 530,000
June		\$ 534,000	\$ 514,363	\$ 520,000
July	\$ 442,750	\$ 490,000	\$ 532,500	
August	\$ 446,640	\$ 500,000	\$ 505,000	
September	\$ 466,000	\$ 500,000	\$ 519,000	
October	\$ 471,325	\$ 475,000	\$ 499,900	
November	\$ 452,000	\$ 480,000	\$ 526,500	
December	\$ 453,750	\$ 408,750	\$ 521,000	
Average	\$455,411	\$483,604	\$505,379	\$527,083
<b>Growth %</b>	<b>4.99%</b>			

STATEMENT OF LAND STATUS

STATE OF MONTANA )  
 : ss  
County of Lewis & Clark )

Seth Goodwin, having first been duly sworn, deposes and says:

1. I am the custodian of the records for the Trust Land Management Division of the Montana Department of Natural Resources and Conservation;
2. I have examined the land records of the state of Montana on file in our office in Helena, Montana, that may affect title of the state of Montana in and to the following described real property:

**Tract 1-A and Tract 1-B, Gallatin County COS 3137, Section 34, Township 2 North, Range 2 East, containing 23.037 acres, more or less.**

Title vested in the State of Montana on May 16, 1894, under Clear List Selection No. 3 issued by the General Land Office as previously described in a conveyance to the State of Montana filed in the records of the Gallatin County Clerk and Recorder's office on June 14, 1913, at page 590 of Book 48, of Deed records.

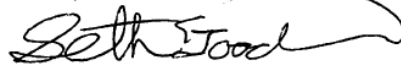
3. I have found no instrument, conveyance, encumbrance, lien for taxes, costs, interest, or judgment affecting the title of the State of Montana to the above-described property in the above-described land records, except for the following:

**Grazing Lease No. 4859 issued March 1, 2015, to Oak Crest Properties, LLC., C/O Peter Heidmann, re-assigned to Mountain West Veterinary, LLC., C/O Peter Heidmann, and expiring February 28, 2025;  
Right of Way Deed No. D-3347 issued December 19, 1951, to The Montana Power Company, A Corporation, for a Gas Pipeline;  
Right of Way Deed No. D-4614 issued August 2, 1962, to State Highway Commission of Montana, for a State Highway;  
Undocumented encumbrance for a railroad.**

4. I have not reviewed any mineral locations made under the authority of the Revised Statutes of the United States;
5. Your use of this information is at your own risk, and confirms that DNRC will not be held liable for any errors or missing omissions contained in the content of this information.

This concludes the affidavit of Seth Goodwin.

DATED this 2 day of April, 2024

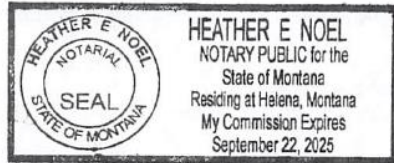


Seth Goodwin, Lands Section Supervisor  
Trust Land Management Division

Land Banking Sale No. 2059  
Montana Tech School Trust

State of Montana  
County of Lewis & Clark

Signed and acknowledged before me on the date referenced above by Seth Goodwin .



*[Signature]*  
Notary Public for the State of Montana.  
Residing at Helena Montana  
My commission expires September 22, 2025

Land Banking Sale No. 2059  
Montana Tech School Trust