



# Northern Acres Appraisal Services, LLC

PO Box 2347, Havre, MT 59501

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northernacresapp@gmail.com

01/14/2025

State of Montana  
Department of Natural Resources and Conservation  
PO Box 201601  
Helena, MT 59620-1601

RE: Appraisal Report Dated 01/13/2025 with an effective date of 10/16/2024 and a file number of Sales 2037, 2038, & 2039

Dear Deidra Klobberdanz,

Please add this letter as an addendum to the appraisal report dated 01/13/2025 with an effective date of 10/16/2024 and a file number of Sales 2037, 2038, & 2039 with DNRC Sales #2037, #2038, & #2039 being the subject of said appraisal report.

Sale #2037 includes a dwelling built in 2009. The dwelling consists of a single story ranch style house and includes 4 bedrooms above grade, 2.5 bathrooms above grade, and a total above grade room count of 11 rooms (Includes bedrooms and bathrooms). The above grade GLA (Gross Living Area) is 2,100 SF (Square Feet). The basement is approximately 75% finished and includes 2 bedrooms, 1.0 bathrooms, 1 rec room, and 1 other use room (storage/utility). The basement area is 2,100 SF and approximately 1,575 SF is finished area. This dwelling includes a wood stove in the basement and one in the garage for additional supplemental heat.

The second dwelling Located on the Sale #2037 property was built in 1916 and includes 3 bedrooms, 1 bathroom, and a total above grade room count of 6 rooms. The above grade GLA for the dwelling built in 1916 is 816 SF. There is no basement to this dwelling and the building is on a crawlspace. This dwelling is in poor condition, the heat is not consistently turned on through the winter months and there is no one actively living in the dwelling. The remaining economic life of the dwelling built in 1916 is only 5 years.

Sale #2038 includes a dwelling built in 1984. The dwelling consists of a single story ranch style house and includes 4 bedrooms above grade, 2.0 bathrooms above grade, and a total above grade room count of 10 rooms. The above grade GLA is 1,860 SF. The basement is approximately 1/3 finished or 33% finished and is primarily storage/utility space. The basement area is 1,860 SF and the finished basement area is approximately 614 SF.

Sale #2039 includes a dwelling built in 1920. The dwelling consists of an old style house and includes 2 bedrooms above grade, 1.0 bathrooms above grade, and an above grade room count of 7 rooms including the upstairs loft. The above grade GLA is 1,216 SF. The basement is approximately 25% finished and includes a rec room and utility/storage space. The total basement area is 960 SF and the finished basement area is approximately 240 SF.

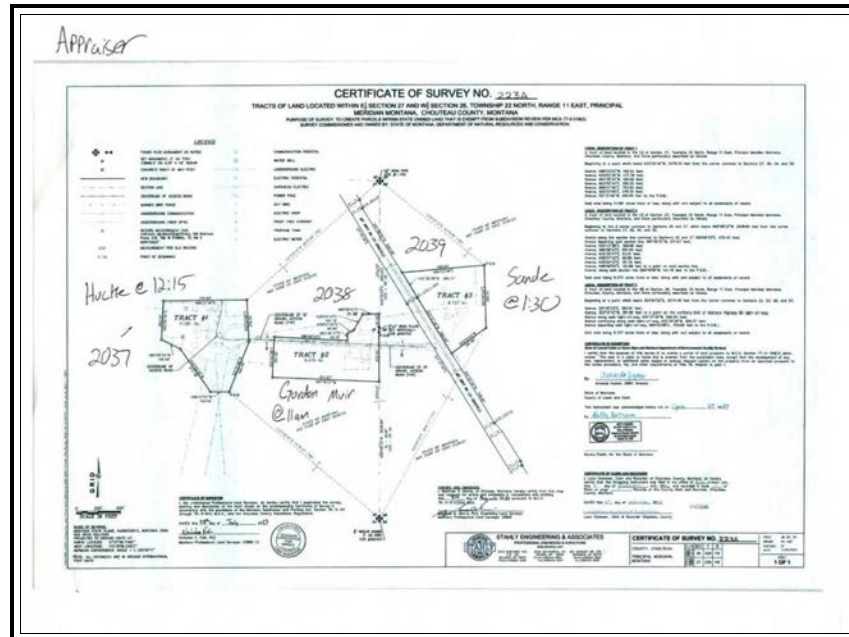
Sincerely,

Ernest F. Goettlich V

Montana Certified General Real Estate Appraiser License #REA-RAG-LIC-10644

# Uniform Agricultural Appraisal Report

State of Montana – DNRC Sales #2037, 2038, & 2039  
Cabin/Home Site Property  
Muir Lane, Geraldine  
Chouteau County, Montana



## Prepared For:

The Montana Board of Land Commissioners  
Department of Natural Resources and Conservation

## Intended User:

The Montana Board of Land Commissioners  
Department of Natural Resources and Conservation  
Lessees: (2037) Frieda & Gordon Muir & Hucke Land and Livestock  
Lessees: (2038) Gordon Muir; Lessees: (2039) Evelyn Sande

## Prepared By:

Ernest F. Goettlich V  
Northern Acres Appraisal Services, LLC  
PO Box 2347  
Havre, MT 59501

## Date Prepared:

01/13/2025



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01/13/2025

State of Montana  
Department of Natural Resources and Conservation  
PO Box 201601  
Helena, MT 59620-1601

Dear Deidra Klobberdanz,

At your request I do hereby furnish you with an appraisal report on the subject property (sale 2037) owned by State of Montana (Land) and Frieda & Gordon Muir & Huckle Land and Livestock (Improvements).  
The subject property is located approximately 2.9 miles northwest of Geraldine, Chouteau County, Montana.

At your request I do hereby furnish you with an appraisal report on the subject property (sale 2038) owned by State of Montana (Land) and Gordon Muir (Improvements).  
The subject property is located approximately 2.7 miles northwest of Geraldine, Chouteau County, Montana.

At your request I do hereby furnish you with an appraisal report on the subject property (sale 2039) owned by State of Montana (Land) and Evelyn Sande (Improvements).  
The subject property is located approximately 2.5 miles northwest of Geraldine, Chouteau County, Montana.

As per your instructions I have formed an Opinion of Market Value for the subject property based on the legal description provided for the purpose providing 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.

The effective date of this value is October 16th, 2024, the date of my physical inspection of the subject property. The estimated marketing time for the subject is 12 months.

The opinion of Market Value of the subject property as of the date of inspection is:

Sale 2037

"As Is" Market Value: **\$550,000.00 (Five Hundred Fifty Thousand Dollars)**

"As Though Vacant" Market Value: **\$89,000.00 (Eighty Nine Thousand Dollars)**

Sale 2038

"As Is" Market Value: **\$400,000.00 (Four Hundred Thousand Dollars)**

"As Though Vacant" Market Value: **\$75,000.00 (Seventy Five Thousand Dollars)**

Sale 2039

"As Is" Market Value: **\$200,000.00 (Two Hundred Thousand Dollars)**

"As Though Vacant" Market Value: **\$70,000.00 (Seventy Thousand Dollars)**

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**



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The Market Value above reflects the Fee Simple Interest in the subject property, excluding any mineral rights. This Appraisal is based on the assumptions and limiting conditions contained within this report. This appraisal is communicated by and Appraisal Report prepared under the guidelines of the Engagement Letter provided, the current version of the Uniform Standards of Professional Appraisal Practice (USPAP), and Title XI of FIRREA. The definition of Market Value utilized in this report is the commonly used definition of Market Value found in the 2010 Interagency Appraisal and Evaluation Guidelines.

In Addition, to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct and true. No other Extraordinary Assumptions nor any other Hypothetical Conditions were considered in this valuation. Additionally, supporting documentation regarding this assignment is maintained in a work file and will be available upon request for a period of up to five years.

Thank you for the privilege of serving you.

Sincerely,

Ernest F. Goettlich

Montana Certified General Real Estate Appraiser License #REA-RAG-LIC-10644



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## Appraiser Certification

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

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

Sale 2037

"As Is" Market Value: **\$550,000.00 (Five Hundred Fifty Thousand Dollars)**

"As Though Vacant" Market Value: **\$89,000.00 (Eighty Nine Thousand Dollars)**

Sale 2038

"As Is" Market Value: **\$400,000.00 (Four Hundred Thousand Dollars)**

"As Though Vacant" Market Value: **\$75,000.00 (Seventy Five Thousand Dollars)**

Sale 2039

"As Is" Market Value: **\$200,000.00 (Two Hundred Thousand Dollars)**

"As Though Vacant" Market Value: **\$70,000.00 (Seventy Thousand Dollars)**

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**

**The Opinion of Value reported on this Certification Page in the box below will be N/A as the three sales are sperate sales and per the client request there is no valid reason to combine those values into one value. The Values listed above for each sale will serve as the opinion of value and a table following this certification will detail the breakdown in value for each sale.**

Effective Date of Appraisal: 10/16/24

**Opinion of Value: \$** N/A

**Appraiser:**

Signature: 

Property Inspection: ☒ Yes ☐ No

Inspection Date: 10/16/24

Name: Ernest F. Goettlich V

License #: REA-RAG-LIC-10644

Certification #:

Appraiser has ☒ inspected ☒ verified ☒ analyzed the sales contained herein.

Date Signed: 01/13/25

Final Opinion of Value Breakdown for Each Sale (Certification - Continued)

Sale Number	Value of Improvements	Value of Land	Total Combined Value of Land and Improvements
2037	\$89,000.00	\$461,000.00	\$550,000.00
2038	\$75,000.00	\$325,000.00	\$400,000.00
2039	\$70,000.00	\$130,000.00	\$200,000.00

## USPAP, Organizational, or Other Requirements

<b>Report Type:</b>	Appraisal Report		
<b>Date of Inspection:</b>	10/16/24	<b>Date of Value Opinion:</b>	10/16/24 <b>Date of Report:</b> 01/13/25

**Scope of Work** *(Describe the amount and type of information researched and the analysis applied in this assignment. The Scope of Work includes, but is not limited to the degree and extent of the property inspection; the extent of research into physical and economic factors affecting the property; the extent of data research; and the type and extent of analysis applied to arrive at the opinions or conclusions. Additionally, describe sales availability & ability to demonstrate market - "as vacant" - and "as improved" if applicable - or describe sales available to form value opinion "as completed" or proposed if requested; describe income sources and ability of income to support existing or proposed construction; discuss extent of third party verification of RCN, if applicable.):*

The legal description, which was provided by the client, acreage, tax assessments, ownership history, and zoning information were all verified by inspection of Chouteau County records. The property was inspected on 10/16/2024. The appraiser, Ernest Goettlich, made an exterior inspection of the property. Most areas of the property were inspected.

The comparable sales have been inspected and verified. Soils information has been considered and comparable qualities of land and other aspects of the property are part of this appraisal report. Information has been gathered from the Chouteau County Treasurer, Assessor and Appraiser Offices located in Fort Benton, Chouteau County, Montana. This summary report includes estimates of value obtained by the Market Data, Income, and Cost Approach to value. A final conclusion to the estimate of Market Value is determined.

This appraisal is being made to determine an opinion of Market Value of all the rights of fee simple ownership (less subsurface mineral rights) of the property that is the subject of this appraisal report in its entirety, as it exists on the date of the appraisal.

Farm Service Agency records and aerial photos were researched to aid in the determination of the crop acreage to be appraised. An abstract of water rights appurtenant to the property was obtained from the State of Montana Department of Natural Resources and Conservation's website. Surety Custom Online Mapping® was referenced for soils information. Publications referenced within the body of the appraisal report were consulted for information regarding vegetative range types, etc. The Marshall Swift Valuation Guide and local contractors were relied upon to determine construction costs, applicable depreciation, and value of those items unique to the property, if applicable. In addition to information contained within office files, several area real estate brokers and other appraisers active in this area were contacted in order to secure comparable sales data.

**Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

**Subject Property Sale & Marketing History:** *(Analyze and report any agreements of sale, options, or current listings as of the date of the appraisal - and all sales within three (3) years prior to the effective date of appraisal. For UASFLA assignments, report the details of the LAST SALE OF THE SUBJECT - no matter when it occurred):* Subject property has no sales history in the past 3 years. There are proposed sales #2037, 2038, & 2039 which are expected to take place within the next 12 months. The purpose of this appraisal is to establish a market price for the subject property with the land and improvements as separate values to establish a minimum bid price for the property once it goes to public auction.

**Market Conditions** *(Volume of Competing Listings; Volume of Sales; Amenities Sought by Buyers):* Over the last few years, sales of similar tracts of land are limited although they have occurred over a period of time. Most of these sales are economically sized units that are economically feasible to own on their own merits. Real estate agents in the area report that these types of properties will sell if they are priced within the same value range of other properties in the area. Pasture units are considered highly sought after because there are not many units available.

**Approaches to Value** *(Explain Approaches Used and/or Omitted):* See following page.

## Scope of Work - Continued

**Approaches to Value** (Explain Approachs Used and/or Omitted):

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is used in the analysis of value of the subject property by comparing similar tracts of land that have previously sold in the same general area. Time adjustments can be made to arrive at a current market value of the comparable sales. The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

The Sales Comparison Approach has also been used in this analysis of value of the subject property. This approach compares market-indicated values of the sale property after adjustments are made to the sale property for comparison to the subject. The generally accepted unit of measure in this approach is an overall price per acre for the entire property. The adjustments considered can be for land classification, improvements, time, location, access, water resources, productivity or other market-indicated factors affecting value. The Income Approach is used to measure value based on a capitalization rate technique derived by dividing the net income of a sale property by the sales price to arrive at a market-indicated capitalization rate. This rate is then applied to the projected net income of the subject property to derive a capitalized value. This approach is considered the least reliable method of valuation as small changes in cap rates can have a significant effect on the indicated value.



Intended Users

**Client:**

The Montana Board of Land Commissioners  
The Department of Natural Resources and Conservation

**Additional Intended Users:**

The Montana Board of Land Commissioners  
The Department of Natural Resources and Conservation  
Lessees: (Sale 2037) Frieda & Gordon Muir & Huckle Land and Livestock  
Lessees: (Sale 2038) Gordon Muir  
Lessees: (Sale 2039) Evelyn Sande

## MARKET VALUE DEFINITION

Regulations published by federal regulatory agencies pursuant to title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure on the open market;
4. Payment is made in terms of cash in United States 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.

### Other:

The definition utilized in this report is more specifically described in Appendix D of the Federal Deposit Insurance Corporation Statements of Policy 5000 Interagency Appraisal and Evaluation Guidelines.

## EXPOSURE AND MARKETING TIME ESTIMATES

Market value (see above definition) conclusion and the costs and other estimates used in arriving at conclusion of value is as of the date of the appraisal. Because markets upon which these estimates and conclusions are based upon are dynamic in nature, they are subject to change over time. Further, the report and value conclusion is subject to change if future physical, financial, or other conditions differ from conditions as of the date of appraisal.

In applying the market value definition to this appraisal, a reasonable exposure time of 12 months has been estimated. Exposure time is the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; exposure time is always presumed to **precede** the effective date of the appraisal.

Marketing time, however, is an estimate of the amount of time it takes to sell a property interest at the market value conclusion during the period **after** the effective date of the appraisal. An estimate of marketing time is not intended to be a prediction of a date of sale. It is inappropriate to assume that the value as of the effective date of appraisal remains stable during a marketing period. Additionally, the appraiser(s) have considered market factors external to this appraisal report and have concluded that a reasonable marketing time for the property is 12 months.

### Comments:

## Assumptions and Limiting Conditions

The certification of the Appraiser(s) appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. The Appraiser(s) assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser(s) have made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser(s) are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.
5. The Appraiser(s) have, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser(s) have relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser(s) assume no responsibility for such conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.
6. While the Appraiser(s) ☒ have ☐ have not inspected the subject property and ☒ have ☐ have not considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser(s) are not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.
7. Information, estimates, and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).
8. Unless specifically cited, no value has been allocated to mineral rights or deposits.
9. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:
  - a. All water rights to the property have been secured or perfected, that there are no adverse easements or encumbrances, and the property complies with Bureau of Reclamation or other state and federal agencies;
  - b. Irrigation and domestic water and drainage system components, including distribution equipment and piping, are real estate fixtures;
  - c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage is secured with the title to real estate; and
  - d. Title to all such property conveys with the land.
10. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser(s) are affiliated.
11. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client specified in the report without the written consent of the Appraiser.
12. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.
13. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
14. EXCLUSIONS. The Appraiser(s) considered and used the three independent approaches to value (cost, income, and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.
15. SCOPE OF WORK RULE. The scope of work was developed based on information from the client. This appraisal and report was prepared for the client, at their sole discretion, within the framework of the intended use. The use of the appraisal and report for any other purpose, or use by any party not identified as an intended user, is beyond the scope of work contemplated in the appraisal, and does not create an obligation for the Appraiser.
16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
17. Other Contingent and Limiting Conditions:

See Following page for additional contingent and limiting conditions.

## Limiting Conditions - Continued

## 17. Other Contingent and Limiting Conditions

-Mineral Rights, if any, are not included in this appraised value. Mineral rights are more specifically described as subsurface rights with the intent of extraction such as oil and gas extraction, coal extraction, or any other minerals typically hydrocarbons. These subsurface rights do not extend to gravel extraction which is typically associated with surface rights and unless specifically included in the mineral rights description are not a part of any such transaction. Montana is a non-disclosure state, without verification of the ownership interest being provided along with an analysis of the quality and quantity of the mineral rights it is not possible to develop a supportable opinion of value on the mineral rights being transferred. Additionally while there is some mineral extraction taking place in the county there is not currently to the best of the appraiser's knowledge any mineral extraction nor any exploration taking place on the subject property. Additionally it was not disclosed to the appraiser whether or not there is any type of mineral lease in place on the subject property. Based on these reasons, sales were selected based on similar circumstances with regard to active extraction or active mineral rights leases being present on those sold properties.

-Gravel extraction rights, if any, are not included in this appraised value. Without a full survey of the quality and extent of the gravel deposits determination of the value of such deposits falls outside of the scope of this appraisal. These are denoted separately from Mineral Rights as they are typically considered surface rights. Additionally with the prevalence of gravel deposits in the region, the value of those deposits needs to be supported by a current contract for the extraction and use of said gravel. Without an active contract the impact on value is limited due to the number of gravel pit sites located throughout the State of Montana. At the time of inspection there was no active gravel pit nor gravel extraction/processing operation in place on the subject property.

-Growing Crops, if any, are not included in the appraisal value, this is due to the nature of ownership of growing crops based on input costs, financing, and rights of the user/owner at the time of the planting.

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**

## Legal Description

**Chouteau County****Sale 2037**Township 22 North, Range 11 East, M.P.M.

Section 27: Tract 1 of COS 223A (11.081 Acres)

**Sale 2038**Township 22 North, Range 11 East, M.P.M.

Section 27: Tract 2 of COS 223A (9.370 Acres)

**Sale 2039**Township 22 North, Range 11 East, M.P.M.

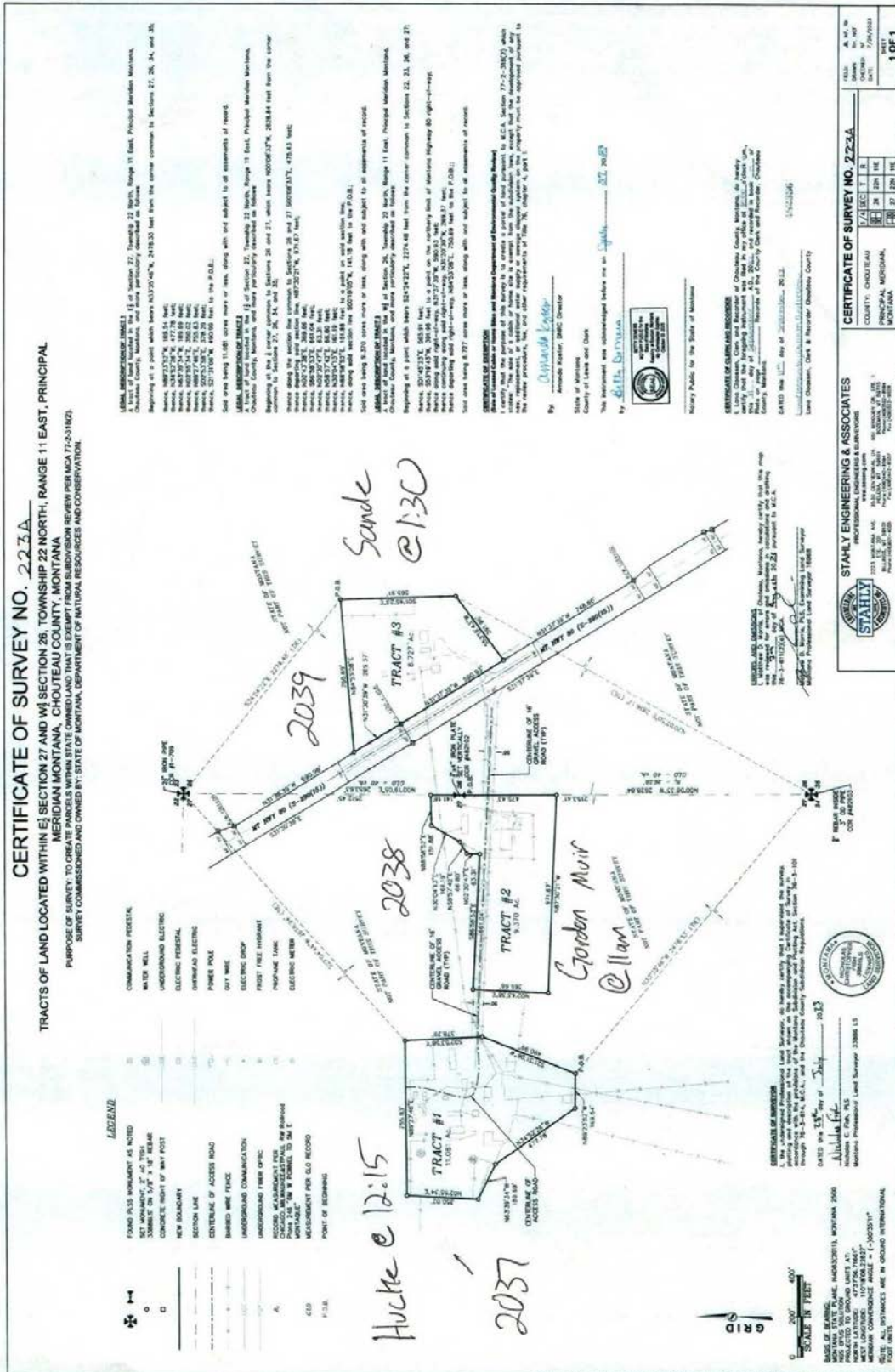
Section 26: Tract 3 of COS 223A (8.727 Acres)

Please see the attached certificate of survey on the next page. Please note that the certificate of survey does not line up with the map or the sizes presented on the MT Cadastral website. The Certificate of Survey is the final authority on the size and legal descriptions of the subject properties as it is the document that has been filed with the county (and cadastral should be updated to reflect these changes at some point in the future) and the legal descriptions on this certificate of survey are the legal descriptions that will be referenced on any deeds or sale documents that may be produced in the future if the proposed sales proceed.

## Page 10 of 228

Certificate of Survey No 223A with Sale # Labels

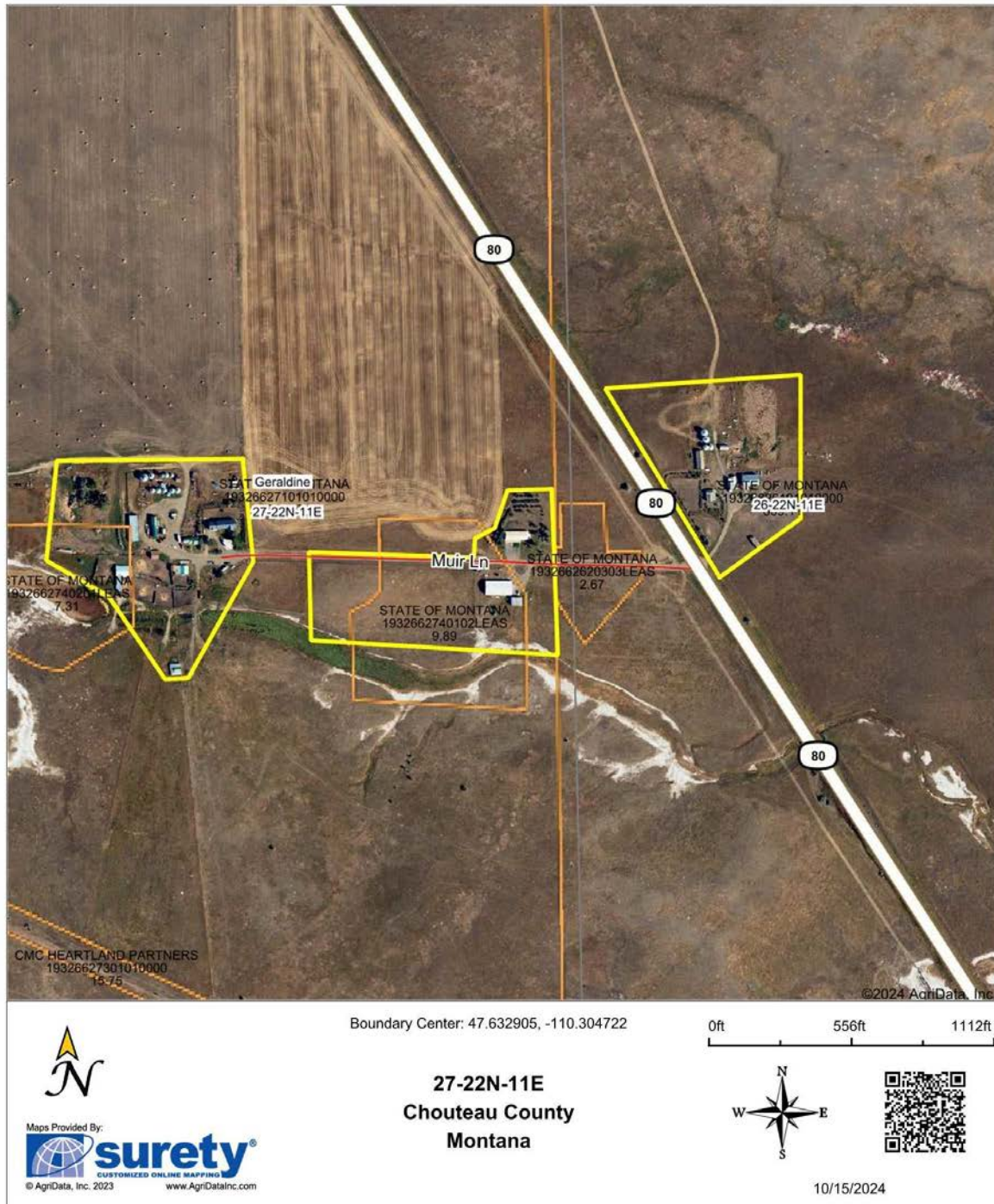
Appraiser





Sales 2037, 2038, & 2039 Aerial Map

Aerial Map





Area-Regional Description	<b>Area-Regional Boundary:</b> Chouteau, Pondera, Hill, Cascade, and Fergus Counties.	<b>On and Off Property:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Up</td> <td style="text-align: center;">Stable</td> <td style="text-align: center;">Down</td> </tr> <tr> <td>Value Trend:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Sales Activity Trend:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Population Trend:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Employment Trend:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Up	Stable	Down	Value Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sales Activity Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Population Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Employment Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>														
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<b>Major Commodities:</b> Small grains, pulse crops, oil seeds, hay, and livestock.	<b>Market Availability:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Under Supply</td> <td style="text-align: center;">Balanced</td> <td style="text-align: center;">Over Supply</td> <td style="text-align: center;">No Influence</td> </tr> <tr> <td>Cropland Units:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Livestock Units:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Recreational Tracts:</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>_____</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Under Supply	Balanced	Over Supply	No Influence	Cropland Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Livestock Units:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recreational Tracts:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<b>Off Property Employment:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Above Avg.</td> <td style="text-align: center;">Avg.</td> <td style="text-align: center;">Below Avg.</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Above Avg.	Avg.	Below Avg.	N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																												
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<b>Change in Economic Base:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Unlikely</td> <td style="text-align: center;">Likely</td> <td style="text-align: center;">Taking Place</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> From Agriculture To	Unlikely	Likely	Taking Place	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																														
Unlikely	Likely	Taking Place																																		
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Market Area Description	<b>Forces of Value:</b> <i>(Discuss social, economic, governmental, and environmental forces.)</i> <u>Social Forces:</u> This force comes primarily through population characteristics. The composition of the population reveals the potential basic demand for real estate. Real estate values are affected by population changes. <u>Economic Forces:</u> The fundamental relationship between current and anticipated supply and demand and the economic ability of the population to satisfy its wants and needs through its purchasing power has an affect on the value of real estate. <u>Environmental Forces:</u> Natural and man-made environmental forces influence real property values. Environmental forces would include climatic conditions, topography and soils type, water availability. Transportation systems can have an impact on the surrounding area. All of these factors can have a direct influence on property values. <u>Zoning and Land Use Regulations:</u> Fee lands are subject to county sanitary restrictions, and they are also subject to state subdivision regulations.																																			
	<b>Exposure Time:</b> 12 months. <i>(See attached definition and discussion)</i>																																			
	<b>Specific Market Area Boundaries:</b> Chouteau, Pondera, Hill, Cascade, and Fergus Counties.																																			
	<b>Market Area:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Rural</td> <td style="text-align: center;">Suburb</td> <td style="text-align: center;">Urban</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Rural	Suburb	Urban	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Market Area:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Above Avg.</td> <td style="text-align: center;">Avg.</td> <td style="text-align: center;">Below Avg.</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Above Avg.	Avg.	Below Avg.	N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																				
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<b>Analysis/Comments:</b> <i>(Discuss positive and negative aspects of market area.)</i> See following page.																																				

## Area Description - Continued

**CHOUTEAU COUNTY GENERAL AREA DATA**

Chouteau County is the largest agricultural income county in the state of Montana. It is also large, geographically speaking, among Montana Counties. It covers a total of 2.5 million acres with over 1,100,000 acres that are farmed. This farm acreage indicates that a large portion of the county is quite level.

A number of rivers and streams form the drainage pattern in Chouteau County, the Missouri River being the largest stream crossing the county from West to East for a distance of approximately 100 miles. The Teton River winds through the Western portion of the county for approximately 50 miles and the Marias River from the North, covers a distance of approximately 25 miles in the county. Belt Creek follows along the Southwestern boundary of the county for about 10 miles. Highwood Creek in the Southwest and Shonkin Creek in the South central part of the county are 35 and 25 miles long respectively. Birch Creek is about 25 miles long and originates in the Bear Paw Mountains in the North.

Average rainfall at Fort Benton, the county seat is 14.74 inches and the frost free period average is 127 days. Fort Benton is Very significant historically in the state of Montana. It was the head of navigation on the Missouri River and the pipeline for most material goods into the territory of Montana during the developing period in the early 1800's. Fort Benton presently has a population of approximately 1,594 people, and the 2010 Census for Chouteau County is 5,167, a decline of 285 from the 1990 Census. The decline is due to the less labor intensive farming practices and the down turn in the economy of the area in the 1980's.

The major employers in the area are agriculture operations and agriculture support industries such as grain elevators, fertilizer sales, livestock auctions, along with various government employers. Additionally there is a hospital in Fort Benton as well as a financial institution.

Recreation opportunities include hunting and fishing as well as water sports along the Missouri River, the Marias River, and the Teton River (in early spring when the flow is high enough). Additionally the Highwood mountains provide additional hiking and hunting opportunities in the area. Armature geology is and fossil hunting is also a popular activity in the area.

Chouteau County is located north of Cascade County (the county in which Great Falls is located). U.S. Highway 87 connects Chouteau County with Hill County to the northeast and Cascade County to the southwest. MT Highway 80 runs through Fort Benton and connects Chouteau County with Fergus County to the east.

For the past two to three years much of Montana experienced severe to extreme drought conditions. In 2023 those drought conditions have lessened for most of Montana, however it will take time to fully recover from the drought conditions. The drought conditions have not had an impact on land values as of the effective date of this appraisal report.

Additionally, interest rates have been increasing through the last half of 2022 and into 2024, additionally the inflation index has risen through 2024. These factors have not yet had an impact on land values as of the effective date of this appraisal report.

**Sale 2037 "As Is"**

Sale 2037 Aerial View

Aerial Map





Maps Provided By:  
**surety**  
CUSTOMIZED ONLINE MAPPING  
© AgriData, Inc. 2023    www.AgriDataInc.com

Boundary Center: 47.632482, -110.309069

**27-22N-11E**  
**Chouteau County**  
**Montana**

0ft    490ft    980ft

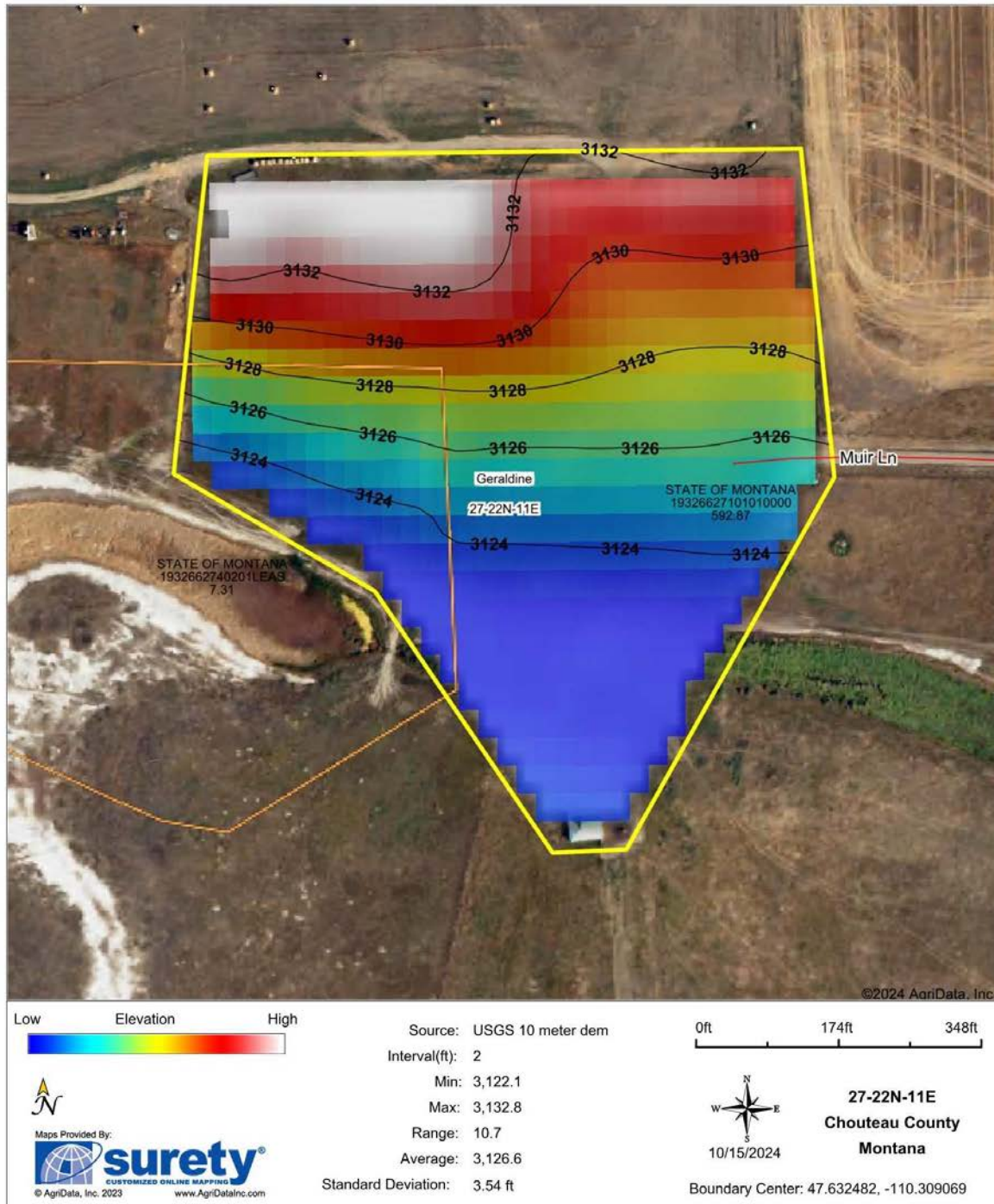


10/15/2024



Sale 2037 Topography Map

Topography Hillshade



## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: See Scope of Work Comment Below  
Property Address: 324 Muir Lane, Geraldine  
State/County: MT / Chouteau  
Property Location: 2.9 miles northwest of Geraldine  
Highest & Best Use: Rural Residential "As If" Vacant  
Rural Residential "As Improved"  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map # FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC TWP RNG Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users  
Rights Appraised: Fee Simple  
Value Definition: Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Frieda & Gordon Muir & Huckle Land and Livestock (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Frieda & Gordon Muir & Huckle Land and Livestock

## Summary of Facts and Conclusions

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24  
**Value Indication**  
- Cost Approach: \$ 576,980  
- Income Approach: \$ N/A  
- Sales Comparison Approach: \$ 537,000  
**Opinion of Value:** (Estimated Marketing Time 12 months ) \$ 550,000  
Cost of Repairs: \$ Cost of Additions: \$  
**Allocation:**  
Land: \$ 89,000 \$ 8,032 / Acre ( 16 %)  
Land Improvements: \$ 0 / ( 0 %)  
Structural Improvement Contribution: \$ 461,000 \$ 41,606 / Acre ( 84 %)  
Non-Realty Items: \$ 0 / ( 0 %)  
Leased Fee Value (Remaining term of encumbrance ) \$ 0 / ( 0 %)  
Leasehold Value: \$ 0 / ( 0 %)  
Overall Value: \$ 49,639 / Acre ( 100 %)

Appraisal Report Summary

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached  
Income Multiplier ( ) Income Estimate: \$ 0.00 / Acre (unit)  
Expense Ratio 57,354.55 % Expense Estimate: \$ 569.40 / Acre (unit)  
Overall Cap Rate: % Net Property Income: \$ -569.40 / Acre (unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Property Description:** (Location, use and physical characteristics) Sale 2037 is located 2.9 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.4 miles west on Muir Lane.

Improvements are located within the boundaries of Tract 1 of COS #223A.

Sale 2037 consists of 11.081 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 11.08 acre, comprised of a building or home site.

The terrain is generally level to gently sloping at the south end of the parcel.

Access is provided via Muir Lane.

The property is perimeter fenced with some cross fencing.

Subject Land Description

Land Use	Deeded Acres	Unit Type	Unit Size
Irrigated Cropland			( 0.0%)
Irrigated Pasture			( 0.0%)
Dry Cropland			( 0.0%)
Hayland			( 0.0%)
Tame/Imp. Pasture			( 0.0%)
Pasture			( 0.0%)
Site	11.08	Acres	( 100.0%)
Roads & Waste			( 0.0%)
Other			( 0.0%)
Public Lease			( 0.0%)
<b>Total Deeded Acres</b>	<b>11.08</b>	<b>Total Units</b>	<b>0.00 ( 100 %)</b>

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date	Unmapped			
Building Location	Tract 1 of COS# 223A			

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☐ Yes ☒ Supplement Attached  
**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un-dulating	Roll-ing	Slop-ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days  
**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone  
**Distance To:** 2.9 Schools 24.5 Hospital 2.9 Markets Adj. Major Hwy. 2.9 Service Center  
**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent roads and utilities.

**Hazards and Detriments:** See Sale 2037 "As Is" Narrative Land Description.

**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

Sale 2037 is located 2.9 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.4 miles west on Muir Lane.

Improvements are located within the boundaries of Tract 1 of COS #223A.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2037 consists of 11.081 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 11.08 acre, comprised of a building or home site.

The terrain is generally level to gently sloping at the south end of the parcel.

Access is provided via Muir Lane.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2037 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2037 has no specific water rights attached to it according to the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

2B - Marcott-Bigsandy complex, 0 to 4 percent slopes. Classified 6w-7w non-irrigated. Yield potential non-irrigated: Rangeland Productivity typical year 2,400-2,300 lbs/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.

Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.



Type	Size	Construction	Qty	Foundation	Roof	Floor	Exterior	Act. Age	Eff. Age	Rem. Life	Con-formity	Utility	Cond.
Dwelling	2,100 SF	Frame	Avg.	Conc.	Metal		Masonite	15	10	50	Avg.	Avg.	Avg.
Basement	2,100 SF	Frame	Avg.	Conc.	Metal		Masonite	15	10	50	Avg.	Avg.	Avg.
Att Garage	840 SF	Frame	Avg.	Conc.	Metal		Masonite	15	10	50	Avg.	Avg.	Avg.
Dwelling	816 SF	Frame	Avg.	Conc.	Metal		Wood	108	55	5	Avg.	Avg.	Poor
4 Bins	10,600 bu	Metal	Avg.		Metal		Metal	66	33	17	Avg.	Avg.	Avg.
4 Bins	11,000 bu	Metal	Avg.	Conc.	Metal		Metal	72	36	14	Avg.	Avg.	Avg.
Bin	4,300 bu	Metal	Avg.	Conc.	Metal		Metal	56	28	22	Avg.	Avg.	Avg.
Bin	11,300 bu	Metal	Avg.		Metal		Metal	42	21	29	Avg.	Avg.	Avg.
Granary	256 SF	Frame	Avg.		Wood		Wood	94	47	3	Avg.	Avg.	Avg.
Quonset	1,440 SF	Frame	Avg.		Metal		Metal	75	38	12	Avg.	Avg.	Avg.
Garage	784 SF	Frame	Avg.		Metal		Metal	84	42	8	Avg.	Avg.	Avg.
Shed	3,200 SF	Frame	Avg.		Metal		Wood	55	28	22	Avg.	Avg.	Avg.
Pole Bldg	1,080 SF	Frame	Avg.		Metal		Wood	65	33	17	Avg.	Avg.	Avg.
Shed	160 SF	Frame	Avg.		Metal		Wood	74	37	13	Avg.	Avg.	Avg.
Shed	1,536 SF	Frame	Avg.		Metal		Wood	69	35	15	Avg.	Avg.	Avg.
Pole Bldg	1,596 SF	Frame	Avg.		Metal		Wood	74	37	13	Avg.	Avg.	Avg.
Pole Bldg	2,480 SF	Frame	Avg.		Metal		Wood	54	27	23	Avg.	Avg.	Avg.
Scale 60,000 lb	1	Metal	Avg.					20	10	40	Avg.	Avg.	Avg.
Scale 10,000 lb	1	Wood	Avg.					Unk.	40	10	Avg.	Avg.	Avg.

**Improvement Comments:** *(Discuss and/or expand any items affecting value structure-by-structure, if necessary)*

The first three improvements on the list above are owned by Will S. & Angela G. Hucke; the remainder of the improvements are owned by Frieda B. Muir according to the tax records.

The improvements to the subject property are typical of a rural residential property or of a property that is utilized in support of an agriculture operation. Many rural residential properties that have sold within the past five years include similar additional out buildings as they can be resold and moved or can be utilized on other capacity in support of the rural residential property use.

The second Dwelling is not typically heated and is generally utilized as hunter lodging, though the last time it was utilized for this purpose per the owners was 4 years prior the inspection/effective date of this appraisal report. This is the reason for the poor condition of the second dwelling.

The rest of the improvements are typical of a rural residential property in the area and are in average condition for their ages.

**Site Improvements:** Well, septic, electric, propane, and telephone.

	Above Avg.	Avg.	Below Avg.	N/A
Overall Structural Balance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Structural Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Building REL _____ years				

Sale 2037 Photos



Main Dwelling Front



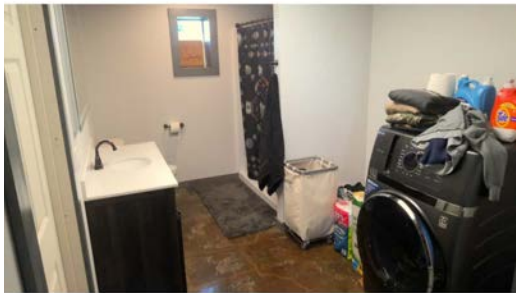
Main Dwelling Rear



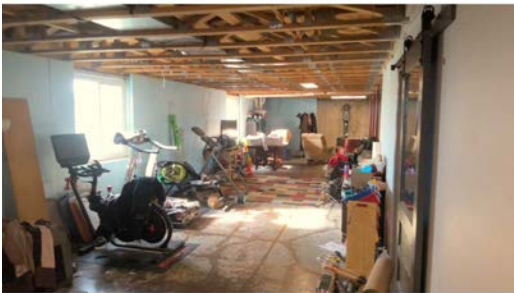
Additional Exterior View Main Dwelling Front



Basement Wood Stove



Basement Bathroom



Basement Living Area/Rec Room

Sale 2037 Photos



Kitchen



Additional View of Kitchent



Garage Entry Area



Upstairs Bathroom 1



Living Area



Upstairs Bathroom 2



Sale 2037 Photos



Garage Wood Stove



Secondary Dwelling Front



Secondary Dwelling Rear



Additional Exterior View Secondary Dwelling Front



Secondary Dwelling Living Room and Fireplace

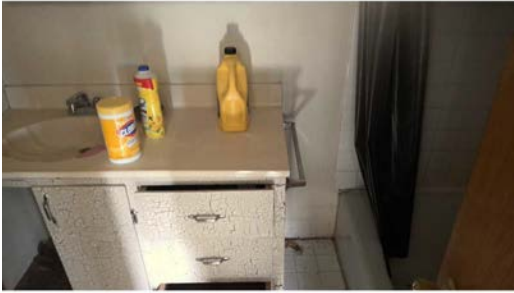


Secondary Dwelling Kitchen

Sale 2037 Photos



Additional View Secondary Dwelling Kitchen



Secondary Dwelling Bathroom



Secondary Dwelling Bedroom 1



Secondary Dwelling Bedroom 2



Secondary Dwelling Bedroom 3



Scale house, 60,000 lbs Scale, and Shed

Sale 2037 Photos



10,000 lbs Scale



Shed



Garage



Pole Building



Pole Building



Quonset



Sale 2037 Photos



Pole Building



Bins



Bins



Bins and Shed



Bins and Shed



Field Scene

Sale 2037 Photos



Yard/Field Scene



Corrals and Field Scene

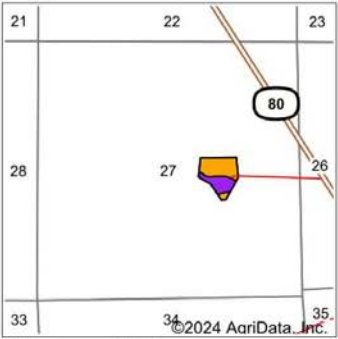
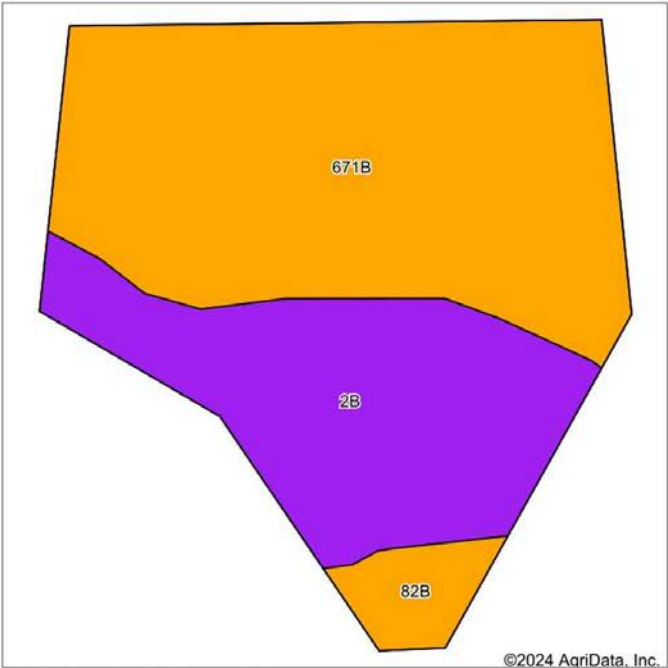


Additional View Corrals



Tract I Soils Map

Soils Map



State: **Montana**  
County: **Chouteau**  
Location: **27-22N-11E**  
Township: **Geraldine**  
Acres: **11.16**  
Date: **10/15/2024**



Area Symbol: MT615, Soil Area Version: 20

Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Non-Irr Class *c	Irr Class *c	Range Production (lbs/acre/yr)	Alfalfa hay Tons	Safflower Tons	*n NCCPI Overall	*n NCCPI Corn	*n NCCPI Small Grains	*n NCCPI Soybeans
671B	Bearpaw-Vida clay loams, 0 to 4 percent slopes	6.73	60.3%		Ille	Ille	1503			29	10	26	29
2B	Marcott-Bigsandy complex, 0 to 4 percent slopes	3.89	34.9%		Vlw		2092		45	23	6	21	19
82B	Wyola silty clay loam, 0 to 4 percent slopes	0.54	4.8%		Ille	Ile	1680	3	1419	33	12	33	33
Weighted Average					4.05	*-	1716.9	0.1	84.3	*n 27.1	*n 8.7	*n 24.6	*n 25.7

\*n: The aggregation method is "Weighted Average using all components"  
\*c: Using Capabilities Class Dominant Condition Aggregation Method  
\*- Irr Class weighted average cannot be calculated on the current soils data due to missing data.

Soils data provided by USDA and NRCS.

History	<input checked="" type="checkbox"/> Ownership Longer Than 3 _____ Years <div style="display: flex; justify-content: space-between;"> <span>Owner</span> <span>Recording/Reference</span> <span>Date</span> <span>Price Paid</span> <span>Terms</span> </div>					
	<b>Previous:</b> _____ <b>Present:</b> See Comment Below _____					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed Listing Price: _____ Listing Date: _____					
	Present Owners: State of Montana (Land)/Frieda & Gordon Muir & Huckle Land and Livestock (Improvements) Leasee: Frieda & Gordon Muir and Huckle Land and Livestock. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____		<b>Assessment Year</b> 2024 Land \$57,320 Building(s) \$470,510 Total Assessed Value \$527,830		<b>Forecast:</b> Current Tax \$6,309 Estimated/Stabilized \$6,309 Or ( 11.08 Ac.) = \$569.40 /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Parcel #: 20006, 7999, 4894					
	Comments: Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural/Rural Residential					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input checked="" type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) All three Approaches are utilized in the analysis of Sale 2037 for the "As Is" condition.					
	The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).					

### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning:	None	Assessed Value: \$	527,830	Taxes: \$	6,309
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#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

The improvements to Sale 2037 are consistent with Rural Residential use as the highest and best use as though vacant as well as use in support of an agriculture operation such as a small grains farming operation, as a livestock ranching operation, or as some combination of both. Additionally the additional improvements and outbuildings are typical of other rural residential properties that have sold in the area. Typically if the rural residential property being purchased is not to be utilized in support of an agriculture operation the grain bins will either be sold to recoup some costs or will be converted into other uses such as storage sheds.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

A total of five area sales were analyzed for comparison to Sale 2037 "As Is" Condition in the Cost Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

See the following page for additional Cost Approach Comments and Reconciliation.

**Cost Approach Comments - Continued**

The first step in the cost approach is determining land value.

Site values from the comparable sales included in this analysis range in value from \$5,8850/acre to \$28,938/acre with an average of \$11,645/acre. A value of \$8,000/acre is selected as representative of the market value of site acres for the subject property. Sale 1 is the most recent sale, and sale 2 is the closest in terms of physical proximity to the subject property. The most weight is placed on sales 1 & 2.

Sale 5 has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

The indicated value of the subject property from the Cost Approach is **\$576,980.00**, rounded to **\$577,000.00**.

**Cost Approach (Sales 1-5)**

Item:		Sale #1	1	Sale #2	2	Sale #3	3	Sale #4	4	Sale #5	5
Sale Land Allocation	Grantor		Dunham	William Courtneage		Vischer		Van Wagner		Kimbrig	
	Grantee		Herbert Harvey	Todd Haseleu		Mearl McCready		Gale & Diana Manning		Stephen Lund	
	Source		MLS #30005117	MLS #30006527		MLS #337292		MLS 326679		MLS #22111036	
	Date		06/24	01/24		02/23		03/22		10/21	
	CEV Price		510,000	565,000		55,000		430,000		295,000	
	Deeded Acres		38.36	20.01		7.47		22.96		5.50	
	Location		NW Fort Benton	26 mi se Fort Benton		21 ne Great Falls		4 sw Carter		10 w Big Sandy	
Sale Land Allocation	Historic Allocation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
	Time Adjusted Allocation	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
	Irrigated Cropland		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( 100% )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Irrigated Pasture		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Dry Cropland		0.00	6.10		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 7,544.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Hayland		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Tame/Imp. Pasture		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Pasture		0.00	4.76		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 7,544.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Acres Site		38.36	9.15		7.47		22.96		5.50	
	Allocated Value ( % )	\$	9,779.00	\$ 7,544.00		\$ 5,885.00		\$ 6,080.00		\$ 28,938.00	
	Roads & Waste		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Other		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Public Lease		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	

Subject Land Estimate	Land Use	Acres	\$/Acre	Unit Type	Unit Size	\$/Unit	Total
	Irrigated Cropland		\$			\$	\$
	Irrigated Pasture		\$			\$	\$
	Dry Cropland		\$			\$	\$
	Hayland		\$			\$	\$
	Tame/Imp. Pasture		\$			\$	\$
	Pasture		\$			\$	\$
	Site	11.08	\$ 8,000.00	Acres		\$	\$ 88,640.00
	Roads & Waste		\$			\$	\$
	Other		\$			\$	\$
	Public Lease		\$			\$	\$
Total Acres:		11.08	\$ 8,000.00	Total Units:	0.00	\$	\$ 88,640.00

**Cost Approach Summary:** (Check one of the following methods applicable to the subject and sale analyses)

<input type="checkbox"/>	Lump Sum Depreciation:	Improvement Contribution _____ % of Cost Estimate	\$
<input type="checkbox"/>	Breakdown Depreciation:	Improvement Contribution Indication	\$ 0
<input checked="" type="checkbox"/>	Breakdown Depreciation:	Age/Life Depreciation Improvement Contribution Indication	\$ 488,340

**OTHER**

\$

**COST APPROACH INDICATION (Land & Improvements)**

\$

576,980

Improvement Contribution (1-10)

Cost Approach Improvements

Improvement Contribution (1-10)					
IMPROVEMENT	1	2	3	4	5
Type	Dwelling	Basement	Att Garage	Dwelling	4 Bins
Size	2,100 SF	2,100 SF	840 SF	816 SF	10,600 bu
Age	10	10	10	55	33
Remaining Life	50	50	50	5	17
RCN \$/Unit	180.00	20.00	25.00	150.00	2.50
RCN	378,000	42,000	21,000	122,400	26,500
\$/Unit Contribution	149.40	16.60	20.75	12.00	0.85
Total Depreciation	64,260	7,140	3,570	112,608	17,490
Total Depreciation %	17	17	17	92	66
% Physical	17	17	17	92	66
Physical Depreciation	64,260	7,140	3,570	112,608	17,490
RCN Rem. After Phys. Depr.	313,740	34,860	17,430	9,792	9,010
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	313,740	34,860	17,430	9,792	9,010
% External					
External Obsolescence					
Improvement Contribution	313,740	34,860	17,430	9,792	9,010
IMPROVEMENT	6	7	8	9	10
Type	4 Bins	Bin	Bin	Granary	Quonset
Size	11,000 bu	4,300 bu	11,300 bu	256 SF	1,440 SF
Age	36	28	21	47	38
Remaining Life	14	22	29	3	12
RCN \$/Unit	2.50	2.50	2.50	8.00	12.00
RCN	27,500	10,750	28,250	2,048	17,280
\$/Unit Contribution	0.70	1.10	1.45	0.48	2.88
Total Depreciation	19,800	6,020	11,865	1,925	13,133
Total Depreciation %	72	56	42	94	76
% Physical	72	56	42	94	76
Physical Depreciation	19,800	6,020	11,865	1,925	13,133
RCN Rem. After Phys. Depr.	7,700	4,730	16,385	123	4,147
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	7,700	4,730	16,385	123	4,147
% External					
External Obsolescence					
<input checked="" type="checkbox"/> Age/Life Depreciation					
Improvement Contribution	7,700	4,730	16,385	123	4,147
Overall Contribution (All Improvements)	\$ 488,340	Cost Approach Est. \$ 576,980		Cost: <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Reproduction	
		Improvement Contribution 85 %			
Total RCN \$	833,744	Total \$ 345,404	Total \$	Total \$	Total \$ 345,404
		Total % 41	Total % 0	Total % 0	Total % 41
		Physical Depreciation	Functional Obsolescence	External Obsolescence	Depreciation

## Improvement Contribution (11-20)

Cost Approach Improvements

IMPROVEMENT	11	12	13	14	15
Type	Garage	Shed	Pole Bldg	Shed	Shed
Size	784 SF	3,200 SF	1,080 SF	160 SF	1,536 SF
Age	42	28	33	37	35
Remaining Life	8	22	17	13	15
RCN \$/Unit	25.00	8.00	8.00	8.00	8.00
RCN Total	19,600	25,600	8,640	1,280	12,288
\$/Unit Contribution	4.00	3.52	2.72	2.08	2.40
Total Depreciation	16,464	14,336	5,702	947	8,602
Total Depreciation %	84	56	66	74	70
% Physical	84	56	66	74	70
Physical Depreciation	16,464	14,336	5,702	947	8,602
RCN Rem. After Phys. Depr.	3,136	11,264	2,938	333	3,686
% Functional					
Functional Obsolescence					
RCN Rem After Phys./Funct. Depr.	3,136	11,264	2,938	333	3,686
% External					
External Obsolescence					
Improvement Contribution	3,136	11,264	2,938	333	3,686
IMPROVEMENT	16	17	18	19	20
Type	Pole Bldg	Pole Bldg	Scale 60,000 lb	Scale 10,000 lb	
Size	1,596 SF	2,480 SF	1	1	
Age	37	27	10	40	
Remaining Life	13	23	40	10	
RCN \$/Unit	8.00	8.00	41,700.00	16,300.00	
RCN Total	12,768	19,840	41,700	16,300	
\$/Unit Contribution	2.08	3.68	33,360.00	3,260.00	
Total Depreciation	9,448	10,714	8,340	13,040	
Total Depreciation %	74	54	20	80	
% Physical	74	54	20	80	
Physical Depreciation	9,448	10,714	8,340	13,040	
RCN Rem. After Phys. Depr.	3,320	9,126	33,360	3,260	
% Functional					
Functional Obsolescence					
RCN Rem After Phys./Funct. Depr.	3,320	9,126	33,360	3,260	
% External					
External Obsolescence					
<input checked="" type="checkbox"/> Age/Life Depreciation					
Improvement Contribution	3,320	9,126	33,360	3,260	



## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2037 "As Is" Condition in the Income Approach to value. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.

## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b> Cash <input checked="" type="checkbox"/> Share <input type="checkbox"/> Owner/Operator <input type="checkbox"/> FAMC <input type="checkbox"/> See Attached								
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income		
					Stabilized \$/Unit	Gross Income	Share %	Income	
	Building Site	11.08	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
		<input type="checkbox"/> Improvements Included in Land Rent			Rent: \$	/mo., \$	/yr.	\$	
					<b>Stabilized Gross Income = \$ 0</b>				
<p><b>Comments:</b> (Typical area rental terms and conditions) The yield per acres is defined based on FSA field maps, historical yield information, and crop insurance yield history. The share to the owner is based on typical crop share contracts, standardized to exclude the estimate of shared costs. This is typically 1/3 – 2/3 crop share where the value of the taxes and insurance are also included in the value equating to approximately 30%; Hay crop shares are typically 40% due to the limited input costs of alfalfa crops that do not need to be replanted every year. The few cash leases that have been reported also support the share to the owner value of 30% for grain/pulse crops and 40% for hay crops. The capitalization rate is derived from area sales in which the income generated from the property is known. Cropland yields are calculated in bu/ac; hayland yields are calculated in ton/ac, pasture yields are calculated in AUMs/ac.</p>									
Expenses	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		
	Real Estate Tax \$	6,309		\$		\$		\$	
	Insurance \$			\$		\$		\$	
	Maintenance \$			\$		\$		\$	
	Management \$			\$		\$		\$	
		\$		\$		\$		\$	
					<b>Total Expenses = \$ 6,309 (57,354.55%)</b>				
Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%
<p><b>Analysis/Comments:</b> Five sales were analyzed for the value based on the Income Approach.</p> <p>The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.</p>									
Total Deeded Acres: 11.08 <b>Gross Income:</b> \$ 0 = \$ 0.00 / Acre <b>Expenses:</b> ( \$ 6,309 ) = \$ 569.40 / Acre <b>Net Income:</b> \$ -6,309 = \$ -569.40 / Acre					Net Income / Cap Rate = Indicated Value \$ -6,309 / % = \$ <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Income Approach Indication = \$ N/A</b> </div>				

## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2037 "As Is" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.

### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

It was necessary to extract the scale value from the Cost Approach and apply it to the Sales Comparison Analysis in order to properly analyze the value of the scales as none of the more recent sales includes a cattle scale.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2037).

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2037).

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtneage	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	11.08 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.80	0.06	0.01	-0.05	0.00
Impvt. Adjustment		25,249.02	20,642.49	40,391.17	30,398.27	11,521.13
Adjusted Price		38,542.28	48,878.43	47,753.96	49,126.44	65,157.49

### TIME ADJUSTMENTS

<input type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> X Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	38,542.28	48,878.43	47,753.96	49,126.44

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	10,000.00	0.00	0.00	0.00	-15,000.00
Net Adjustments		35,248	20,643	40,391	30,398	-3,479
<b>ADJUSTED PRICE</b>		48,542	48,879	47,754	49,126	50,157

#### Analysis/Comments: (Discuss positive and negative aspects of each sale as they affect value)

The adjusted sales prices from the five comparable sales analyzed ranges from \$47,754/acre to \$50,157/acre with an average of \$48,951/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 2 also includes two dwellings. The most weight is placed on sale 2 and the remaining sales are weighted equally against sale 2.

A value of \$48,500/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 11.081 acres @ \$48,500/acre = \$537,428.50, rounded to \$537,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 47,754.00 to \$ 50,157.00  
Unit Basis: \$ 48,500.00 / Acres X 11.08 Acres = \$ 537,380.00  
Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 537,000

## Sales Comparison Approach - Land Adjustment for Sale# 1

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #1			1	Land Adjustment Amt. \$			-0.80			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Unit	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	38.36	9,779.00	Acres			11.08	9,779.00			108,351
Roads & Waste										
Other										
Public Lease										
Sale Land Contrib.	375,152.00	/ Eff. Unit Size	38.36	=	9,779.77	Total	108,351	/ Eff. Unit Size	11.08	= 9,778.97

## Sales Comparison Approach - Improvement Adjustment for Sale# 1

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #1			1	Improvement Adjustment Amt. \$:			25,249.02	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg. / Fair	1,312	X \$	62.40	=\$ 81,869	Dwelling	Avg. / Avg.	2,100 SF	X \$	62.40	=\$ 131,040	
Basement	Avg. / Fair	560	X \$	10.40	=\$ 5,824	Basement	Avg. / Avg.	2,100 SF	X \$	10.40	=\$ 21,840	
Pole Bldg	Avg. / Avg.	2,560	X \$	2.16	=\$ 5,530	Att Garage	Avg. / Avg.	840 SF	X \$	11.25	=\$ 9,450	
Det Garage	Avg. / Avg.	616	X \$	11.25	=\$ 6,930	Dwelling	Avg. / Poor	816 SF	X \$	36.00	=\$ 29,376	
2 Bins	Avg. / Avg.	13,600	X \$	1.45	=\$ 19,720	4 Bins	Avg. / Avg.	10,600 bX	X \$	1.45	=\$ 15,370	
Bin	Avg. / Avg.	3,400	X \$	1.45	=\$ 4,930	4 Bins	Avg. / Avg.	11,000 bX	X \$	1.45	=\$ 15,950	
Bin	Avg. / Avg.	6,800	X \$	1.48	=\$ 10,030	Bin	Avg. / Avg.	4,300 bX	X \$	1.45	=\$ 6,235	
	/		X \$		=\$	Bin	Avg. / Avg.	11,300 bX	X \$	1.45	=\$ 16,385	
	/		X \$		=\$	Granary	Avg. / Avg.	256 SF	X \$	2.16	=\$ 553	
	/		X \$		=\$	Quonset	Avg. / Avg.	1,440 SF	X \$	3.72	=\$ 5,357	
	/		X \$		=\$	Garage	Avg. / Avg.	784 SF	X \$	11.25	=\$ 8,820	
	/		X \$		=\$	Shed	Avg. / Avg.	3,200 SF	X \$	2.16	=\$ 6,912	
	/		X \$		=\$	Pole Bldg	Avg. / Avg.	1,080 SF	X \$	2.16	=\$ 2,333	
	/		X \$		=\$	Shed	Avg. / Avg.	160 SF	X \$	2.16	=\$ 346	
	/		X \$		=\$	Shed	Avg. / Avg.	1,536 SF	X \$	2.16	=\$ 3,318	
	/		X \$		=\$	Pole Bldg	Avg. / Avg.	1,596 SF	X \$	2.16	=\$ 3,447	
	/		X \$		=\$	Pole Bldg	Avg. / Avg.	2,480 SF	X \$	2.16	=\$ 5,357	
	/		X \$		=\$	Scale 60,000 lb	Avg. / Avg.	1	X \$	33,360.00	=\$ 33,360	
	/		X \$		=\$	Scale 10,000 lb	Avg. / Avg.	1	X \$	3,260.00	=\$ 3,260	
	/		X \$		=\$		/		X \$		=\$	
Sale Effective Unit Size:			38.36	\$		Subject Effective Unit Size:			11.08	\$		318,709
<b>Total Improvement Value = \$</b>			3,515.33	/ Acres		<b>Total Improvement Value = \$</b>			28,764.35	/ Acres		



## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			0.06			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			11.08	7,544.00			83,588
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00	<b>/ Eff. Unit Size</b>	20.01	=	7,543.98	<b>Total</b>	83,588	<b>/ Eff. Unit Size</b>	11.08	= 7,544.04

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			20,642.49	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X	\$ 36.00	=\$ 45,900	Dwelling	Avg.	/ Avg. 2,100 SF	X	\$ 136.80	=\$ 287,280	
Basement	Avg.	/ Avg. 768	X	\$ 6.00	=\$ 4,608	Basement	Avg.	/ Avg. 2,100 SF	X	\$ 6.00	=\$ 12,600	
Dwelling	Avg.	/ Avg. 1,904	X	\$ 136.80	=\$ 260,467	Att Garage	Avg.	/ Avg. 840 SF	X	\$ 19.00	=\$ 15,960	
Basement	Avg.	/ Avg. 1,904	X	\$ 15.20	=\$ 28,941	Dwelling	Avg.	/ Poor 816 SF	X	\$ 36.00	=\$ 29,376	
Att Garage	Avg.	/ Avg. 896	X	\$ 19.00	=\$ 17,024	4 Bins	Avg.	/ Avg. 10,600 bu	X	\$ 1.10	=\$ 11,660	
Det Garage	Avg.	/ Avg. 560	X	\$ 10.25	=\$ 5,740	4 Bins	Avg.	/ Avg. 11,000 bu	X	\$ 1.10	=\$ 12,100	
Bin	Avg.	/ Avg. 7,300	X	\$ 0.15	=\$ 1,095	Bin	Avg.	/ Avg. 4,300 bu	X	\$ 1.10	=\$ 4,730	
Granary	Avg.	/ Avg. 720	X	\$ 0.48	=\$ 346	Bin	Avg.	/ Avg. 11,300 bu	X	\$ 1.10	=\$ 12,430	
Prefab	Avg.	/ Avg. 2,880	X	\$ 3.72	=\$ 10,714	Granary	Avg.	/ Avg. 256 SF	X	\$ 0.48	=\$ 123	
2 Bins	Avg.	/ Avg. 5,400	X	\$ 0.78	=\$ 4,185	Quonset	Avg.	/ Avg. 1,440 SF	X	\$ 3.72	=\$ 5,357	
Bin	Avg.	/ Avg. 4,300	X	\$ 0.85	=\$ 3,655	Garage	Avg.	/ Avg. 784 SF	X	\$ 10.25	=\$ 8,036	
4 Bins	Avg.	/ Avg. 12,800	X	\$ 0.65	=\$ 8,320	Shed	Avg.	/ Avg. 3,200 SF	X	\$ 2.16	=\$ 6,912	
2 Bins	Avg.	/ Avg. 6,000	X	\$ 1.10	=\$ 6,600	Pole Bldg	Avg.	/ Avg. 1,080 SF	X	\$ 2.16	=\$ 2,333	
3 Hopper	Avg.	/ Avg. 3,600	X	\$ 1.51	=\$ 5,418	Shed	Avg.	/ Avg. 160 SF	X	\$ 2.16	=\$ 346	
2 Bins	Avg.	/ Avg. 9,800	X	\$ 1.13	=\$ 11,025	Shed	Avg.	/ Avg. 1,536 SF	X	\$ 2.16	=\$ 3,318	
		/	X	\$	=\$	Pole Bldg	Avg.	/ Avg. 1,596 SF	X	\$ 2.16	=\$ 3,447	
		/	X	\$	=\$	Pole Bldg	Avg.	/ Avg. 2,480 SF	X	\$ 2.16	=\$ 5,357	
		/	X	\$	=\$	Scale 60,000 lb	Avg.	/ Avg. 1	X	\$ 33,360.00	=\$ 33,360	
		/	X	\$	=\$	Scale 10,000 lb	Avg.	/ Avg. 1	X	\$ 3,260.00	=\$ 3,260	
		/	X	\$	=\$			/	X	\$	=\$	
Sale Effective Unit Size:				20.01	\$ 414,045	Subject Effective Unit Size:				11.08	\$ 457,985	
<b>Total Improvement Value = \$</b>				20,691.90	/ Acres	<b>Total Improvement Value = \$</b>				41,334.39	/ Acres	

## Sales Comparison Approach - Land Adjustment for Sale# 3

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #3			3	Land Adjustment Amt. \$			0.01			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	7.47	5,885.00	Acres			11.08	5,885.00			65,206
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	43,961.00	/ Eff.	<b>Unit Size</b>	7.47	=	5,885.01	<b>Total</b>	65,206	/ Eff.	<b>Unit Size</b> 11.08 = 5,885.02

## Sales Comparison Approach - Improvement Adjustment for Sale# 3

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #3			3	Improvement Adjustment Amt. \$:			40,391.17	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Prefab	Avg.	/ Avg. 1,536	X \$	4.32	=\$ 6,636	Dwelling	Avg.	/ Avg. 2,100 SF	X \$	136.80	=\$ 287,280	
Bin	Avg.	/ Avg. 3,200	X \$	1.38	=\$ 4,400	Basement	Avg.	/ Avg. 2,100 SF	X \$	6.00	=\$ 12,600	
Barn	Avg.	/ Unsd. 1,536	X \$	0.00	=\$ 0	Att Garage	Avg.	/ Avg. 840 SF	X \$	19.00	=\$ 15,960	
Shed	Avg.	/ Unsd. 252	X \$	0.00	=\$ 0	Dwelling	Avg.	/ Poor 816 SF	X \$	36.00	=\$ 29,376	
Shed	Avg.	/ Unsd. 256	X \$	0.00	=\$ 0	4 Bins	Avg.	/ Avg. 10,600 bX	X \$	1.38	=\$ 14,628	
Shed	Avg.	/ Unsd. 631	X \$	0.00	=\$ 0	4 Bins	Avg.	/ Avg. 11,000 bX	X \$	1.38	=\$ 15,180	
Bin	Avg.	/ Unsd. 1	X \$	0.00	=\$ 0	Bin	Avg.	/ Avg. 4,300 bX	X \$	1.38	=\$ 5,934	
	/		X \$			Bin	Avg.	/ Avg. 11,300 bX	X \$	1.38	=\$ 15,594	
	/		X \$			Granary	Avg.	/ Avg. 256 SF	X \$	0.48	=\$ 123	
	/		X \$			Quonset	Avg.	/ Avg. 1,440 SF	X \$	4.32	=\$ 6,221	
	/		X \$			Garage	Avg.	/ Avg. 784 SF	X \$	10.25	=\$ 8,036	
	/		X \$			Shed	Avg.	/ Avg. 3,200 SF	X \$	2.16	=\$ 6,912	
	/		X \$			Pole Bldg	Avg.	/ Avg. 1,080 SF	X \$	2.16	=\$ 2,333	
	/		X \$			Shed	Avg.	/ Avg. 160 SF	X \$	2.16	=\$ 346	
	/		X \$			Shed	Avg.	/ Avg. 1,536 SF	X \$	2.16	=\$ 3,318	
	/		X \$			Pole Bldg	Avg.	/ Avg. 1,596 SF	X \$	2.16	=\$ 3,447	
	/		X \$			Pole Bldg	Avg.	/ Avg. 2,480 SF	X \$	2.16	=\$ 0	
	/		X \$			Scale 60,000 lb	Avg.	/ Avg. 1	X \$	33,360.00	=\$ 33,360	
	/		X \$			Scale 10,000 lb	Avg.	/ Avg. 1	X \$	3,260.00	=\$ 3,260	
	/		X \$				/		X \$		=\$	
Sale Effective Unit Size:				7.47	\$ 11,039	Subject Effective Unit Size:				11.08	\$ 463,908	
<b>Total Improvement Value = \$</b>				1,477.78	/ Acres	<b>Total Improvement Value = \$</b>				41,868.95	/ Acres	

## Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4			4	Land Adjustment Amt. \$			-0.05			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	22.96	6,080.00	Acres			11.08	6,080.00			67,366
Roads & Waste										
Other										
Public Lease										
Sale Land Contrib.	139,597.00	/ Eff. Unit Size	22.96	=	6,080.01	Total	67,366	/ Eff. Unit Size	11.08	= 6,079.96

## Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4			4	Improvement Adjustment Amt. \$:			30,398.27	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,579	X \$	135.00	=\$ 213,165	Dwelling	Avg.	/ Avg. 2,100 SF	X \$	135.00	=\$ 283,500	
Basement	Avg.	/ Avg. 1,579	X \$	15.00	=\$ 23,685	Basement	Avg.	/ Avg. 2,100 SF	X \$	15.00	=\$ 31,500	
Shed	Avg.	/ Avg. 200	X \$	2.40	=\$ 480	Att Garage	Avg.	/ Avg. 840 SF	X \$	10.50	=\$ 8,820	
Shed	Avg.	/ Avg. 48	X \$	2.40	=\$ 115	Dwelling	Avg.	/ Poor 816 SF	X \$	36.00	=\$ 29,376	
Shed	Avg.	/ Avg. 88	X \$	2.40	=\$ 211	4 Bins	Avg.	/ Avg. 10,600 bX	X \$	1.33	=\$ 14,098	
4 Bins	Avg.	/ Avg. 12,800	X \$	0.85	=\$ 10,880	4 Bins	Avg.	/ Avg. 11,000 bX	X \$	1.33	=\$ 14,630	
Bin	Avg.	/ Avg. 4,500	X \$	1.33	=\$ 5,963	Bin	Avg.	/ Avg. 4,300 bX	X \$	1.33	=\$ 5,719	
Det Garage	Avg.	/ Avg. 576	X \$	10.50	=\$ 6,048	Bin	Avg.	/ Avg. 11,300 bX	X \$	1.33	=\$ 15,029	
Quonset	Avg.	/ Avg. 3,600	X \$	3.60	=\$ 12,960	Granary	Avg.	/ Avg. 256 SF	X \$	0.48	=\$ 123	
Prefab	Avg.	/ Avg. 480	X \$	3.72	=\$ 1,786	Quonset	Avg.	/ Avg. 1,440 SF	X \$	3.60	=\$ 5,184	
Bin	Avg.	/ Avg. 1,000	X \$	0.93	=\$ 925	Garage	Avg.	/ Avg. 784 SF	X \$	10.50	=\$ 8,232	
Bin	Avg.	/ Avg. 3,200	X \$	0.85	=\$ 2,720	Shed	Avg.	/ Avg. 3,200 SF	X \$	2.40	=\$ 7,680	
2 Bins	Avg.	/ Avg. 5,400	X \$	0.70	=\$ 3,780	Pole Bldg	Avg.	/ Avg. 1,080 SF	X \$	2.40	=\$ 2,592	
Bin	Avg.	/ Avg. 5,800	X \$	1.33	=\$ 7,685	Shed	Avg.	/ Avg. 160 SF	X \$	2.40	=\$ 384	
		/	X \$		=\$	Shed	Avg.	/ Avg. 1,536 SF	X \$	2.40	=\$ 3,686	
		/	X \$		=\$	Pole Bldg	Avg.	/ Avg. 1,596 SF	X \$	2.40	=\$ 3,830	
		/	X \$		=\$	Pole Bldg	Avg.	/ Avg. 2,480 SF	X \$	2.40	=\$ 5,952	
		/	X \$		=\$	Scale 60,000 lb	Avg.	/ Avg. 1	X \$	33,360.00	=\$ 33,360	
		/	X \$		=\$	Scale 10,000 lb	Avg.	/ Avg. 1	X \$	3,260.00	=\$ 3,260	
		/	X \$		=\$			/	X \$		=\$	
Sale Effective Unit Size:			22.96	\$ 290,403		Subject Effective Unit Size:			11.08	\$ 476,955		
<b>Total Improvement Value = \$</b>			12,648.21	/ Acres		<b>Total Improvement Value = \$</b>			43,046.48	/ Acres		

## Sales Comparison Approach - Land Adjustment for Sale# 5

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #5			5	Land Adjustment Amt. \$			0.00			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	5.50	28,938.00	Acres			11.08	28,938.00			320,633
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	159,159.00	<b>/ Eff. Unit Size</b>		5.50	= 28,938.00	<b>Total</b>	320,633	<b>/ Eff. Unit Size</b>		11.08 = 28,938.00

## Sales Comparison Approach - Improvement Adjustment for Sale# 5

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #5			5	Improvement Adjustment Amt. \$:			11,521.13	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 976	X \$	105.00	=\$ 102,480	Dwelling	Avg.	/ Avg. 2,100 SF	X \$	105.00	=\$ 220,500	
Quonset	Avg.	/ Avg. 2,040	X \$	8.40	=\$ 17,136	Basement	Avg.	/ Avg. 2,100 SF	X \$	15.00	=\$ 31,500	
Bin	Avg.	/ Avg. 3,200	X \$	1.05	=\$ 3,360	Att Garage	Avg.	/ Avg. 840 SF	X \$	10.50	=\$ 8,820	
Bin	Avg.	/ Avg. 3,200	X \$	1.25	=\$ 4,000	Dwelling	Avg.	/ Poor 816 SF	X \$	36.00	=\$ 29,376	
Shed	Avg.	/ Avg. 488	X \$	0.72	=\$ 351	4 Bins	Avg.	/ Avg. 10,600 bX	X \$	1.25	=\$ 13,250	
Shed	Avg.	/ Avg. 1,232	X \$	5.60	=\$ 6,899	4 Bins	Avg.	/ Avg. 11,000 bX	X \$	1.25	=\$ 13,750	
Granary	Avg.	/ Avg. 960	X \$	1.68	=\$ 1,613	Bin	Avg.	/ Avg. 4,300 bX	X \$	1.25	=\$ 5,375	
		/	X \$		=\$	Bin	Avg.	/ Avg. 11,300 bX	X \$	1.25	=\$ 14,125	
		/	X \$		=\$	Granary	Avg.	/ Avg. 256 SF	X \$	1.68	=\$ 430	
		/	X \$		=\$	Quonset	Avg.	/ Avg. 1,440 SF	X \$	8.40	=\$ 12,096	
		/	X \$		=\$	Garage	Avg.	/ Avg. 784 SF	X \$	10.50	=\$ 8,232	
		/	X \$		=\$	Shed	Avg.	/ Avg. 3,200 SF	X \$	0.72	=\$ 2,304	
		/	X \$		=\$	Pole Bldg	Avg.	/ Avg. 1,080 SF	X \$	0.72	=\$ 778	
		/	X \$		=\$	Shed	Avg.	/ Avg. 160 SF	X \$	0.72	=\$ 115	
		/	X \$		=\$	Shed	Avg.	/ Avg. 1,536 SF	X \$	0.72	=\$ 1,106	
		/	X \$		=\$	Pole Bldg	Avg.	/ Avg. 1,596 SF	X \$	0.72	=\$ 1,149	
		/	X \$		=\$	Pole Bldg	Avg.	/ Avg. 2,480 SF	X \$	0.72	=\$ 1,786	
		/	X \$		=\$	Scale 60,000 lb	Avg.	/ Avg. 1	X \$	33,360.00	=\$ 33,360	
		/	X \$		=\$	Scale 10,000 lb	Avg.	/ Avg. 1	X \$	3,260.00	=\$ 3,260	
		/	X \$		=\$			/	X \$		=\$	
Sale Effective Unit Size:			5.50	\$ 135,841		Subject Effective Unit Size:			11.08	\$ 401,312		
<b>Total Improvement Value = \$</b>			24,698.36	/ Acres		<b>Total Improvement Value = \$</b>			36,219.49	/ Acres		

## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b>	\$	576,980
<b>Income Approach</b>	\$	N/A
<b>Sales Comparison Approach</b>	\$	537,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

The two value indicators for the subject property are relatively similar.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is most effective with new or recently remodeled improvements where the effective age and actual age are very similar and require small depreciation adjustments. The improvements are well maintained and continue to provide contributory value to the subject property. For this reason the Cost Approach carries weight.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 2 also includes two dwellings. The most weight is placed on sale 2 and the remaining sales are weighted equally against sale 2. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

Equal weight is placed on the Sales Comparison Approach and the Cost Approach due primarily to the age and condition of the primary dwelling. The breakdown between the land and the improvements is based on the additional "As Though Vacant" analysis in the next section. This analysis provides a clear indication of value for the land.

The final reconciled opinion of Market Value for the subject property (Sale 2037 "As Is") from the Approaches reconciled above is:  
**\$550,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	550,000
Cost of Repairs	\$				
Cost of Additions	\$				
<b>Allocation:</b>	(Total Deeded Units: 11.08)	Land:	\$ 89,000	\$ 8,032 /	Acre ( 16 %)
		Land Improvements:	\$	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ 461,000	\$ 41,606 /	Acre ( 84 %)
<b>Value Estimate of Non-Realty Items:</b>					
	Value of Personal Property (local market basis)	\$			
	Value of Other Non-Realty Interests:	\$			
	Non-Realty Items:	\$	0	/	( 0 %)
	Leased Fee Value (Remaining Term of Encumbrance)	\$	0	/	( 0 %)
	Leasehold Value	\$	0	/	( 0 %)
	Overall Value	\$	550,000	\$ 49,639 /	Acre ( 100 %)

## **Sale 2037 "As Though Vacant"**

Please refer to the Sale 2037 "As Is" section for Aerial Maps, Topography Maps, Soils Maps, and Photographs.

## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: See Scope of Work Comment Below  
Property Address: 324 Muir Lane, Geraldine  
State/County: MT / Chouteau  
Property Location: 2.9 miles northwest of Geraldine  
Highest & Best Use: Rural Residential "As If" Vacant  
Rural Residential "As Improved"  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map # FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC TWP RNG Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users  
Rights Appraised: Fee Simple  
Value Definition: Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Frieda & Gordon Muir & Huckle Land and Livestock (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Frieda & Gordon Muir & Huckle Land and Livestock

## Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24  
**Value Indication**  
- Cost Approach: \$ N/A  
- Income Approach: \$ N/A  
- Sales Comparison Approach: \$ 89,000  
**Opinion of Value:** (Estimated Marketing Time 12 months ) \$ 89,000  
Cost of Repairs: \$ Cost of Additions: \$

**Allocation:**  
Land: \$ 89,000 \$ 8,032 / Acre ( 100 %)  
Land Improvements: \$ 0 / ( 0 %)  
Structural Improvement Contribution: \$ 0 / ( 0 %)  
Non-Realty Items: \$ 0 / ( 0 %)  
Leased Fee Value (Remaining term of encumbrance ) \$ 0 / ( 0 %)  
Leasehold Value: \$ 0 / ( 0 %)  
Overall Value: \$ 8,032 / Acre ( 100 %)

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached  
Income Multiplier ( ) Income Estimate: \$ 0.00 / Acre (unit)  
Expense Ratio 0.00 % Expense Estimate: \$ 0.00 / Acre (unit)  
Overall Cap Rate: % Net Property Income: \$ 0.00 / Acre (unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Property Description:** (Location, use and physical characteristics) Sale 2037 is located 2.9 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.4 miles west on Muir Lane.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

Sale 2037 consists of 11.081 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 11.08 acre, comprised of a building or home site.

The terrain is generally level to gently sloping at the south end of the parcel.

Access is provided via Muir Lane.

The property is perimeter fenced with some cross fencing.

Land Use	Deeded Acres	Unit Type	Unit Size	Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Irrigated Cropland			( 0.0%)	Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture			( 0.0%)	Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland			( 0.0%)	Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland			( 0.0%)	Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture			( 0.0%)	Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture			( 0.0%)	Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Site	11.08	Acres	( 100.0%)	Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roads & Waste			( 0.0%)	Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other			( 0.0%)	Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Lease			( 0.0%)	Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total Deeded Acres</b>	11.08	<b>Total Units</b>	0.00	FEMA Zone/Date	Unmapped			
			<b>( 100 % )</b>	Building Location				

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☐ Yes ☒ Supplement Attached  
**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un-dulating	Roll-ing	Slop-ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days  
**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone  
**Distance To:** 2.9 Schools 24.5 Hospital 2.9 Markets Adj. Major Hwy. 2.9 Service Center  
**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent oil and gas exploration and extraction as well as roads and utilities.  
**Hazards and Detriments:** See Sale 2037 "As Though Vacant" Narrative Land Description.

**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

Sale 2037 is located 2.9 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.4 miles west on Muir Lane.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2037 consists of 11.081 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 11.08 acre, comprised of a building or home site.

The terrain is generally level to gently sloping at the south end of the parcel.

Access is provided via Muir Lane.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site though for the purposes of this "As Though Vacant" analysis the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2037 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2037 has no specific water rights attached to it according to the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

2B - Marcott-Bigsandy complex, 0 to 4 percent slopes. Classified 6w-7w non-irrigated. Yield potential non-irrigated: Rangeland Productivity typical year 2,400-2,300 lbs/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.

Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.

History	<input checked="" type="checkbox"/> Ownership Longer Than 3 Years Owner _____ Recording/Reference _____ Date _____ Price Paid _____ Terms _____					
	<b>Previous:</b> _____					
	<b>Present:</b> See Comment Below _____					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed Listing Price: _____ Listing Date: _____ Present Owners: State of Montana (Land)/Frieda & Gordon Muir & Huckle Land and Livestock (Improvements) Leasee: Frieda & Gordon Muir and Huckle Land and Livestock. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
	<b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____		Assessment Year 2024 Land \$57,320 Building(s) \$0 Total Assessed Value \$57,320		<b>Forecast:</b> Current Tax N/A Estimated/Stabilized \$0 Or ( 11.08 Ac.) = \$0.00 /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Parcel #: 20006					
	Comments: Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) See comment on the next page.					

## Sale 2037 "As Though Vacant" History and Use - Continued

**Valuation Methods**

(Explain and support the exclusion of one or more approaches)

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning: None      Assessed Value: \$ 57,320      Taxes: \$ 0

#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.



## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2037 "As Though Vacant" Condition in the Income Approach to value and the first seven of which are included in the analysis on the following page. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.

## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b> Cash <input checked="" type="checkbox"/> Share <input type="checkbox"/> Owner/Operator <input type="checkbox"/> FAMC <input type="checkbox"/> See Attached								
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income		
					Stabilized \$/Unit	Gross Income	Share %	Income	
	Building Site	11.08	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
Expenses	<input type="checkbox"/> <b>Improvements Included in Land Rent</b> Rent: \$ _____ /mo., \$ _____ /yr.								
					<b>Stabilized Gross Income = \$ 0</b>				
	<b>Comments:</b> (Typical area rental terms and conditions) The yield per acres is defined based on FSA field maps, historical yield information, and crop insurance yield history. The share to the owner is based on typical crop share contracts, standardized to exclude the estimate of shared costs. This is typically 1/3 – 2/3 crop share where the value of the taxes and insurance are also included in the value equating to approximately 30%; Hay crop shares are typically 40% due to the limited input costs of alfalfa crops that do not need to be replanted every year. The few cash leases that have been reported also support the share to the owner value of 30% for grain/pulse crops and 40% for hay crops. The capitalization rate is derived from area sales in which the income generated from the property is known. Cropland yields are calculated in bu/ac; hayland yields are calculated in ton/ac, pasture yields are calculated in AUMs/ac.								
	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		
	Real Estate Tax \$	0	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	
	Insurance \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	
	Maintenance \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	
	Management \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	
	_____ \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	
	_____ \$		_____ \$	_____ \$	<b>Total Expenses = \$ 0 ( 0.00 %)</b>				
Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvmt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%
<b>Analysis/Comments:</b> Five sales were analyzed for the value based on the Income Approach.									
The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Property taxes are not currently available as the subject property is currently owned by the State and is not subject to property taxes, property taxes are difficult to estimate based on the current use as a rural residential property. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.									
Total Deeded Acres: 11.08 <b>Gross Income:</b> \$ 0 = \$ 0.00 / Acre <b>Expenses:</b> ( \$ 0 ) = \$ 0.00 / Acre <b>Net Income:</b> \$ 0 = \$ 0.00 / Acre					Net Income / Cap Rate = Indicated Value \$ 0 / % = \$ _____ <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Income Approach Indication = \$ N/A</b> </div>				

## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2037 "As Though Vacant" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.

### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. This sale has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtmage	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	11.08 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.80	0.06	0.01	-0.05	0.00
Impvt. Adjustment		-3,515.33	-20,691.90	-1,477.78	-12,648.21	-24,698.36
Adjusted Price		9,777.93	7,544.04	5,885.01	6,079.96	28,938.00

### TIME ADJUSTMENTS

<input type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> X Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	9,777.93	7,544.04	5,885.01	6,079.96

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	0.00	0.00	0.00	0.00	0.00
Net Adjustments		-3,516	-20,692	-1,478	-12,648	-24,698
<b>ADJUSTED PRICE</b>		9,778	7,544	5,885	6,080	28,938

#### Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

The adjusted sales prices from the five comparable sales analyzed ranges from \$5,885/acre to \$28,938/acre with an average of \$11,654/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity.

A value of \$8,000/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 11.081 acres @ \$8,000/acre = \$88,648, rounded to \$89,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 5,885.00 to \$ 28,938.00  
 Unit Basis: \$ 8,000.00 / Acre X 11.08 Acres = \$ 88,640.00  
 Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 89,000



Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			0.06			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			11.08	7,544.00			83,588
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00	<b>/ Eff. Unit Size</b>	20.01	=	7,543.98	<b>Total</b>	83,588	<b>/ Eff. Unit Size</b>	11.08	= 7,544.04

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			-20,691.90	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X \$	36.00	=\$ 45,900		/		X \$	=\$		
Basement	Avg.	/ Avg. 768	X \$	6.00	=\$ 4,608		/		X \$	=\$		
Dwelling	Avg.	/ Avg. 1,904	X \$	136.80	=\$ 260,467		/		X \$	=\$		
Basement	Avg.	/ Avg. 1,904	X \$	15.20	=\$ 28,941		/		X \$	=\$		
Att Garage	Avg.	/ Avg. 896	X \$	19.00	=\$ 17,024		/		X \$	=\$		
Det Garage	Avg.	/ Avg. 560	X \$	10.25	=\$ 5,740		/		X \$	=\$		
Bin	Avg.	/ Avg. 7,300	X \$	0.15	=\$ 1,095		/		X \$	=\$		
Granary	Avg.	/ Avg. 720	X \$	0.48	=\$ 346		/		X \$	=\$		
Prefab	Avg.	/ Avg. 2,880	X \$	3.72	=\$ 10,714		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 5,400	X \$	0.78	=\$ 4,185		/		X \$	=\$		
Bin	Avg.	/ Avg. 4,300	X \$	0.85	=\$ 3,655		/		X \$	=\$		
4 Bins	Avg.	/ Avg. 12,800	X \$	0.65	=\$ 8,320		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 6,000	X \$	1.10	=\$ 6,600		/		X \$	=\$		
3 Hopper	Avg.	/ Avg. 3,600	X \$	1.51	=\$ 5,418		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 9,800	X \$	1.13	=\$ 11,025		/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
			X \$	=\$			/		X \$	=\$		
Sale Effective Unit Size:				20.01	\$ 414,045	Subject Effective Unit Size:				11.08	\$	
<b>Total Improvement Value = \$</b>				20,691.90	/ Acres	<b>Total Improvement Value = \$</b>				0.00	/ Acres	

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4			4	Land Adjustment Amt. \$			-0.05			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	22.96	6,080.00	Acres			11.08	6,080.00			67,366
Roads & Waste										
Other										
Public Lease										
Sale Land Contrib.	139,597.00	/ Eff. Unit Size	22.96	=	6,080.01	Total	67,366	/ Eff. Unit Size	11.08	= 6,079.96

## Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4			4	Improvement Adjustment Amt. \$:			-12,648.21	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg.	1,579	X \$	135.00 =\$	213,165		/		X \$	=\$	
Basement	Avg.	/ Avg.	1,579	X \$	15.00 =\$	23,685		/		X \$	=\$	
Shed	Avg.	/ Avg.	200	X \$	2.40 =\$	480		/		X \$	=\$	
Shed	Avg.	/ Avg.	48	X \$	2.40 =\$	115		/		X \$	=\$	
Shed	Avg.	/ Avg.	88	X \$	2.40 =\$	211		/		X \$	=\$	
4 Bins	Avg.	/ Avg.	12,800	X \$	0.85 =\$	10,880		/		X \$	=\$	
Bin	Avg.	/ Avg.	4,500	X \$	1.33 =\$	5,963		/		X \$	=\$	
Det Garage	Avg.	/ Avg.	576	X \$	10.50 =\$	6,048		/		X \$	=\$	
Quonset	Avg.	/ Avg.	3,600	X \$	3.60 =\$	12,960		/		X \$	=\$	
Prefab	Avg.	/ Avg.	480	X \$	3.72 =\$	1,786		/		X \$	=\$	
Bin	Avg.	/ Avg.	1,000	X \$	0.93 =\$	925		/		X \$	=\$	
Bin	Avg.	/ Avg.	3,200	X \$	0.85 =\$	2,720		/		X \$	=\$	
2 Bins	Avg.	/ Avg.	5,400	X \$	0.70 =\$	3,780		/		X \$	=\$	
Bin	Avg.	/ Avg.	5,800	X \$	1.33 =\$	7,685		/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
				X \$	=\$			/		X \$	=\$	
Sale Effective Unit Size:			22.96	\$		290,403	Subject Effective Unit Size:			11.08	\$	
<b>Total Improvement Value = \$</b>			12,648.21	/ Acres			<b>Total Improvement Value = \$</b>			0.00	/ Acres	

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b> _____	\$	N/A
<b>Income Approach</b> _____	\$	N/A
<b>Sales Comparison Approach</b> _____	\$	89,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is used in the analysis of value of the subject property by comparing similar tracts of land that have previously sold in the same general area. Time adjustments can be made to arrive at a current market value of the comparable sales. The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

As the Sales Comparison Approach is the only approach completed in this analysis it carries all of the weight.

The final reconciled opinion of Market Value for the subject property (Sale 2037 "As Though Vacant") from the Approaches reconciled above is: **\$89,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	89,000
Cost of Repairs	\$	_____			
Cost of Additions	\$	_____			
<b>Allocation:</b>	(Total Deeded Units: 11.08)	Land:	\$ 89,000	\$ 8,032 /	Acre ( 100 %)
		Land Improvements:	\$ _____	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ _____	\$ 0 /	( 0 %)
<b>Value Estimate of Non-Realty Items:</b>					
	Value of Personal Property (local market basis)	\$	_____		
	Value of Other Non-Realty Interests:	\$	_____		
	Non-Realty Items:	\$	_____	\$ 0 /	( 0 %)
	Leased Fee Value (Remaining Term of Encumbrance)	\$	_____	\$ 0 /	( 0 %)
	Leasehold Value	\$	_____	\$ 0 /	( 0 %)
	Overall Value	\$	89,000	\$ 8,032 /	Acre ( 100 %)



## **Sale 2037 Reconciliation and Final Opinion of Value**

## Sale 2037 Final Reconciliation Comments

The analysis of the subject property as though vacant (the second analysis) indicates the value of the subject property as if it were raw land per the hypothetical condition required by the engagement letter.

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**

This second analysis provided the land value component of the total value from the first analysis. Which indicates the total value of the subject property from the Cost Approach and the Sales Comparison Approach in "As Is" condition.

From these two analysis' the final opinion of value for the subject property (Sale 2037) in "As Is" condition is \$550,000.00, and the final opinion of value for the subject property as though vacant (hypothetical condition above) is \$89,000.00. The value of this improvements can then be extracted from the opinion of market value for the total property as a whole at \$461,000.00 as the final opinion of market value for the improvements independent of the land value.

Opinion of Market Value:

Land Value: \$ 89,000.00 (from the "As Though Vacant" analysis of Market Value for the Subject Property)

Improvement Value: \$461,000.00 (from the calculation detailed above)

Total: \$550,000.00 (from the "As Is" analysis of Market Value for the Subject Property)

The Opinion of Market Value for the Land as though vacant raw land exclusive of real property improvements: \$89,000.00

The Opinion of Market Value for the Subject property "As Is" including both the land and improvements: \$550,000.00

The Opinion of Market Value for the Improvements to the subject property exclusive of the land: \$461,000.00

**Sale 2038 "As Is"**

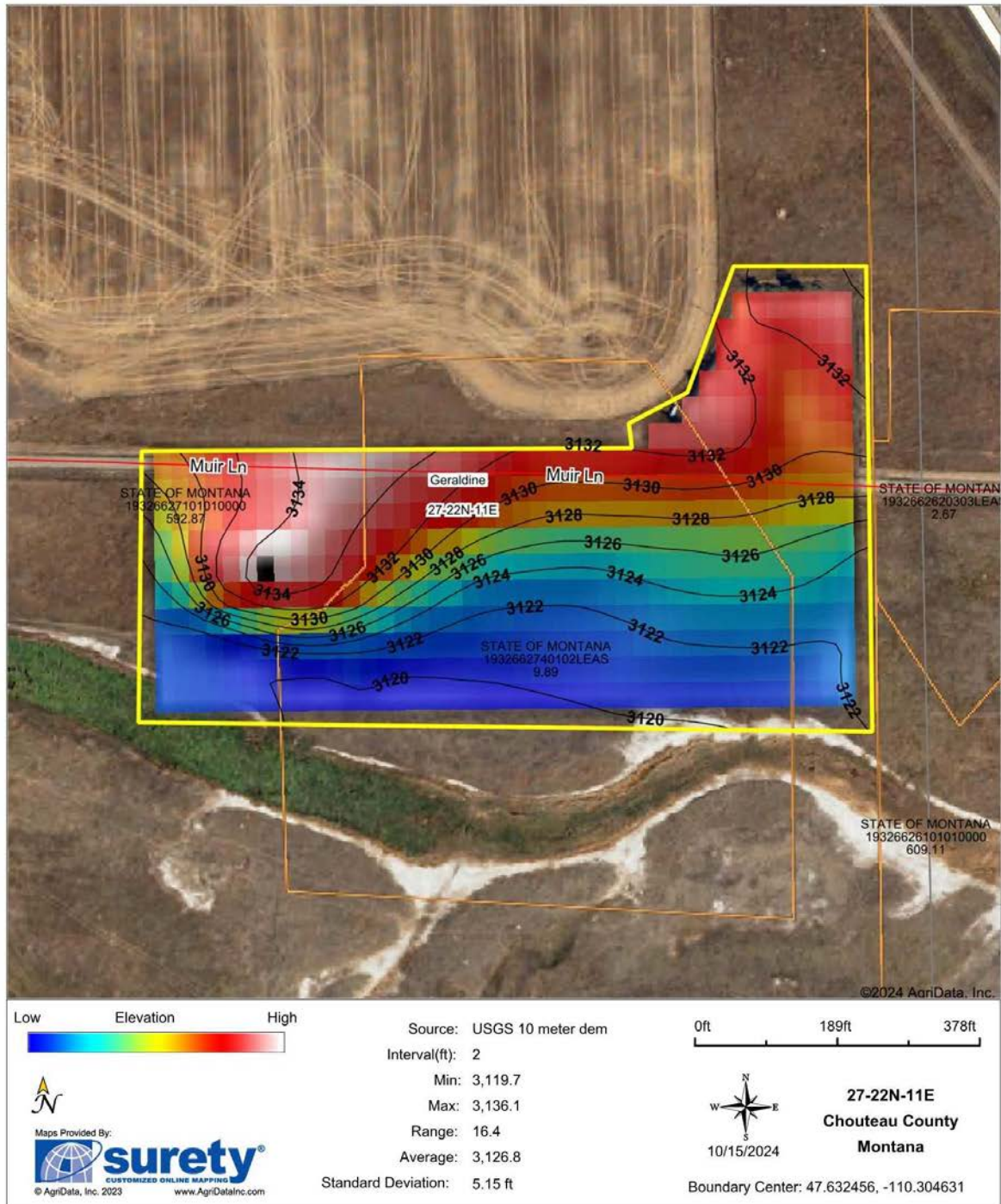
Sale 2038 Aerial View

Aerial Map



Sale 2038 Topography Map

Topography Hillshade





## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: State of Montana (Land)/Gordon Muir (Improvements) Total Deeded Acres: 9.37  
Property Address: 140 Muir Lane, Geraldine Effective Unit Size: 9.37  
State/County: MT / Chouteau Zip Code: 59446  
Property Location: 2.7 miles northwest of Geraldine Property Code #:   
Highest & Best Use: Rural Residential "As If" Vacant FAMC Comd'ty Gp:   
Rural Residential "As Improved" Primary Land Type: Rural Residential  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton Primary Commodity: N/A  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map # FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC TWP RNG Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users  
Rights Appraised: Fee Simple  
Value Definition: Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Gordon Muir (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Gordon Muir

## Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24

**Value Indication**

- Cost Approach:	\$	421,101
- Income Approach:	\$	N/A
- Sales Comparison Approach:	\$	384,000

**Opinion of Value:** (Estimated Marketing Time 12 months ) \$ 400,000

Cost of Repairs: \$ Cost of Additions: \$

**Allocation:**

Land:	\$ 75,000	\$ 8,004	/	Acre	( 19 %)
Land Improvements:	\$	\$ 0	/		( 0 %)
Structural Improvement Contribution:	\$ 325,000	\$ 34,685	/	Acre	( 81 %)
Non-Realty Items:	\$	\$ 0	/		( 0 %)
Leased Fee Value (Remaining term of encumbrance )	\$	\$ 0	/		( 0 %)
Leasehold Value:	\$	\$ 0	/		( 0 %)
Overall Value:	\$	\$ 42,689	/	Acre	( 100 %)

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached

Income Multiplier ( )	Income Estimate:	\$ 0.00	/	Acre	(unit)
Expense Ratio 0.00 %	Expense Estimate:	\$ 180.36	/	Acre	(unit)
Overall Cap Rate: %	Net Property Income:	\$ -180.36	/	Acre	(unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Property Description:** (Location, use and physical characteristics) Sale 2038 is located 2.7 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.2 miles west on Muir Lane.

Improvements are located within the boundaries of Tract 2 of COS #223A.

Sale 2038 consists of 9.37 deeded acres, more or less, based on the provided survey, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via Muir Lane.

The property is perimeter fenced with some cross fencing.

Subject Land Description

Land Use	Deeded Acres	Unit Type	Unit Size
Irrigated Cropland			( 0.0%)
Irrigated Pasture			( 0.0%)
Dry Cropland			( 0.0%)
Hayland			( 0.0%)
Tame/Imp. Pasture			( 0.0%)
Pasture			( 0.0%)
Site	9.37	Acres	( 100.0%)
Roads & Waste			( 0.0%)
Other			( 0.0%)
Public Lease			( 0.0%)
<b>Total Deeded Acres</b>	<b>9.37</b>	<b>Total Units</b>	<b>0.00 ( 100 %)</b>

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date	Unmapped			
Building Location	Tract 2 of COS #223A.			

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☐ Yes ☒ Supplement Attached  
**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un- dulat- ing	Roll- ing	Slop- ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days  
**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone  
**Distance To:** 2.7 Schools 24.3 Hospital 2.7 Markets Adj. Major Hwy. 2.7 Service Center  
**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent roads and utilities.

**Hazards and Detriments:** See Sale 2038 "As Is" Narrative Land Description.



**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

Sale 2038 is located 2.7 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Highway 80, thence 0.2 miles west on Muir Lane.

Improvements are located within the boundaries of Tract 2 of COS #223A.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2038 consists of 9.37 deeded acres, more or less, based on the provided survey, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via Muir Lane.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2038 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2038 has no specific water rights attached to it according to the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

2B - Marcott-Bigsandy complex, 0 to 4 percent slopes. Classified 6w-7w non-irrigated. Yield potential non-irrigated: Rangeland Productivity typical year 2,400-2,300 lbs/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent oil and gas exploration and extraction as well as roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.

Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.

Type	Size	Construction	Qty	Foundation	Roof	Floor	Exterior	Act. Age	Eff. Age	Rem. Life	Con-formity	Utility	Cond.
Dwelling	1,860 SF	Frame	Avg.	Conc.	Metal		Masonite	40	15	45	Avg.	Avg.	Avg.
Basement	1,860 SF	Frame	Avg.	Conc.	Metal		Masonite	40	15	45	Avg.	Avg.	Avg.
Att Garage	720 SF	Frame	Avg.	Conc.	Metal		Masonites	40	15	45	Avg.	Avg.	Avg.
Pre-Fab	1,200 SF	Frame	Avg.	Conc.	Metal		Metal	51	26	24	Avg.	Avg.	Avg.
Imp Shed	5,304 SF	Frame	Avg.	Conc.	Metal		Metal	41	21	29	Avg.	Avg.	Avg.
Cooler	60 SF		Avg.					Unk.	40	10	Avg.	Avg.	Avg.

**Subject Improvement Description**

**Improvement Comments:** *(Discuss and/or expand any items affecting value structure-by-structure, if necessary)*

The improvements to the subject property are typical of a rural residential property or of a property that is utilized in support of an agriculture operation. Many rural residential properties that have sold within the past five years include similar additional out buildings as they can be resold and moved or can be utilized on other capacity in support of the rural residential property use.

**Site Improvements:** Well, septic, electric, propane, and telephone.

Overall Structural Balance	<div>Above Avg. <input type="checkbox"/></div>	<div>Avg. <input checked="" type="checkbox"/></div>	<div>Below Avg. <input type="checkbox"/></div>	<div>N/A <input type="checkbox"/></div>
Overall Structural Condition	<div><input type="checkbox"/></div>	<div><input checked="" type="checkbox"/></div>	<div><input type="checkbox"/></div>	<div><input type="checkbox"/></div>
Improvement Rating	<div><input type="checkbox"/></div>	<div><input checked="" type="checkbox"/></div>	<div><input type="checkbox"/></div>	<div><input type="checkbox"/></div>
Overall Property Rating	<div><input type="checkbox"/></div>	<div><input checked="" type="checkbox"/></div>	<div><input type="checkbox"/></div>	<div><input type="checkbox"/></div>

Overall Building REL \_\_\_\_\_ years

Sale 2038 Photos



Dwelling Front



Dwelling Rear



Additional Exterior View Dwelling Front



Dining



Kitchen



Additional View Kitchen

Sale 2038 Photos



Additional View Kitchen



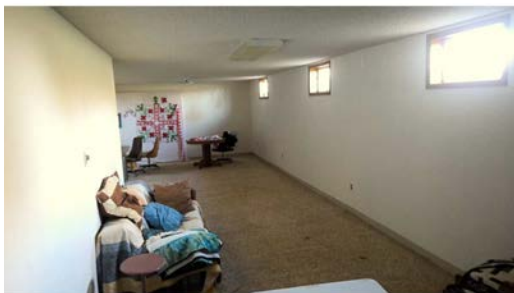
Office



Bathroom 1



Bathroom 2



Basement Rec Room



Basement Utility



Sale 2038 Photos



Additional View of Basement Utility



Laundry



Implement Shed Front



Implement Shed Rear



Implement Shed Interior



Additional Interior View of Implement Shed  
Supplemental Heating

Sale 2038 Photos



Rear View Prefab Building



Front View Prefab Building



Interior View Prefab Building



Additional Interior View Prefab Building



Interior View Prefab Building Office



Interior View Prefab Building Bathroom

Sale 2038 Photos



Interior View Prefab Building Cooler



Field Scene

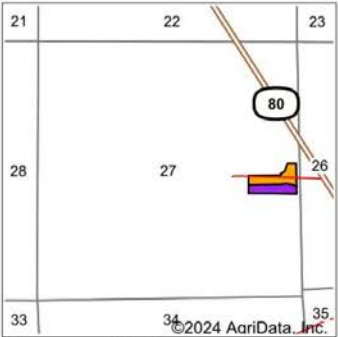
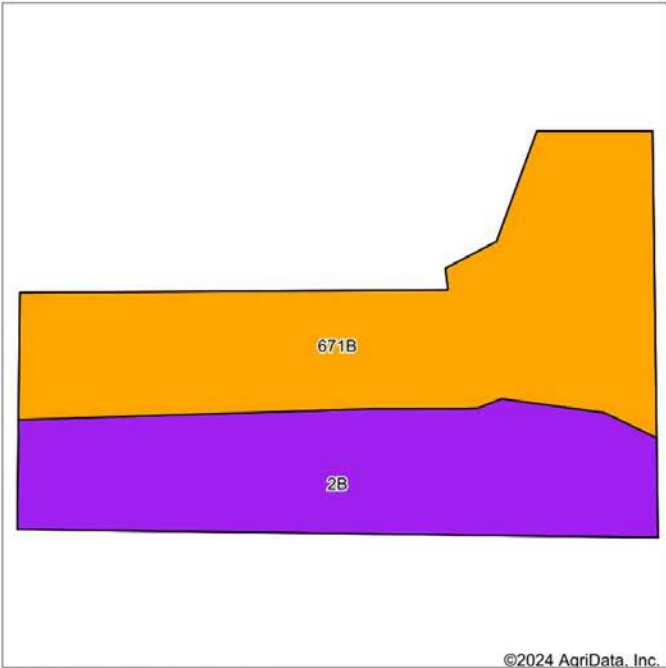


Field Scene



Tract III Soil Map

Soils Map



State: **Montana**  
County: **Chouteau**  
Location: **27-22N-11E**  
Township: **Geraldine**  
Acres: **9.55**  
Date: **10/15/2024**



Area Symbol: MT615, Soil Area Version: 20												
Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Non-Irr Class *c	Irr Class *c	Range Production (lbs/acre/yr)	Safflower Tons	*n NCCPI Overall	*n NCCPI Corn	*n NCCPI Small Grains	*n NCCPI Soybeans
671B	Bearpaw-Vida clay loams, 0 to 4 percent slopes	5.42	56.8%		IIIe	IIIe	1503		29	10	26	29
2B	Marcott-Bigsandy complex, 0 to 4 percent slopes	4.13	43.2%		VIw		2092	45	23	6	21	19
Weighted Average					4.30	*-	1757.7	19.5	*n 26.4	*n 8.3	*n 23.8	*n 24.7

\*n: The aggregation method is "Weighted Average using all components"  
\*c: Using Capabilities Class Dominant Condition Aggregation Method  
\*- Irr Class weighted average cannot be calculated on the current soils data due to missing data.

Soils data provided by USDA and NRCS.

History	<input checked="" type="checkbox"/> Ownership Longer Than 3 _____ Years <div style="display: flex; justify-content: space-between;"> <span>Owner</span> <span>Recording/Reference</span> <span>Date</span> <span>Price Paid</span> <span>Terms</span> </div>					
	<b>Previous:</b> _____ <b>Present:</b> See Comment Below _____					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed Listing Price: _____ Listing Date: _____ Present Owners: State of Montana (Land)/Gordon Muir (Improvements). Lessee: Gordon Muir. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____ Parcel #: 20006 & 4921		<b>Assessment Year</b> 2024 Land \$64,600 Building(s) \$283,160 Total Assessed Value \$347,760		<b>Forecast:</b> Current Tax \$1,690 Estimated/Stabilized \$1,690 Or ( 9.37 Ac.) = \$180.36 /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	<b>Comments:</b> Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural/Rural Residential					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input checked="" type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) All three Approaches are utilized in the analysis of Sale 2038 for the "As Is" condition.					
	The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).					

### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning:	None	Assessed Value: \$	347,760	Taxes: \$	1,690
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#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

The improvements to Sale 2038 are consistent with Rural Residential use as the highest and best use as though vacant as well as use in support of an agriculture operation such as a small grains farming operation, as a livestock ranching operation, or as some combination of both. Additionally the additional improvements and outbuildings are typical of other rural residential properties that have sold in the area. Typically if the rural residential property being purchased is not to be utilized in support of an agriculture operation the grain bins will either be sold to recoup some costs or will be converted into other uses such as storage sheds.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will be depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. Additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

A total of five area sales were analyzed for comparison to Sale 2038 "As Is" Condition in the Cost Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

See the following page for additional Cost Approach Comments and Reconciliation.

**Sale 2038 Cost Approach Comments - Continued**

The first step in the cost approach is determining land value.

Site values from the comparable sales included in this analysis range in value from \$5,8850/acre to \$28,938/acre with an average of \$11,645/acre. A value of \$8,000/acre is selected as representative of the market value of site acres for the subject property. Sale 1 is the most recent sale, and sale 2 is the closest in terms of physical proximity to the subject property. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2038) in terms of size. The most weight is placed on sales 1 & 2.

Sale 5 has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

The indicated value of the subject property from the Cost Approach is **\$421,101.00**, rounded to **\$421,000.00**.

**Cost Approach (Sales 1-5)**

Item:		Sale #1	1	Sale #2	2	Sale #3	3	Sale #4	4	Sale #5	5
Sale Land Allocation	Grantor	Dunham		William Courtneage		Vischer		Van Wagner		Kimbrig	
	Grantee	Herbert Harvey		Todd Haseleu		Mearl McCready		Gale & Diana Manning		Stephen Lund	
	Source	MLS #30005117		MLS #30006527		MLS #337292		MLS 326679		MLS #22111036	
	Date	06/24		01/24		02/23		03/22		10/21	
	CEV Price	510,000		565,000		55,000		430,000		295,000	
	Deeded Acres	38.36		20.01		7.47		22.96		5.50	
	Location	NW Fort Benton		26 mi se Fort Benton		21 ne Great Falls		4 sw Carter		10 w Big Sandy	
Sale Land Allocation	Historic Allocation	X		X		X		X		X	
	Time Adjusted Allocation										
	Irrigated Cropland		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( 100% )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Irrigated Pasture		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Dry Cropland		0.00		6.10		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	7,544.00	\$	0.00	\$	0.00	\$	0.00
	Hayland		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Tame/Imp. Pasture		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Pasture		0.00		4.76		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	7,544.00	\$	0.00	\$	0.00	\$	0.00
	Acres Site		38.36		9.15		7.47		22.96		5.50
	Allocated Value ( % )	\$	9,779.00	\$	7,544.00	\$	5,885.00	\$	6,080.00	\$	28,938.00
	Roads & Waste		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Other		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00
	Public Lease		0.00		0.00		0.00		0.00		0.00
	Allocated Value ( % )	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	0.00

Subject Land Estimate	Land Use	Acres	\$/Acre	Unit Type	Unit Size	\$/Unit	Total
	Irrigated Cropland		\$			\$	\$
	Irrigated Pasture		\$			\$	\$
	Dry Cropland		\$			\$	\$
	Hayland		\$			\$	\$
	Tame/Imp. Pasture		\$			\$	\$
	Pasture		\$			\$	\$
	Site	9.37	\$ 8,000.00	Acres		\$	\$ 74,960.00
	Roads & Waste		\$			\$	\$
	Other		\$			\$	\$
	Public Lease		\$			\$	\$
	Total Acres:	9.37	\$ 8,000.00	Total Units:	0.00	\$	\$ 74,960.00

**Cost Approach Summary:** (Check one of the following methods applicable to the subject and sale analyses)

<input type="checkbox"/>	Lump Sum Depreciation:	Improvement Contribution _____ % of Cost Estimate	\$
<input type="checkbox"/>	Breakdown Depreciation:	Improvement Contribution Indication	\$ 0
<input checked="" type="checkbox"/>	Breakdown Depreciation:	Age/Life Depreciation Improvement Contribution Indication	\$ 346,141

**OTHER**

\$

**COST APPROACH INDICATION (Land & Improvements)**

\$

421,101

Improvement Contribution (1-10)

Cost Approach Improvements

Improvement Contribution (1-10)					
IMPROVEMENT	1	2	3	4	5
Type	Dwelling	Basement	Att Garage	Pre-Fab	Imp Shed
Size	1,860 SF	1,860 SF	720 SF	1,200 SF	5,304 SF
Age	15	15	15	26	21
Remaining Life	45	45	45	24	29
RCN \$/Unit	180.00	20.00	25.00	25.00	12.00
RCN	334,800	37,200	18,000	30,000	63,648
\$/Unit Contribution	135.00	15.00	18.75	12.00	6.96
Total Depreciation	83,700	9,300	4,500	15,600	26,732
Total Depreciation %	25	25	25	52	42
% Physical	25	25	25	52	42
Physical Depreciation	83,700	9,300	4,500	15,600	26,732
RCN Rem. After Phys. Depr.	251,100	27,900	13,500	14,400	36,916
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	251,100	27,900	13,500	14,400	36,916
% External					
External Obsolescence					
Improvement Contribution	251,100	27,900	13,500	14,400	36,916
IMPROVEMENT	6	7	8	9	10
Type	Cooler				
Size	60 SF				
Age	40				
Remaining Life	10				
RCN \$/Unit	193.75				
RCN	11,625				
\$/Unit Contribution	38.75				
Total Depreciation	9,300				
Total Depreciation %	80				
% Physical	80				
Physical Depreciation	9,300				
RCN Rem. After Phys. Depr.	2,325				
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	2,325				
% External					
External Obsolescence					
<input checked="" type="checkbox"/> Age/Life Depreciation					
Improvement Contribution	2,325				
Overall Contribution (All Improvements)	\$ 346,141	Cost Approach Est. \$ 421,101		Cost: <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Reproduction	
		Improvement Contribution 82 %			
Total RCN \$	495,273	Total \$ 149,132	Total \$	Total \$	Total \$ 149,132
		Total % 30	Total % 0	Total % 0	Total % 30
		Physical Depreciation	Functional Obsolescence	External Obsolescence	Depreciation



## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2038 "As Is" Condition in the Income Approach to value. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.

## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b>		Cash <input checked="" type="checkbox"/>	Share <input type="checkbox"/>	Owner/Operator <input type="checkbox"/>	FAMC <input type="checkbox"/>	See Attached		
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income		
					Stabilized \$/Unit	Gross Income	Share %	Income	
	Building/Home Site	9.37	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
Expenses	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		
	Real Estate Tax \$	1,690		\$		\$		\$	
	Insurance \$			\$		\$		\$	
	Maintenance \$			\$		\$		\$	
	Management \$			\$		\$		\$	
		\$		\$					
		\$		\$					
		\$		\$					
					<b>Total Expenses = \$</b>		1,690	( 0.00 %)	
Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%
<b>Analysis/Comments:</b> Five sales were analyzed for the value based on the Income Approach.									
<p>The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.</p>									
Total Deeded Acres: <u>9.37</u> <b>Gross Income:</b> \$ <u>0</u> = \$ <u>0.00</u> / <u>Acre</u> <b>Expenses:</b> ( \$ <u>1,690</u> ) = \$ <u>180.36</u> / <u>Acre</u> <b>Net Income:</b> \$ <u>-1,690</u> = \$ <u>-180.36</u> / <u>Acre</u>					Net Income / Cap Rate = Indicated Value \$ <u>-1,690</u> / <u>          </u> % = \$ <u>          </u> <b>Income Approach Indication = \$</b> <u>N/A</u>				

## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2038 "As Is" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.

### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2038).

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2038).

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtnage	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	9.37 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.79	-0.01	-0.06	0.03	-0.01
Impvt. Adjustment		14,382.54	13,523.15	33,153.70	20,516.68	5,759.91
Adjusted Price		27,675.81	41,759.02	40,516.42	39,244.93	59,396.26

### TIME ADJUSTMENTS

<input type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> X	Man	Time Adjustment	0.00	0.00	0.00
			Time Adj. Price	27,675.81	41,759.02	40,516.42
					39,244.93	59,396.26

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	12,000.00	0.00	0.00	0.00	-20,000.00
Net Adjustments		26,382	13,523	33,154	20,517	-14,240
<b>ADJUSTED PRICE</b>		39,676	41,759	40,517	39,245	39,396

#### Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

The adjusted sales prices from the five comparable sales analyzed ranges from \$39,242/acre to \$41,759/acre with an average of \$40,032/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. The most weight is placed on sale 2 and the remaining sales are weighted equally against sale 2.

A value of \$41,000/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 9.370 acres @ \$41,000/acre = \$384,170.00, rounded to \$384,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 39,242.00 to \$ 41,759.00  
 Unit Basis: \$ 41,000.00 / Acres X 9.37 Acres = \$ 384,170.00  
 Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 384,000

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			-0.01			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			9.37	7,544.00			70,687
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00	<b>/ Eff. Unit Size</b>	20.01	=	7,543.98	<b>Total</b>	70,687	<b>/ Eff. Unit Size</b>	9.37	= 7,543.97

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			13,523.15	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X \$	36.00	=\$ 45,900	Dwelling	Avg.	/ Avg. 1,860 SF	X \$	136.80	=\$ 254,448	
Basement	Avg.	/ Avg. 768	X \$	6.00	=\$ 4,608	Basement	Avg.	/ Avg. 1,860 SF	X \$	15.20	=\$ 28,272	
Dwelling	Avg.	/ Avg. 1,904	X \$	136.80	=\$ 260,467	Att Garage	Avg.	/ Avg. 720 SF	X \$	19.00	=\$ 13,680	
Basement	Avg.	/ Avg. 1,904	X \$	15.20	=\$ 28,941	Pre-Fab	Avg.	/ Avg. 1,200 SF	X \$	3.72	=\$ 4,464	
Att Garage	Avg.	/ Avg. 896	X \$	19.00	=\$ 17,024	Imp Shed	Avg.	/ Avg. 5,304 SF	X \$	3.72	=\$ 19,731	
Det Garage	Avg.	/ Avg. 560	X \$	10.25	=\$ 5,740	Cooler	Avg.	/ Avg. 60 SF	X \$	0.00	=\$ 0	
Bin	Avg.	/ Avg. 7,300	X \$	0.15	=\$ 1,095			/	X \$		=\$	
Granary	Avg.	/ Avg. 720	X \$	0.48	=\$ 346			/	X \$		=\$	
Prefab	Avg.	/ Avg. 2,880	X \$	3.72	=\$ 10,714			/	X \$		=\$	
2 Bins	Avg.	/ Avg. 5,400	X \$	0.78	=\$ 4,185			/	X \$		=\$	
Bin	Avg.	/ Avg. 4,300	X \$	0.85	=\$ 3,655			/	X \$		=\$	
4 Bins	Avg.	/ Avg. 12,800	X \$	0.65	=\$ 8,320			/	X \$		=\$	
2 Bins	Avg.	/ Avg. 6,000	X \$	1.10	=\$ 6,600			/	X \$		=\$	
3 Hopper	Avg.	/ Avg. 3,600	X \$	1.51	=\$ 5,418			/	X \$		=\$	
2 Bins	Avg.	/ Avg. 9,800	X \$	1.13	=\$ 11,025			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
		/	X \$		=\$			/	X \$		=\$	
<b>Sale Effective Unit Size:</b>				20.01	\$ 414,045	<b>Subject Effective Unit Size:</b>				9.37	\$ 320,595	
<b>Total Improvement Value = \$</b>				20,691.90	/ Acres	<b>Total Improvement Value = \$</b>				34,215.05	/ Acres	

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4			4	Land Adjustment Amt. \$			0.03			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	22.96	6,080.00	Acres			9.37	6,080.00			56,970
Roads & Waste										
Other										
Public Lease										
Sale Land Contrib.	139,597.00	/ Eff. Unit Size	22.96	=	6,080.01	Total	56,970	/ Eff. Unit Size	9.37	= 6,080.04

## Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4			4	Improvement Adjustment Amt. \$:			20,516.68	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,579	X \$	135.00	=\$ 213,165	Dwelling	Avg.	/ Avg. 1,860 SF	X \$	135.00	=\$ 251,100	
Basement	Avg.	/ Avg. 1,579	X \$	15.00	=\$ 23,685	Basement	Avg.	/ Avg. 1,860 SF	X \$	15.00	=\$ 27,900	
Shed	Avg.	/ Avg. 200	X \$	2.40	=\$ 480	Att Garage	Avg.	/ Avg. 720 SF	X \$	10.50	=\$ 7,560	
Shed	Avg.	/ Avg. 48	X \$	2.40	=\$ 115	Pre-Fab	Avg.	/ Avg. 1,200 SF	X \$	3.72	=\$ 4,464	
Shed	Avg.	/ Avg. 88	X \$	2.40	=\$ 211	Imp Shed	Avg.	/ Avg. 5,304 SF	X \$	3.72	=\$ 19,731	
4 Bins	Avg.	/ Avg. 12,800	X \$	0.85	=\$ 10,880	Cooler	Avg.	/ Avg. 60 SF	X \$	0.00	=\$ 0	
Bin	Avg.	/ Avg. 4,500	X \$	1.33	=\$ 5,963				X \$		=\$	
Det Garage	Avg.	/ Avg. 576	X \$	10.50	=\$ 6,048				X \$		=\$	
Quonset	Avg.	/ Avg. 3,600	X \$	3.60	=\$ 12,960				X \$		=\$	
Prefab	Avg.	/ Avg. 480	X \$	3.72	=\$ 1,786				X \$		=\$	
Bin	Avg.	/ Avg. 1,000	X \$	0.93	=\$ 925				X \$		=\$	
Bin	Avg.	/ Avg. 3,200	X \$	0.85	=\$ 2,720				X \$		=\$	
2 Bins	Avg.	/ Avg. 5,400	X \$	0.70	=\$ 3,780				X \$		=\$	
Bin	Avg.	/ Avg. 5,800	X \$	1.33	=\$ 7,685				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
Sale Effective Unit Size:				22.96	\$ 290,403	Subject Effective Unit Size:				9.37	\$ 310,755	
<b>Total Improvement Value = \$</b>				12,648.21	/ Acres	<b>Total Improvement Value = \$</b>				33,164.89	/ Acres	



## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b>	\$	421,101
<b>Income Approach</b>	\$	N/A
<b>Sales Comparison Approach</b>	\$	384,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

The two value indicators for the subject property are relatively similar.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is most effective with new or recently remodeled improvements where the effective age and actual age are very similar and require small depreciation adjustments. The improvements are well maintained and continue to provide contributory value to the subject property. For this reason the Cost Approach carries weight.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. The most weight is placed on sale 2 and the remaining sales are weighted equally against sale 2. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

Equal Weight is placed on the Cost Approach and the Sales Comparison Approach due to the age and condition of the dwelling. The breakdown between the land and the improvements is based on the additional "As Though Vacant" analysis in the next section. This analysis provides a clear indication of value for the land.

The final reconciled opinion of Market Value for the subject property (Sale 2038 "As Is") the Approaches reconciled above is:  
**\$400,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	400,000
Cost of Repairs	\$				
Cost of Additions	\$				
<b>Allocation:</b>	(Total Deeded Units: 9.37)	Land:	\$ 75,000	\$ 8,004 /	Acre ( 19 %)
		Land Improvements:	\$	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ 325,000	\$ 34,685 /	Acre ( 81 %)
<b>Value Estimate of Non-Realty Items:</b>					
Value of Personal Property (local market basis)	\$				
Value of Other Non-Realty Interests:	\$				
Non-Realty Items:	\$		\$ 0 /	( 0 %)	
Leased Fee Value (Remaining Term of Encumbrance)	\$		\$ 0 /	( 0 %)	
Leasehold Value	\$		\$ 0 /	( 0 %)	
Overall Value	\$	400,000	\$ 42,689 /	Acre ( 100 %)	

## **Sale 2038 "As Though Vacant"**

Please refer to the Sale 2038 "As Is" section for Aerial Maps, Topography Maps, Soils Maps, and Photographs.

## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: State of Montana (Land)/Gordon Muir (Improvements) Total Deeded Acres: 9.37  
Property Address: 140 Muir Lane, Geraldine Effective Unit Size: 9.37  
State/County: MT / Chouteau Zip Code: 59446  
Property Location: 2.7 miles northwest of Geraldine Property Code #:   
Highest & Best Use: Rural Residential "As If" Vacant FAMC Comd'ty Gp:   
Rural Residential "As Improved" Primary Land Type: Rural Residential  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton Primary Commodity: N/A  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map # FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC TWP RNG Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users  
Rights Appraised: Fee Simple  
Value Definition: Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Gordon Muir (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Gordon Muir

## Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24

**Value Indication**

- Cost Approach:	\$	N/A
- Income Approach:	\$	N/A
- Sales Comparison Approach:	\$	75,000

**Opinion of Value:** (Estimated Marketing Time 12 months ) \$ 75,000

Cost of Repairs: \$ Cost of Additions: \$

**Allocation:**

Land:	\$ 75,000	\$ 8,004	/	Acre	( 100 %)
Land Improvements:	\$	\$ 0	/		( 0 %)
Structural Improvement Contribution:	\$	\$ 0	/		( 0 %)
Non-Realty Items:	\$	\$ 0	/		( 0 %)
Leased Fee Value (Remaining term of encumbrance )	\$	\$ 0	/		( 0 %)
Leasehold Value:	\$	\$ 0	/		( 0 %)
Overall Value:	\$	\$ 8,004	/	Acre	( 100 %)

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached

Income Multiplier ( )	Income Estimate:	\$ 0.00	/	Acre	(unit)
Expense Ratio 0.00 %	Expense Estimate:	\$ 0.00	/	Acre	(unit)
Overall Cap Rate: %	Net Property Income:	\$ 0.00	/	Acre	(unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Property Description:** (Location, use and physical characteristics) Sale 2038 is located 2.7 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.2 miles west on Muir Lane.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

Sale 2038 consists of 9.37 deeded acres, more or less, based on the provided survey, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via Muir Lane.

The property is perimeter fenced with some cross fencing.

Subject Land Description

Land Use	Deeded Acres	Unit Type	Unit Size
Irrigated Cropland			( 0.0%)
Irrigated Pasture			( 0.0%)
Dry Cropland			( 0.0%)
Hayland			( 0.0%)
Tame/Imp. Pasture			( 0.0%)
Pasture			( 0.0%)
Site	9.37	Acres	( 100.0%)
Roads & Waste			( 0.0%)
Other			( 0.0%)
Public Lease			( 0.0%)
<b>Total Deeded Acres</b>	<b>9.37</b>	<b>Total Units</b>	<b>0.00 ( 100 %)</b>

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date	Unmapped			
Building Location	N/A			

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☒ Yes ☐ Supplement Attached  
**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un-dulating	Roll-ing	Slop-ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days  
**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone  
**Distance To:** 2.7 Schools 24.3 Hospital 2.7 Markets Adj. Major Hwy. 2.7 Service Center  
**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent roads and utilities.

**Hazards and Detriments:** See Sale 2038 "As Though Vacant" Narrative Land Description.

**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

Sale 2038 is located 2.7 miles northwest of Geraldine, Chouteau County, Montana, via 2.5 miles northwest on MT Hwighway 80, thence 0.2 miles west on Muir Lane.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2038 consists of 9.37 deeded acres, more or less, based on the provided survey, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via Muir Lane.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site though for the purposes of this "As Though Vacant" analysis the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2038 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2038 has no specific water rights attached to is according the the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

2B - Marcott-Bigsandy complex, 0 to 4 percent slopes. Classified 6w-7w non-irrigated. Yield potential non-irrigated: Rangeland Productivity typical year 2,400-2,300 lbs/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent oil and gas exploration and extraction as well as roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.

Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.

History	<input checked="" type="checkbox"/> Ownership Longer Than 3 Years <div style="display: flex; justify-content: space-between;"> <span>Owner</span> <span>Recording/Reference</span> <span>Date</span> <span>Price Paid</span> <span>Terms</span> </div>					
	<b>Previous:</b> _____ <b>Present:</b> See Comment Below					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract    Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed    Listing Price: _____ Listing Date: _____					
	Present Owners: State of Montana (Land)/Gordon Muir (Improvements). Lessee: Gordon Muir. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton    Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____		Assessment Year 2024 Land \$64,600 Building(s) _____ Total Assessed Value \$64,600		<b>Forecast:</b> Current Tax N/A Estimated/Stabilized \$0 Or ( 9.37 Ac.) = \$0.00 /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Parcel #: 20006					
	<b>Comments:</b> Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) See comment on the next page.					

## Sale 2038 "As Though Vacant" History and Use - Continued

**Valuation Methods**

(Explain and support the exclusion of one or more approaches)

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning: None      Assessed Value: \$ 64,600      Taxes: \$ 0

#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2038 "As Though Vacant" Condition in the Income Approach to value. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.



## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b>		Cash <input checked="" type="checkbox"/>	Share <input type="checkbox"/>	Owner/Operator <input type="checkbox"/>	FAMC <input type="checkbox"/>	See Attached		
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income		
					Stabilized \$/Unit	Gross Income	Share %	Income	
	Building/Home Site	9.37	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
Expenses	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		
	Real Estate Tax \$	0		\$		\$		\$	
	Insurance \$			\$		\$		\$	
	Maintenance \$			\$		\$		\$	
	Management \$			\$		\$		\$	
		\$		\$					
		\$		\$					
		\$		\$					
					<b>Total Expenses = \$</b>		0	( 0.00 %)	
Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvmt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%
<b>Analysis/Comments:</b> Five sales were analyzed for the value based on the Income Approach.									
<p>The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Property taxes are not currently available as the subject property is currently owned by the State and is not subject to property taxes, property taxes are difficult to estimate based on the current use as a rural residential property. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.</p>									
Total Deeded Acres: 9.37 <b>Gross Income:</b> \$ 0 = \$ 0.00 / Acre <b>Expenses:</b> ( \$ 0 ) = \$ 0.00 / Acre <b>Net Income:</b> \$ 0 = \$ 0.00 / Acre					Net Income / Cap Rate = Indicated Value \$ 0 / % = \$ <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Income Approach Indication = \$ N/A</b> </div>				

## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2038 "As Though Vacant" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.

### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. This sale has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtnege	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	9.37 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.79	-0.01	-0.06	0.03	-0.01
Impvt. Adjustment		-3,515.33	-20,691.90	-1,477.78	-12,648.21	-24,698.36
Adjusted Price		9,777.94	7,543.97	5,884.94	6,080.04	28,937.99

### TIME ADJUSTMENTS

<input type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> X	Man	Time Adjustment	0.00	0.00	0.00
			Time Adj. Price	9,777.94	7,543.97	5,884.94

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	0.00	0.00	0.00	0.00	0.00
Net Adjustments		-3,516	-20,692	-1,478	-12,648	-24,698
<b>ADJUSTED PRICE</b>		9,778	7,544	5,885	6,080	28,938

#### Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

The adjusted sales prices from the five comparable sales analyzed ranges from \$5,885/acre to \$28,938/acre with an average of \$11,654/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2038) in terms of size. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity.

A value of \$8,000/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 9.370 acres @ \$8,000/acre = \$74,960, rounded to \$75,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 5,885.00 to \$ 28,938.00  
 Unit Basis: \$ 8,000.00 / Acres X 9.37 Acres = \$ 74,960.00  
 Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 75,000

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			-0.01			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			9.37	7,544.00			70,687
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00	<b>/ Eff. Unit Size</b>	20.01	=	7,543.98	<b>Total</b>	70,687	<b>/ Eff. Unit Size</b>	9.37	= 7,543.97

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			-20,691.90	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X \$	36.00	=\$ 45,900		/		X \$	=\$		
Basement	Avg.	/ Avg. 768	X \$	6.00	=\$ 4,608		/		X \$	=\$		
Dwelling	Avg.	/ Avg. 1,904	X \$	136.80	=\$ 260,467		/		X \$	=\$		
Basement	Avg.	/ Avg. 1,904	X \$	15.20	=\$ 28,941		/		X \$	=\$		
Att Garage	Avg.	/ Avg. 896	X \$	19.00	=\$ 17,024		/		X \$	=\$		
Det Garage	Avg.	/ Avg. 560	X \$	10.25	=\$ 5,740		/		X \$	=\$		
Bin	Avg.	/ Avg. 7,300	X \$	0.15	=\$ 1,095		/		X \$	=\$		
Granary	Avg.	/ Avg. 720	X \$	0.48	=\$ 346		/		X \$	=\$		
Prefab	Avg.	/ Avg. 2,880	X \$	3.72	=\$ 10,714		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 5,400	X \$	0.78	=\$ 4,185		/		X \$	=\$		
Bin	Avg.	/ Avg. 4,300	X \$	0.85	=\$ 3,655		/		X \$	=\$		
4 Bins	Avg.	/ Avg. 12,800	X \$	0.65	=\$ 8,320		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 6,000	X \$	1.10	=\$ 6,600		/		X \$	=\$		
3 Hopper	Avg.	/ Avg. 3,600	X \$	1.51	=\$ 5,418		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 9,800	X \$	1.13	=\$ 11,025		/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
	/		X \$	=\$			/		X \$	=\$		
<b>Sale Effective Unit Size:</b>		20.01		\$	414,045	<b>Subject Effective Unit Size:</b>		9.37		\$		
<b>Total Improvement Value = \$</b>		20,691.90	/	Acres		<b>Total Improvement Value = \$</b>		0.00	/	Acres		



Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4			4	Land Adjustment Amt. \$			0.03			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	22.96	6,080.00	Acres			9.37	6,080.00			56,970
Roads & Waste										
Other										
Public Lease										
Sale Land Contrib.	139,597.00	/ Eff. Unit Size	22.96	=	6,080.01	Total	56,970	/ Eff. Unit Size	9.37	= 6,080.04

## Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4			4	Improvement Adjustment Amt. \$:			-12,648.21	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,579	X \$	135.00	=\$ 213,165		/		X \$	=\$		
Basement	Avg.	/ Avg. 1,579	X \$	15.00	=\$ 23,685		/		X \$	=\$		
Shed	Avg.	/ Avg. 200	X \$	2.40	=\$ 480		/		X \$	=\$		
Shed	Avg.	/ Avg. 48	X \$	2.40	=\$ 115		/		X \$	=\$		
Shed	Avg.	/ Avg. 88	X \$	2.40	=\$ 211		/		X \$	=\$		
4 Bins	Avg.	/ Avg. 12,800	X \$	0.85	=\$ 10,880		/		X \$	=\$		
Bin	Avg.	/ Avg. 4,500	X \$	1.33	=\$ 5,963		/		X \$	=\$		
Det Garage	Avg.	/ Avg. 576	X \$	10.50	=\$ 6,048		/		X \$	=\$		
Quonset	Avg.	/ Avg. 3,600	X \$	3.60	=\$ 12,960		/		X \$	=\$		
Prefab	Avg.	/ Avg. 480	X \$	3.72	=\$ 1,786		/		X \$	=\$		
Bin	Avg.	/ Avg. 1,000	X \$	0.93	=\$ 925		/		X \$	=\$		
Bin	Avg.	/ Avg. 3,200	X \$	0.85	=\$ 2,720		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 5,400	X \$	0.70	=\$ 3,780		/		X \$	=\$		
Bin	Avg.	/ Avg. 5,800	X \$	1.33	=\$ 7,685		/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
Sale Effective Unit Size:			22.96	\$ 290,403		Subject Effective Unit Size:			9.37	\$		
<b>Total Improvement Value = \$</b>			12,648.21	/ Acres		<b>Total Improvement Value = \$</b>			0.00	/ Acres		

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b>	\$	N/A
<b>Income Approach</b>	\$	N/A
<b>Sales Comparison Approach</b>	\$	75,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is used in the analysis of value of the subject property by comparing similar tracts of land that have previously sold in the same general area. Time adjustments can be made to arrive at a current market value of the comparable sales. The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2038) in terms of size. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

As the Sales Comparison Approach is the only approach completed in this analysis it carries all of the weight.

The final reconciled opinion of Market Value for the subject property (Sale 2038 "As Though Vacant") from the Approaches reconciled above is: **\$75,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	75,000
Cost of Repairs	\$				
Cost of Additions	\$				
<b>Allocation:</b>	(Total Deeded Units: 9.37)	Land:	\$ 75,000	\$ 8,004 /	Acre ( 100 %)
		Land Improvements:	\$ 0	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ 0	\$ 0 /	( 0 %)
<b>Value Estimate of Non-Realty Items:</b>					
Value of Personal Property (local market basis)	\$				
Value of Other Non-Realty Interests:	\$				
Non-Realty Items:	\$		\$ 0 /	( 0 %)	
Leased Fee Value (Remaining Term of Encumbrance)	\$		\$ 0 /	( 0 %)	
Leasehold Value	\$		\$ 0 /	( 0 %)	
Overall Value	\$	75,000	\$ 8,004 /	Acre ( 100 %)	

## **Sale 2038 Reconciliation and Final Opinion of Value**

## Sale 2038 Final Reconciliation Comments

The analysis of the subject property as though vacant (the second analysis) indicates the value of the subject property as if it were raw land per the hypothetical condition required by the engagement letter.

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**

This second analysis provided the land value component of the total value from the first analysis. Which indicates the total value of the subject property from the Cost Approach and the Sales Comparison Approach in "As Is" condition.

From these two analysis' the final opinion of value for the subject property (Sale 2038) in "As Is" condition is \$400,000.00, and the final opinion of value for the subject property as though vacant (hypothetical condition above) is \$75,000.00. The value of this improvements can then be extracted from the opinion of market value for the total property as a whole at \$325,000.00 as the final opinion of market value for the improvements independent of the land value.

Opinion of Market Value:

Land Value: \$ 75,000.00 (from the "As Though Vacant" analysis of Market Value for the Subject Property)

Improvement Value: \$325,000.00 (from the calculation detailed above)

Total: \$400,000.00 (from the "As Is" analysis of Market Value for the Subject Property)

The Opinion of Market Value for the Land as though vacant raw land exclusive of real property improvements: \$75,000.00

The Opinion of Market Value for the Subject property "As Is" including both the land and improvements: \$400,000.00

The Opinion of Market Value for the Improvements to the subject property exclusive of the land: \$325,000.00

**Sale 2039 "As Is"**



Aerial View

Aerial Map



Boundary Center: 47.633402, -110.300304

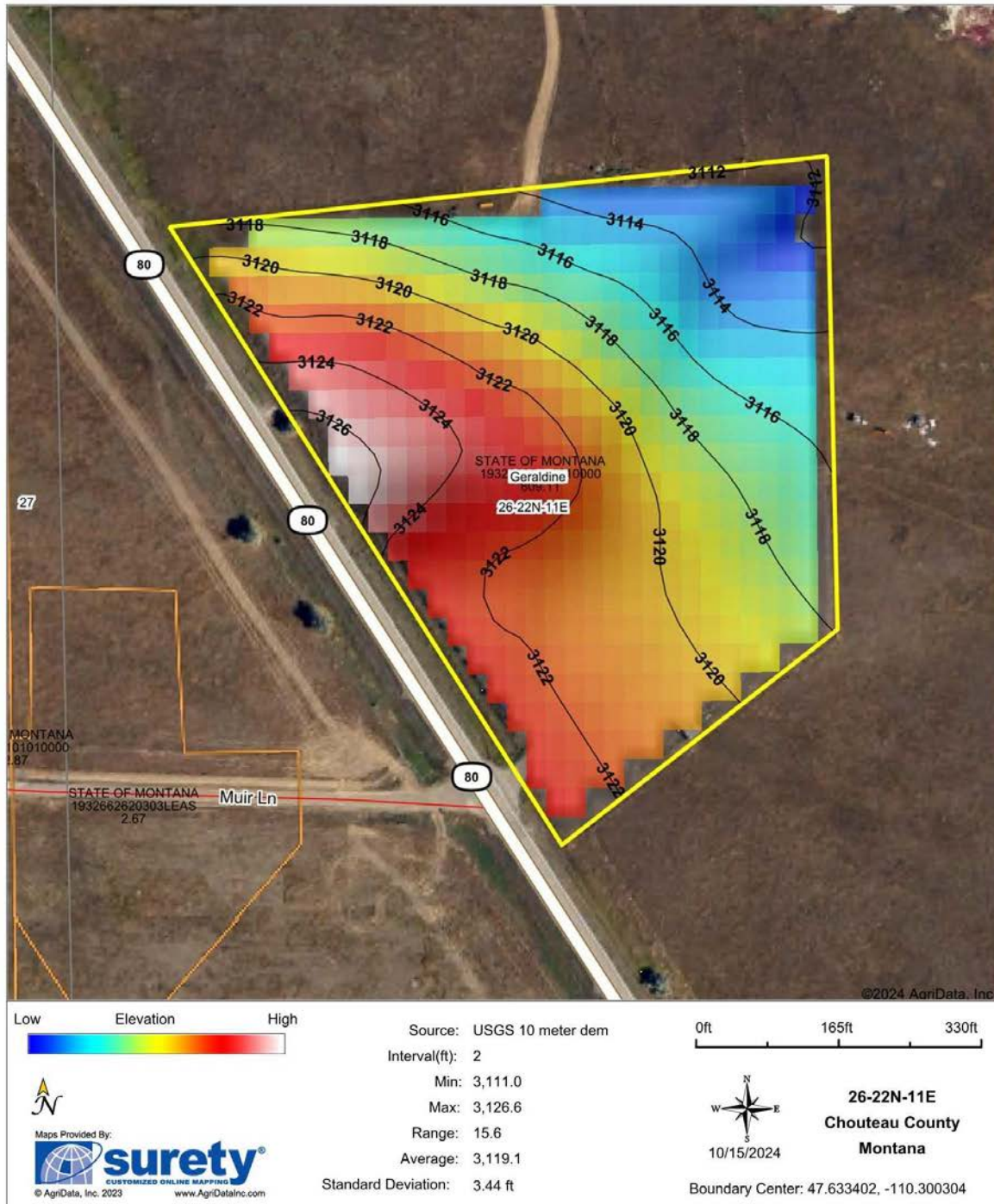
26-22N-11E  
Chouteau County  
Montana

0ft 490ft 980ft



10/15/2024

### Topography Hillshade





## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: State of Montana (Land)/Evelyn Sande (Improvements) Total Deeded Acres: 8.73  
Property Address: 25991 MT Hwy 80, Geraldine Effective Unit Size: 8.73  
State/County: MT / Chouteau Zip Code: 59446  
Property Location: 2.5 miles northwest of Geraldine Property Code #:   
Highest & Best Use: Rural Residential "As If" Vacant FAMC Comd'ty Gp:   
Rural Residential "As Improved" Primary Land Type: Rural Residential  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton Primary Commodity: N/A  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map #  FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC  TWP  RNG  Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users.  
Rights Appraised: Fee Simple  
Value Definition:  Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Evelyn Sande (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Evelyn Sande

## Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24

**Value Indication**

- Cost Approach:	\$	<u>197,125</u>
- Income Approach:	\$	<u>N/A</u>
- Sales Comparison Approach:	\$	<u>201,000</u>

**Opinion of Value:** (Estimated Marketing Time 12 months) \$ 200,000

Cost of Repairs: \$  Cost of Additions: \$

**Allocation:**

Land:	\$	<u>70,000</u>	\$	<u>8,018</u>	/	<u>Acre</u>	(	<u>35</u>	)	<u>%</u>
Land Improvements:	\$	<u></u>	\$	<u>0</u>	/	<u></u>	(	<u>0</u>	)	<u>%</u>
Structural Improvement Contribution:	\$	<u>130,000</u>	\$	<u>14,891</u>	/	<u>Acre</u>	(	<u>65</u>	)	<u>%</u>
Non-Realty Items:	\$	<u></u>	\$	<u>0</u>	/	<u></u>	(	<u>0</u>	)	<u>%</u>
Leased Fee Value <u>(Remaining term of encumbrance)</u>	\$	<u></u>	\$	<u>0</u>	/	<u></u>	(	<u>0</u>	)	<u>%</u>
Leasehold Value:	\$	<u></u>	\$	<u>0</u>	/	<u></u>	(	<u>0</u>	)	<u>%</u>
Overall Value:	\$	<u>22,910</u>	/	<u>Acre</u>	(	<u>100</u>	)	<u>%</u>		

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached

Income Multiplier <u>( )</u>	Income Estimate:	\$	<u>0.00</u>	/	<u>Acre</u>	(unit)
Expense Ratio <u>14,377.78 %</u>	Expense Estimate:	\$	<u>148.22</u>	/	<u>Acre</u>	(unit)
Overall Cap Rate: <u>%</u>	Net Property Income:	\$	<u>-148.22</u>	/	<u>Acre</u>	(unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Property Description:** (Location, use and physical characteristics) The Subject property is located 2.5 miles northwest of Geraldine, Chouteau County, Montana, via MT Hwy 80.

Improvements are located within the boundaries of Tract 3 of COS #223A.

Sale 2039 consists of 8.727 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 8.73 acre, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via MT Hwy 80.

The property is perimeter fenced with some cross fencing.

Land Use	Deeded Acres	Unit Type	Unit Size	
Irrigated Cropland				( 0.0%)
Irrigated Pasture				( 0.0%)
Dry Cropland				( 0.0%)
Hayland				( 0.0%)
Tame/Imp. Pasture				( 0.0%)
Pasture				( 0.0%)
Site	8.73	Acres		( 100.0%)
Roads/Waste				( 0.0%)
Other				( 0.0%)
Public Lease				( 0.0%)
<b>Total Deeded Acres</b>	<b>8.73</b>	<b>Total Units</b>	<b>0.00</b>	<b>( 100 %)</b>

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date	Unmapped			
Building Location	Tract 3 of COS #223A			

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☐ Yes ☒ Supplement Attached

**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un-dulating	Roll-ing	Slop-ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days

**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone

**Distance To:** 2.5 Schools 24.1 Hospital 2.5 Markets Adj. Major Hwy. 2.5 Service Center

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent roads and utilities.

**Hazards and Detriments:** See Narrative Land Description.

**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

The Subject property is located 2.5 miles northwest of Geraldine, Chouteau County, Montana, via MT Hwy 80.  
Improvements are located within the boundaries of Tract 3 of COS #223A.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2039 consists of 8.727 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 8.73 acre, comprised of a building or home site.  
The terrain is generally level to gently sloping along the southern boundary.  
Access is provided via MT Hwy 80.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2039 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2039 has no specific water rights attached to it according to the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.  
Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.

Type	Size	Construction	Qty	Foundation	Roof	Floor	Exterior	Act. Age	Eff. Age	Rem. Life	Con-formity	Utility	Cond.
Dwelling	1,216 SF	Frame	Avg.	Conc.	Wood		Masonite	104	40	20	Avg.	Avg.	Avg.
Quonset	1,008 SF	Frame	Avg.		Metal		Metal	71	36	14	Avg.	Avg.	Avg.
2 Bins	6,400 bu	Metal	Avg.	Conc.	Metal		Metal	56	28	22	Avg.	Avg.	Avg.
Bin	6,800 bu	Metal	Avg.	Conc.	Metal		Metal	47	24	26	Avg.	Avg.	Avg.
Bin	7,600 bu	Metal	Avg.	Conc.	Metal		Metal	41	21	29	Avg.	Avg.	Avg.
Imp Shed	1,728 SF	Frame	Avg.	Conc.	Metal		Metal	94	25	25	Avg.	Avg.	Avg.
Imp Shed	2,400 SF	Frame	Avg.	Conc.	Metal		Metal	50	25	25	Avg.	Avg.	Avg.

**Improvement Comments:** *(Discuss and/or expand any items affecting value structure-by-structure, if necessary)*

The improvements to the subject property are typical of a rural residential property or of a property that is utilized in support of an agriculture operation. Many rural residential properties that have sold within the past five years include similar additional out buildings as they can be resold and moved or can be utilized on other capacity in support of the rural residential property use.

<b>Site Improvements:</b> Well, septic, electric, propane, and telephone.	Above Avg.	Avg.	Below Avg.	N/A
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Overall Building REL _____ years			

Sale 2039 Photos



Dwelling Front and Side View



Dwelling Rear



Additional Front View Dwelling



Living Room and Fireplace



Laundry



Kitchen



Sale 2039 Photos



Additional View Kitchen



Bedroom 1



Bathroom



Loft Area



Additional View Loft Area



Bedroom 2

Sale 2039 Photos



Basement Area



Additional View Basement Area



Basement Sump



Basement Electrical Panel



Furnace



Main Floor Electrical Panel

Sale 2039 Photos



Implement Shed (two together)



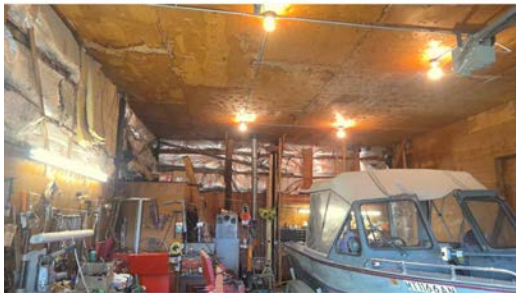
Implement Shed (two together)



Horizontal Doors Interior Implement Shed



Overhead Door Interior Implement Shed



Additional View Overhead Door Interior Implement Shed



Quonset Front



Sale 2039 Photos



Quonset Rear



Pole Building (fully depreciated) and Bins



Shed (fully depreciated)



Additional View Shed (fully depreciated)



Bins



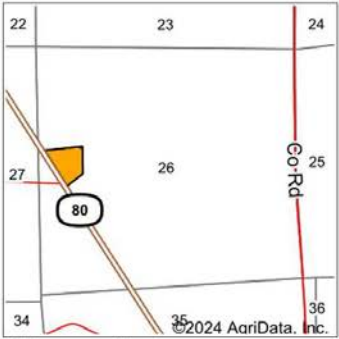
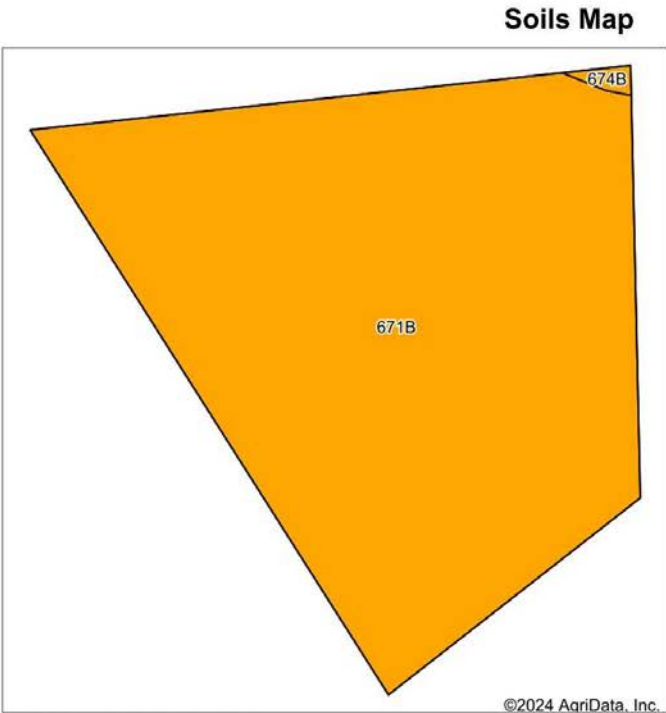
Bins

Sale 2039 Photos



Bins

Soils Map



State: **Montana**  
County: **Chouteau**  
Location: **26-22N-11E**  
Township: **Geraldine**  
Acres: **8.76**  
Date: **10/15/2024**



Area Symbol: MT615, Soil Area Version: 20

Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Non-Irr Class *c	Irr Class *c	Range Production (lbs/acre/yr)	*n NCCPI Overall	*n NCCPI Corn	*n NCCPI Small Grains	*n NCCPI Soybeans
671B	Bearpaw-Vida clay loams, 0 to 4 percent slopes	8.76	100.0%		Ille	Ille	1503	29	10	26	29
Weighted Average					3.00	3.00	1503	*n 29	*n 10	*n 26	*n 29

\*n: The aggregation method is "Weighted Average using all components"  
\*c: Using Capabilities Class Dominant Condition Aggregation Method

Soils data provided by USDA and NRCS.

History	<input checked="" type="checkbox"/> Ownership Longer Than 3 _____ Years <div style="display: flex; justify-content: space-between;"> <span>Owner</span> <span>Recording/Reference</span> <span>Date</span> <span>Price Paid</span> <span>Terms</span> </div>					
	<b>Previous:</b> _____ <b>Present:</b> See Comment Below _____					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract      Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed      Listing Price: _____      Listing Date: _____					
	Present Owners: State of Montana (Land)/Evelyn Sande (Improvements). Lessee: Evelyn Sande. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton      Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable      To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____		<b>Assessment Year</b> 2024 <b>Land</b> \$44,356 <b>Building(s)</b> \$135,650 <b>Total Assessed Value</b> \$180,006		<b>Forecast:</b> <b>Current Tax</b> \$1,294 <b>Estimated/Stabilized</b> \$1,294 Or ( 8.73 Ac.) = \$148.22 /acre <b>Trend:</b> <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Parcel #: 20006 & 6177					
	<b>Comments:</b> Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input checked="" type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) All three Approaches are utilized in the analysis of Sale 2039 for the "As Is" condition.					
	The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).					



### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning:	None	Assessed Value: \$	180,006	Taxes: \$	1,294
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#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

The improvements to Sale 2039 are consistent with Rural Residential use as the highest and best use as though vacant as well as use in support of an agriculture operation such as a small grains farming operation, as a livestock ranching operation, or as some combination of both. Additionally the additional improvements and outbuildings are typical of other rural residential properties that have sold in the area. Typically if the rural residential property being purchased is not to be utilized in support of an agriculture operation the grain bins will either be sold to recoup some costs or will be converted into other uses such as storage sheds.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

A total of five area sales were analyzed for comparison to Sale 2039 "As Is" Condition in the Cost Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

See the following page for additional Cost Approach Comments and Reconciliation.

**Sale 2039 Cost Approach Comments - Continued**

The first step in the cost approach is determining land value.

Site values from the comparable sales included in this analysis range in value from \$5,8850/acre to \$28,938/acre with an average of \$11,645/acre. A value of \$8,000/acre is selected as representative of the market value of site acres for the subject property. Sale 1 is the most recent sale, and sale 2 is the closest in terms of physical proximity to the subject property. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2038) in terms of size. The most weight is placed on sales 1 & 2.

Sale 5 has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

The indicated value of the subject property from the Cost Approach is **\$197,125.00**, rounded to **\$197,000.00**.

**Cost Approach (Sales 1-5)**

Item:		Sale #1	1	Sale #2	2	Sale #3	3	Sale #4	4	Sale #5	5
Sale Land Allocation	Grantor		Dunham	William Courtneage		Vischer		Van Wagner		Kimbrig	
	Grantee		Herbert Harvey	Todd Haseleu		Mearl McCready		Gale & Diana Manning		Stephen Lund	
	Source		MLS #30005117	MLS #30006527		MLS #337292		MLS 326679		MLS #22111036	
	Date		06/24	01/24		02/23		03/22		10/21	
	CEV Price		510,000	565,000		55,000		430,000		295,000	
	Deeded Acres		38.36	20.01		7.47		22.96		5.50	
Sale Land Allocation	Location		NW Fort Benton	26 mi se Fort Benton		21 ne Great Falls		4 sw Carter		10 w Big Sandy	
	Historic Allocation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
	Time Adjusted Allocation	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
	Irrigated Cropland		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( 100% )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Irrigated Pasture		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Dry Cropland		0.00	6.10		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 7,544.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Hayland		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Tame/Imp. Pasture		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Pasture		0.00	4.76		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 7,544.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Acres Site		38.36	9.15		7.47		22.96		5.50	
	Allocated Value ( % )	\$	9,779.00	\$ 7,544.00		\$ 5,885.00		\$ 6,080.00		\$ 28,938.00	
	Roads/Waste		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Other		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	
	Public Lease		0.00	0.00		0.00		0.00		0.00	
	Allocated Value ( % )	\$	0.00	\$ 0.00		\$ 0.00		\$ 0.00		\$ 0.00	

Subject Land Estimate	Land Use	Acres	\$/Acre	Unit Type	Unit Size	\$/Unit	Total
	Irrigated Cropland		\$			\$	\$
	Irrigated Pasture		\$			\$	\$
	Dry Cropland		\$			\$	\$
	Hayland		\$			\$	\$
	Tame/Imp. Pasture		\$			\$	\$
	Pasture		\$			\$	\$
	Site	8.73	\$ 8,000.00	Acres		\$	\$ 69,840.00
	Roads/Waste		\$			\$	\$
	Other		\$			\$	\$
	Public Lease		\$			\$	\$
Total Acres:		8.73	\$ 8,000.00	Total Units:	0.00	\$	\$ 69,840.00

**Cost Approach Summary:** (Check one of the following methods applicable to the subject and sale analyses)

<input type="checkbox"/>	Lump Sum Depreciation:	Improvement Contribution _____ % of Cost Estimate	\$
<input type="checkbox"/>	Breakdown Depreciation:	Improvement Contribution Indication	\$ 0
<input checked="" type="checkbox"/>	Breakdown Depreciation:	Age/Life Depreciation Improvement Contribution Indication	\$ 127,285

**OTHER**

\$

**COST APPROACH INDICATION (Land & Improvements)**

\$

197,125

Improvement Contribution (1-10)

Cost Approach Improvements

IMPROVEMENT					
	1	2	3	4	5
Type	Dwelling	Quonset	2 Bins	Bin	Bin
Size	1,216 SF	1,008 SF	6,400 bu	6,800 bu	7,600 bu
Age	40	36	28	24	21
Remaining Life	20	14	22	26	29
RCN \$/Unit	180.00	12.00	2.50	2.50	2.50
RCN	218,880	12,096	16,000	17,000	19,000
\$/Unit Contribution	59.40	3.36	1.10	1.30	1.45
Total Depreciation	146,650	8,709	8,960	8,160	7,980
Total Depreciation %	67	72	56	48	42
% Physical	67	72	56	48	42
Physical Depreciation	146,650	8,709	8,960	8,160	7,980
RCN Rem. After Phys. Depr.	72,230	3,387	7,040	8,840	11,020
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	72,230	3,387	7,040	8,840	11,020
% External					
External Obsolescence					
Improvement Contribution	72,230	3,387	7,040	8,840	11,020
IMPROVEMENT					
	6	7	8	9	10
Type	Imp Shed	Imp Shed			
Size	1,728 SF	2,400 SF			
Age	25	25			
Remaining Life	25	25			
RCN \$/Unit	12.00	12.00			
RCN	20,736	28,800			
\$/Unit Contribution	6.00	6.00			
Total Depreciation	10,368	14,400			
Total Depreciation %	50	50			
% Physical	50	50			
Physical Depreciation	10,368	14,400			
RCN Rem. After Phys. Depr.	10,368	14,400			
% Functional					
Functional Obsolescence					
RCN Rem. After Phys./Funct. Depr.	10,368	14,400			
% External					
External Obsolescence					
<input checked="" type="checkbox"/> Age/Life Depreciation					
Improvement Contribution	10,368	14,400			
Overall Contribution (All Improvements)	\$ 127,285	Cost Approach Est. \$ 197,125 Improvement Contribution 65 %		Cost: <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Reproduction	
Total RCN \$	332,512	Total \$ 205,227 Total % 62 Physical Depreciation	Total \$ 0 Total % 0 Functional Obsolescence	Total \$ 0 Total % 0 External Obsolescence	Total \$ 205,227 Total % 62 Depreciation

## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2039 "As Is" Condition in the Income Approach to value. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.

## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b>		Cash <input checked="" type="checkbox"/>	Share <input type="checkbox"/>	Owner/Operator <input type="checkbox"/>	FAMC <input type="checkbox"/>	See Attached		
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income		
					Stabilized \$/Unit	Gross Income	Share %	Income	
	Building/Home Site	8.73	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
					\$	\$		\$	
Expenses	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		
	Real Estate Tax \$	1,294		\$		\$		\$	
	Insurance \$			\$		\$		\$	
	Maintenance \$			\$		\$		\$	
	Management \$			\$		\$		\$	
		\$		\$					
		\$		\$					
		\$		\$					
					<b>Total Expenses = \$</b>		1,294	(14,377.78%)	
Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%
<b>Analysis/Comments:</b> Five sales were analyzed for the value based on the Income Approach.  The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.									
Total Deeded Acres: <u>8.73</u> <b>Gross Income:</b> \$ <u>0</u> = \$ <u>0.00</u> / <u>Acre</u> <b>Expenses:</b> ( \$ <u>1,294</u> ) = \$ <u>148.22</u> / <u>Acre</u> <b>Net Income:</b> \$ <u>-1,294</u> = \$ <u>-148.22</u> / <u>Acre</u>					Net Income / Cap Rate = Indicated Value \$ <u>-1,294</u> / <u>          </u> % = \$ <u>          </u> <b>Income Approach Indication = \$</b> <u>N/A</u>				



## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2039 "As Is" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.

### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2039).

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. A property condition adjustment was applied to this sale in order to bring the dwelling value more in line with the subject property (Sale 2039).

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtneage	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	8.73 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.73	0.01	-0.02	-0.06	0.03
Impvt. Adjustment		9,901.74	-10,868.07	13,043.41	11,499.44	-4,365.83
Adjusted Price		23,195.07	17,367.82	20,406.17	30,227.60	49,270.56

### TIME ADJUSTMENTS

<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input checked="" type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	23,195.07	17,367.82	20,406.17	30,227.60

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	0.00	5,000.00	3,000.00	-7,000.00	-25,000.00
Net Adjustments		9,901	-5,868	16,043	4,499	-29,366
<b>ADJUSTED PRICE</b>		23,195	22,368	23,406	23,227	24,270

#### Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

The adjusted sales prices from the five comparable sales analyzed ranges from \$22,368/acre to \$24,270/acre with an average of \$23,293/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2039) in terms of size. The most weight is placed on sale 2 and sales 1 & 3 are weighted equally against sale 2.

A value of \$23,000/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 8.727 acres @ \$23,000/acre = \$200,721.00, rounded to \$201,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 22,368.00 to \$ 24,270.00  
 Unit Basis: \$ 23,000.00 / Acres X 8.73 Acres = \$ 200,790.00  
 Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 201,000

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			0.01			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			8.73	7,544.00			65,859
Roads/Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00	<b>/ Eff. Unit Size</b>	20.01	=	7,543.98	<b>Total</b>	65,859	<b>/ Eff. Unit Size</b>	8.73	= 7,543.99

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			-10,868.07	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X \$	36.00	=\$ 45,900	Dwelling	Avg.	/ Avg. 1,216	SFX \$	36.00	=\$ 43,776	
Basement	Avg.	/ Avg. 768	X \$	6.00	=\$ 4,608	Quonset	Avg.	/ Avg. 1,008	SFX \$	3.72	=\$ 3,750	
Dwelling	Avg.	/ Avg. 1,904	X \$	136.80	=\$ 260,467	2 Bins	Avg.	/ Avg. 6,400	bUX \$	1.10	=\$ 7,040	
Basement	Avg.	/ Avg. 1,904	X \$	15.20	=\$ 28,941	Bin	Avg.	/ Avg. 6,800	bUX \$	1.10	=\$ 7,480	
Att Garage	Avg.	/ Avg. 896	X \$	19.00	=\$ 17,024	Bin	Avg.	/ Avg. 7,600	bUX \$	1.10	=\$ 8,360	
Det Garage	Avg.	/ Avg. 560	X \$	10.25	=\$ 5,740	Imp Shed	Avg.	/ Avg. 1,728	SFX \$	3.72	=\$ 6,428	
Bin	Avg.	/ Avg. 7,300	X \$	0.15	=\$ 1,095	Imp Shed	Avg.	/ Avg. 2,400	SFX \$	3.72	=\$ 8,928	
Granary	Avg.	/ Avg. 720	X \$	0.48	=\$ 346				X \$		=\$	
Prefab	Avg.	/ Avg. 2,880	X \$	3.72	=\$ 10,714				X \$		=\$	
2 Bins	Avg.	/ Avg. 5,400	X \$	0.78	=\$ 4,185				X \$		=\$	
Bin	Avg.	/ Avg. 4,300	X \$	0.85	=\$ 3,655				X \$		=\$	
4 Bins	Avg.	/ Avg. 12,800	X \$	0.65	=\$ 8,320				X \$		=\$	
2 Bins	Avg.	/ Avg. 6,000	X \$	1.10	=\$ 6,600				X \$		=\$	
3 Hopper	Avg.	/ Avg. 3,600	X \$	1.51	=\$ 5,418				X \$		=\$	
2 Bins	Avg.	/ Avg. 9,800	X \$	1.13	=\$ 11,025				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
			X \$		=\$				X \$		=\$	
<b>Sale Effective Unit Size:</b>		20.01		\$	414,045	<b>Subject Effective Unit Size:</b>		8.73		\$	85,762	
<b>Total Improvement Value = \$</b>		20,691.90	/	Acres		<b>Total Improvement Value = \$</b>		9,823.83	/	Acres		

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b>	\$	197,125
<b>Income Approach</b>	\$	N/A
<b>Sales Comparison Approach</b>	\$	201,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

The two value indicators for the subject property are relatively similar.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is most effective with new or recently remodeled improvements where the effective age and actual age are very similar and require small depreciation adjustments. The improvements are well maintained and continue to provide contributory value to the subject property. For this reason the Cost Approach carries weight.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2038) in terms of size. The most weight is placed on sale 2 and sales 1 & 3 are weighted equally against sale 2. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

The most weight is placed on the Sales Comparison Approach which is further supported by the Cost Approach. The breakdown between the land and the improvements is based on the additional "As Though Vacant" analysis in the next section. This analysis provides a clear indication of value for the land.

The final reconciled opinion of Market Value for the subject (Sale 2039 "As Is") from the Approaches reconciled above is: **\$200,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	200,000
Cost of Repairs	\$				
Cost of Additions	\$				
<b>Allocation:</b>	(Total Deeded Units: 8.73)	Land:	\$ 70,000	\$ 8,018 /	Acre ( 35 %)
		Land Improvements:	\$	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ 130,000	\$ 14,891 /	Acre ( 65 %)
<b>Value Estimate of Non-Realty Items:</b>					
	Value of Personal Property (local market basis)	\$			
	Value of Other Non-Realty Interests:	\$			
	Non-Realty Items:	\$		\$ 0 /	( 0 %)
	Leased Fee Value (Remaining Term of Encumbrance )	\$		\$ 0 /	( 0 %)
	Leasehold Value	\$		\$ 0 /	( 0 %)
	Overall Value	\$	200,000	\$ 22,910 /	Acre ( 100 %)

## **Sale 2039 "As Though Vacant"**

Please refer to the Sale 2039 "As Is" section for Aerial Maps, Topography Maps, Soils Maps, and Photographs.

## Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: State of Montana (Land)/Evelyn Sande (Improvements) Total Deeded Acres: 8.73  
Property Address: 25991 MT Hwy 80, Geraldine Effective Unit Size: 8.73  
State/County: MT / Chouteau Zip Code: 59446  
Property Location: 2.5 miles northwest of Geraldine Property Code #:   
Highest & Best Use: Rural Residential "As If" Vacant FAMC Comd'ty Gp:   
Rural Residential "As Improved" Primary Land Type: Rural Residential  
Zoning: There is no specific zoning plan for Chouteau County outside of Fort Benton Primary Commodity: N/A  
Unit Type: ☒ Economic Sized Unit ☐ Supplemental/Add-On Unit  
FEMA Community # 300011 FEMA Map # FEMA Zone/Date: Unmapped  
Legal Description: See Attached Legal Description SEC TWP RNG Attached ☒  
Purpose of Report: Determine Market Value for a potential sales transaction.  
Use/Intended User(s): Determine Market Value for a potential sales transaction/See Comment Below for client/intended users.  
Rights Appraised: Fee Simple  
Value Definition: Attached ☒  
Assignment: Sales 2037, 2038, & 2039 Report Type: Appraisal Report  
Extent of Process/Scope of Work: See Attached Scope of Work Page.

Owner/Occupant: State of Montana (Land)/Evelyn Sande (Improvements)  
Client: The Montana Board of Land Commissioners, & the Department of Natural Resources and Conservation.  
Intended Users: The Montana Board of Land Commissioners, the Department of Natural Resources and Conservation, and Lessee: Evelyn Sande

## Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection: 10/16/24 Effective Date of Appraisal: 10/16/24

**Value Indication**

- Cost Approach:	\$	N/A
- Income Approach:	\$	N/A
- Sales Comparison Approach:	\$	70,000

**Opinion of Value:** (Estimated Marketing Time 12 months ) \$ 70,000

Cost of Repairs: \$ Cost of Additions: \$

**Allocation:**

Land:	\$ 70,000	\$ 8,018	/	Acre	( 100 %)
Land Improvements:	\$	\$ 0	/		( 0 %)
Structural Improvement Contribution:	\$	\$ 0	/		( 0 %)
Non-Realty Items:	\$	\$ 0	/		( 0 %)
Leased Fee Value (Remaining term of encumbrance )	\$	\$ 0	/		( 0 %)
Leasehold Value:	\$	\$ 0	/		( 0 %)
Overall Value:	\$	\$ 8,018	/	Acre	( 100 %)

**Income and Other Data Summary:** ☒ Cash Rent ☐ Share ☐ Owner/Operator ☐ FAMC Suppl. Attached

Income Multiplier ( )	Income Estimate:	\$ 0.00	/	Acre	(unit)
Expense Ratio 0.00 %	Expense Estimate:	\$ 0.00	/	Acre	(unit)
Overall Cap Rate: %	Net Property Income:	\$ 0.00	/	Acre	(unit)

## Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Property Description:** (Location, use and physical characteristics) The Subject property is located 2.5 miles northwest of Geraldine, Chouteau County, Montana, via MT Hwy 80.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

Sale 2039 consists of 8.727 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 8.73 acre, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via MT Hwy 80.

The property is perimeter fenced with some cross fencing.

Land Use	Deeded Acres	Unit Type	Unit Size	
Irrigated Cropland				( 0.0%)
Irrigated Pasture				( 0.0%)
Dry Cropland				( 0.0%)
Hayland				( 0.0%)
Tame/Imp. Pasture				( 0.0%)
Pasture				( 0.0%)
Site	8.73	Acres		( 100.0%)
Roads & Waste				( 0.0%)
Other				( 0.0%)
Public Lease				( 0.0%)
<b>Total Deeded Acres</b>	8.73	<b>Total Units</b>	0.00	<b>( 100 %)</b>

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Zone/Date	Unmapped			
Building Location	N/A			

**Comments** As is very common, a slight discrepancy may exist concerning the exact acreage amounts for the subject property among the various public records researched. The total appraised acreage was taken from official county records. This data was used in conjunction with aerial maps, soil maps, and crop history maps to arrive at final acreage estimates and land-type allocations.

Land Improvements:	Above Avg.	Avg.	Below Avg.	N/A
Domestic Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Water Rights:** ☐ No ☐ Yes ☒ Supplement Attached  
**Mineral Rights:** ☒ No ☐ Yes ☐ Supplement Attached

**Comments:** Without a survey or detail as to the nature and extent of the subsurface resources along with a lack of an active market for subsurface rights it would be misleading to attempt to include them in the value definition utilized in this report. See narrative description for Water Rights.

Topography:	Level	Un-dulating	Roll-ing	Slop-ing
Irrigated Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Irrigated Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame/Imp. Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pasture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Overall Topography</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Soils Description:** See attached Soil Map.

Soil Quality/Production: ☐ Above Avg. ☒ Avg. ☐ Below Avg. ☐ N/A ☐ Supplement Attached

**Climatic:** 13-17 " Annual Precipitation 2,430 ' to 4,590 ' Elevation 90-130 Frost-Free Days  
**Utilities:** Well Water Public Electric Septic Sewer Propane Gas Public Telephone  
**Distance To:** 2.5 Schools 24.1 Hospital 2.5 Markets Adj. Major Hwy. 2.5 Service Center  
**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.) Easements include apparent roads and utilities.

**Hazards and Detriments:** See Narrative Land Description.

**Land Description****Location:** (Proximity to services, rentability, market appeal, building location, etc.)

The Subject property is located 2.5 miles northwest of Geraldine, Chouteau County, Montana, via MT Hwy 80.

Per the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.

**Physical Characteristics:** (Size, contiguity, terrain, land-mix, roads, legal & physical access, elevation/growing season, etc.)

Sale 2039 consists of 8.727 deeded acres, more or less, based on the provided survey, this form truncates to two decimal places and rounds to 8.73 acre, comprised of a building or home site.

The terrain is generally level to gently sloping along the southern boundary.

Access is provided via MT Hwy 80.

**Land Improvements:** (Utilities, interior roads, drainage, fences, water development, recreational food plots, etc.)

Utilities are available and utilized at the building site though for the purposes of this "As Though Vacant" analysis the **Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements, the "As Though Vacant" analysis will treat the subject property as though there are no improvements present.. Interior roads are typical of this property type and location and are in average condition. The subject property is perimeter fenced with some cross fencing.

**Other Rights:** (Water rights, mineral rights, air rights, etc.)

The Sale 2039 subject area and the immediate area are not zoned for tax purposes. The property is classified as agricultural land. A title search was not conducted. Sale 2039 has no specific water rights attached to it according to the Montanan DNRC Water Rights Query System. There was a well present on the property at the time of the inspection and the State of Montana verified that the well was present. No opinion of subsurface rights is included in this appraisal report.

Mineral Rights are not included nor appraised within this appraisal report.

**Soils Description:**

671B - Bearpaw-Vida clay loams, 0 to 4 percent slopes. Classified 3e-3e non-irrigated. Yield potential non-irrigated: Spring Wheat 42-42 bu/ac, Winter Wheat 47-47 bu/ac, Barley 68-68 bu/ac.

**Easements/Encroachments:** (Conservation, Utility, Preservation, etc.)

Easements include apparent oil and gas exploration and extraction as well as roads and utilities.

**Hazards & Detriments:**

The main hazard of the subject area consists of extreme climate problems such as frost, severe winters, hot summers, wind erosion, drought and hail. These hazards are typical of this area of Montana and affect local areas in varying degrees.

Hazards and detriments associated particularly with the subject property may be a shortage of water in drought periods, and moderate wind and water erosion.

**Comments:**

The subject property is located close to Geraldine which provides access to markets. It is also located adjacent to MT highway 80 which provides access to Fort Benton which is the county seat and offers many services including hospital and additional markets.



History	<input checked="" type="checkbox"/> Ownership Longer Than 3 Years <div style="display: flex; justify-content: space-between;"> <span>Owner</span> <span>Recording/Reference</span> <span>Date</span> <span>Price Paid</span> <span>Terms</span> </div>					
	<b>Previous:</b> _____ <b>Present:</b> See Comment Below _____					
	<b>Currently:</b> <input checked="" type="checkbox"/> Optioned <input type="checkbox"/> Under Contract      Contract Price: _____ <b>Buyer:</b> Lessee/Public Bid <input type="checkbox"/> Currently Listed      Listing Price: _____ Listing Date: _____					
	Present Owners: State of Montana (Land)/Evelyn Sande (Improvements). Leasee: Evelyn Sande. This property has been nominated for sale by the lessee and this appraisal is being utilized to determine the market value of the subject property to establish a minimum bid.					
Zoning	<b>Current Zoning:</b> There is no specific zoning plan for Chouteau County outside of Fort Benton      Zoning Conformity: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Zoning Change:</b> <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Probable To: _____ <b>Comments:</b> Current zoning is agricultural. A zoning change in the foreseeable future is unlikely.					
Taxes	<b>Tax Basis:</b> <input checked="" type="checkbox"/> Agricultural <input type="checkbox"/> _____ <input type="checkbox"/> _____ Parcel #: 20006		Assessment Year 2024 Land \$44,356 Building(s) _____ Total Assessed Value \$44,356		<b>Forecast:</b> Current Tax N/A Estimated/Stabilized \$0 Or ( 8.73 Ac.) = \$0.00 /acre Trend: <input type="checkbox"/> Up <input type="checkbox"/> Down <input checked="" type="checkbox"/> Stable	
	Comments: Land prices have remained stable over the past three year period, an large changes in the tax value are not likely to happen and the taxes should remain the same over the next 2 year tax cycle.					
Highest & Best Use Analysis	Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.					
	<b>Analysis:</b> <u>Legally Permissible:</u> The present use of the subject property as an rural residential property is legally permitted. There is no specific zoning plan for Chouteau County outside of Fort Benton. The property is currently zoned as rural property and the current use is permissible under that zoning. <u>Physically Possible:</u> Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a rural residential property in support of a larger agriculture operation, though there is market evidence that supports the subject property's use as a rural residential property on its own and not in support of a larger agriculture operation. <u>Financially Feasible:</u> Rental rates for rural residential properties are not reliable and are difficult to obtain as the majority of rural residential properties are owner occupied or are occupied by farmhand personnel with the room and board being considered a part of their compensation. The financial feasibility of the rural residential property is that it returns the highest value of the land to the subject property and based on area sales and limited resale data the property would hold its value or appreciate in value with standard maintenance. <u>Maximally Productive:</u> The current use of the subject property as a rural residential property returns the greatest value to the land. Additionally this use has the potential for the greatest profit margin for builders in the area. Due to the nature of the population of Montana, limited speculative building takes place in the State of Montana and not typically on a property by property basis but as tract housing projects with large subdivisions. This does not invalidate the maximally productive analysis of the subject property but does temper the impact on a single property. The highest and best use of the subject property based on the harmonious use of the surrounding properties would be Agricultural in nature as the property does not have the timbered lot and mountain views that would draw recreational use buyers, nor is it close enough to a major market town such as Great Falls to draw the rural residential use buyers. Agricultural use would also include the dwelling and outbuildings that make up the subject property which serve as support improvements for a larger agriculture operation such as a small grains farm or livestock operation.					
	<b>Current Use:</b> Agricultural					
	<b>Highest and Best Use:</b> "As if" Vacant Rural Residential "As Improved" Rural Residential					
Value Methods	<b>Valuation Methods:</b> <input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Income Approach <input checked="" type="checkbox"/> Sales Comparison Approach (Explain and support exclusion of one or more approaches) See comment on the next page.					

## Sale 2038 "As Though Vacant" History and Use - Continued

**Valuation Methods**

(Explain and support the exclusion of one or more approaches)

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

### Highest & Best Use Analysis

*Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)*

#### **Legally Permissible Use(s)** *(Include deed restrictions, existing zoning and/or potential to change zoning).*

The present use of the subject property as an agricultural operation is legally permissible. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided. The subject property has already been subdivided into a parcel (less than 40 acres in size) for use as rural residential parcel. This use is legally permissible under the current Chouteau County zoning ordinances. In addition, many alternate uses of the property would be allowable under the current zoning regulations. Small parcel splits would affect the county's land use plan and require the land to be subdivided.

Current Zoning:	Agriculture	Assessed Value: \$	44,356	Taxes: \$	0
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#### **Physically Possible Use(s)** *(Discuss any limitations and/or advantages).*

Theoretically, other uses of the appraised unit are physically possible. The property has historically been utilized as a homestead in support of a larger farming operation which included small grains, pulse crops, oil seeds, and hay. The parcel has been severed from the larger farming site and has been actively marketed as a rural residential property. The property size and proximity to public right of ways allow for the current use to be physically possible.

Other uses would include using the property for recreation, given its scenic, recreational, and/or hunting amenities, as a support for those activities in the area.

Additionally due to the legal access to the subject property and the small acreage splits, it would be physically possible to utilize the subject property as rural residential lots.

#### **Financially Feasible Use(s)** *(Discuss any/all potential financial uses & likelihood of realization).*

Rural residential lots typically do not return income to the property as they are typically owner occupied as a residential property. Typically this use does return the highest value to the land. The financial feasibility of the property as a rural residential property comes from the number of properties currently on the market and the number of closed sales including at least one resale in the area which support the financial feasibility of the subject property as a rural residential property, specifically that the subject property will based on a trend analysis maintain its current value or appreciate in value at a time of future resale after a typical holding period of approximately 10 years (though individual owners may hold onto rural residential properties for longer periods of time if they are utilized in support of agriculture operations in the area).

Additional financial feasibility may present itself if the rural residential property is being purchased to be utilized in support of an agriculture operation located proximate to the subject property (proximate in this case could be upwards of a 100 mile radius depending on the agriculture operation, the equipment involved, and any additional buildings on any other properties that may be owned or leased). Financial feasibility for rural residential properties much like with urban residential properties relies on a reversion or future sale of the property after a holding period. Based on sales in the area and resales in the area, the rural residential use is financially feasible.

#### **Maximally Productive Use(s)** *(Discuss single and/or concurrent uses of the subject property).*

The current use of the subject property as a rural residential property returns the highest value to the land.

Rural residential properties historically have been utilized in conjunction with an agriculture operation. As the population demographics of the State of Montana change, and additional market participants have begun buying properties, many rural residential properties are utilized solely as residences and are not utilized in support of agriculture operations.

The property would most likely have a better monetary gain from agriculture than from being leased strictly for hunting.

#### **Consistent Use:** *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

## Cost Approach Comments

The Cost Approach to value is based on the premise that an informed purchaser would pay no more for a given property than the cost of producing a substitute property with the same utility, assuming there was no undue delay. This approach involves estimating the replacement cost of the subject improvements, subtracting accrued depreciation from all causes to arrive at a contributory value, and then adding the value of the subject site. This approach is most reliable when the improvements are relatively new and represent the highest and best use of the land.

The following replacement cost estimates for improvements were obtained from the Marshall Swift Valuation Service (2024) and tempered by local estimates and bid proposals.

Depreciation is based on market evidence for similar properties with similar effective ages compared to the typical economic life of similar use properties. For instance rural residential properties in the subject market area typically have an economic life of 60 years though in some cases they may be utilized beyond that economic life, they are considered fully depreciated and show substantial deferred maintenance and would also require substantial updates as well as basic maintenance (roof, paint, siding, etc.) to be considered marketable. Outbuildings such as but not limited to: Quonsets, prefab buildings, grain bins, etc., typically will have an economic life of 50 years and will depreciated based on actual wear through use also reflected in the effective age of the property. Depreciation of these buildings is also based on market evidence for similar improvements and will be compared to the effective age of the subject property.

Functional obsolescence - Many of the buildings from the comparable sales and the subject property still remain functional and while being primarily useful in support of an agriculture operation, many such buildings find desirability in the rural residential market as they provide a place to park additional vehicles inside during the winter months. For these reasons no functional obsolescence is applied to the Cost Approach analysis of the subject property. additionally grain bins can be easily sold in the market area and there is a fairly active market for used grain bins.

External obsolescence - The subject property and the surrounding market area including the comparable sales included in this appraisal report are not currently being affected by external factors such as a depressed job market in the region, no major business operations in the area have recently shut down that would support any external obsolescence adjustments for the comparable sales to bring them in line with the current market conditions for the subject property. Additionally interest rates (which have been rising from 2022 into 2024) have not had an impact on the sales prices of comparable sales in the area. Additional out of state buyers have been active in the local market and supply of similar properties has remained low. Housing starts of single family dwellings in the State of Montana hit a low point in 2019 and increased through 2022 according to research available through the Federal Reserve Bank of Minneapolis. For these reasons no external obsolescence is applied to the Cost Approach analysis of the subject property.

Typically in Montana the majority of structures are purpose built so there is no "Entrepreneurial Incentive" as most buildings are sold before they are built and there is little to no speculative (spec) building going on in the market area. Any additional profit that the builder is making is included in the materials and labor costs associated with the structure and is included in the per SF cost calculations.

The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

## Income Approach Comments

The Income Approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop-share lease arrangement is projected, and income is projected on the subjects production capability. Landowners typical expenses are then estimated. The net income is then divided by the Capitalization Rate to arrive at the earning value.

While there are many cash leases in place, the predominant lease type is still a crop share lease with the State, BLM, and private land owners. typical crop shares are 1/3-2/3 which usually equates to a 30% share for small grains and pulse crops as well as corn and soy beans due to input costs and taxes, etc; and 40% for hay crops due to the decreased planting costs for alfalfa stands that typically go 5 years between replanting.

The capitalization rates from the comparable sales are utilized to analyze and develop a market cap rate that is applicable to the subject property.

A total of five area sales were analyzed for comparison to Sale 2039 "As Though Vacant" Condition in the Income Approach to value. All of the sales are located in Chouteau County.

Cash rental rates of dry cropland range from \$25/acre to \$40/acre depending on the quality and condition of the land with \$30/acre being the predominant cash rental rate through the end of 2023.

The cash rental rates for pasture have been trending upwards for the past three years and now the most typical price paid is \$35/AUM for pasture rent.

Reliable available rental rates for rural residential properties are rare as most often similar properties are owner occupied and rarely generate income.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

No weight is given to the Income Approach in the final reconciliation nor in the Opinion of Market Value.

Comparable sources for income data including commodity pricing and crop share ratios, and typical expenses are located in my office comp files.

## Income Approach

Gross Income Estimate	<b>Basis of Income Estimate:</b> Cash <input checked="" type="checkbox"/> Share <input type="checkbox"/> Owner/Operator <input type="checkbox"/> FAMC <input type="checkbox"/> See Attached							
	Income Source	Units	Unit Measure	Stabilized Yield	Total Production		Cash/Share/Owner's Income	
					Stabilized \$/Unit	Gross Income	Share %	Income
	Rural Residential	8.73	Acres	1.0	\$ 0.00	\$ 0	100	\$ 0
					\$	\$		\$
					\$	\$		\$
					\$	\$		\$
					\$	\$		\$
					\$	\$		\$
					\$	\$		\$
<input type="checkbox"/> <b>Improvements Included in Land Rent</b> Rent: \$ _____ /mo., \$ _____ /yr.				<b>Stabilized Gross Income = \$</b> 0				
<b>Comments:</b> <i>(Typical area rental terms and conditions)</i> The yield per acres is defined based on FSA field maps, historical yield information, and crop insurance yield history. The share to the owner is based on typical crop share contracts, standardized to exclude the estimate of shared costs. This is typically 1/3 – 2/3 crop share where the value of the taxes and insurance are also included in the value equating to approximately 30%; Hay crop shares are typically 40% due to the limited input costs of alfalfa crops that do not need to be replanted every year. The few cash leases that have been reported also support the share to the owner value of 30% for grain/pulse crops and 40% for hay crops. The capitalization rate is derived from area sales in which the income generated from the property is known. Cropland yields are calculated in bu/ac; hayland yields are calculated in ton/ac, pasture yields are calculated in AUMs/ac.								

Expenses	<b>Expense Items:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>		<b>Additional Expenses:</b>	
	Real Estate Tax \$	0	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	Insurance \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	Maintenance \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	Management \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	_____ \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	_____ \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
	_____ \$		_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
<b>Total Expenses = \$</b>						0		( 0.00 %)

Cap Rate Info	<b>Sale</b>	<b>Date</b>	<b>Size</b>	<b>Impvmt %</b>	<b>Gross Income</b>	<b>Exp. Ratio</b>	<b>Net Income</b>	<b>CEV Price</b>	<b>Cap Rate</b>
	1	06/24	38	26	0	%	-2,200	510,000	-0.43 %
	2	01/24	20	73	248	1,320.16 %	-3,026	565,000	-0.54 %
	3	02/23	7	20	0	%	-336	55,000	-0.61 %
	4	03/22	23	68	0	%	-1,225	430,000	-0.28 %
	5	10/21	6	46	21	11,404.76 %	-2,374	295,000	-0.80 %
						%			%

**Analysis/Comments:** Five sales were analyzed for the value based on the Income Approach.

The Income Approach indicates a negative cash flow for the subject property from Agriculture Use activities. Rural Residential properties are not typically rented and are usually owner occupied properties. Reliable available rental rates for rural residential properties are difficult to find and harder to verify. Property taxes are not currently available as the subject property is currently owned by the State and is not subject to property taxes, property taxes are difficult to estimate based on the current use as a rural residential property. Based on the lack of available rental data and the negative cash flow which cannot be capitalized, the Income Approach is not developed any further and no weight is given to the Income Approach in the final reconciliation of the Opinion of Market Value for the subject property.

Total Deeded Acres: <u>8.73</u> <b>Gross Income:</b> \$ <u>0</u> = \$ <u>0.00</u> / <u>  </u> Acre <b>Expenses:</b> ( \$ <u>0</u> ) = \$ <u>0.00</u> / <u>  </u> Acre <b>Net Income:</b> \$ <u>0</u> = \$ <u>0.00</u> / <u>  </u> Acre	Net Income / Cap Rate                      =    Indicated Value \$ <u>0</u> / _____ % = \$ _____ <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Income Approach Indication = \$</b>                      N/A         </div>
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## Sales Comparison Comments

The Sales Comparison Approach estimates the value by comparing the appraised property with similar properties that have sold in the area. This approach considers the conditions of sale, financing terms, market conditions, location, and physical and income characteristics of the property. Adjustments are made to these various factors affecting value as indicated by the sales market. These adjustments can be either dollar or percentage adjustments that are made to the sale price of each comparable property. Through this procedure, a logical estimate of the probable price for which the subject property could be sold, on the date of the estimate of appraised value, is determined.

### Elements of Comparison

Variables considered when evaluating comparable sales include date of sale, location, water resources, size of parcel, access, soil types, stock water distribution, fencing, general desirability, condition at time of sale, financing factors, and more. Other general factors affecting farm and ranch land values include recreation and scenic values, minerals, interest rates, urban influences, investment potential, and the supply and demand for agricultural properties in the market. In order to perform a proper analysis, necessary adjustments and/or considerations are made for the pertinent variables when relating each individual comparable sale to the subject property.

A total of five area sales were analyzed for comparison to Sale 2039 "As Though Vacant" Condition in the Sales Comparison Approach to value. All of the sales are located in Chouteau County.

Due to the limited number of similar sales in the market area, older sales are considered when comparing to the subject property. Typically when looking for additional comparable sales a time adjustment is easier to support and research than a location adjustment. This is especially true of rural residential properties as proximity to amenities such as recreational activities, proximity to an international airport, and proximity to shopping amenities can drive demand in the market.

The additional terms and conditions section makes reference to bankruptcy court and may indicate that the seller is in a distressed position, this is not a typical contract item for properties in the market area. This additional terms and conditions section may indicate that this is not an arm's length transaction, or that this is not considered a market sale transaction and may have an impact on the sale value or the contract price. Based on the expired listing and the current length of time between the purchase agreement as the present, time does not appear to be a factor in the sale. These conditions are difficult to replicate in market sales however, bankruptcy courts will typically require sales to take place at market value. Additionally as a quick sale (short sale) does not appear to be required by the bankruptcy proceedings, the subject property has had similar market exposure when compared to the other sales taking place in the market.

Sales have been selected based on similar sales conditions with respect to mineral rights and water rights.

See following pages for more detailed descriptions of the adjustments and how they are applied to each comparable sale.



### Sales Comparison Comments - Continued

#### Reconciliation of Values from Comparable Sales Approach

**Land Adjustment** - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject. Some adjustments were necessary to the sales available.

**Lease** - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases. This adjustment if any is included in the land adjustment. For the subject property there was no adjustment necessary. None of the comparable sales include public leases, however analysis of additional sales across northern Montana that include public leases indicate a value of \$125/AUM for public leases conveyed through sale of deeded acres. Public leases were specifically excluded from this appraisal assignment per the instructions from the client, any lease adjustments are not applicable to the analysis of the subject property though they may impact a difference between the opinion of market value for the deeded acres of the subject property when compared to the contract price from the purchase agreement.

**Improvements** - The actual per acre difference in value of building improvements comparing the sales to the subject. The subject property is improved. Some adjustments were necessary and are detailed in the adjustment sheets. Additional comparable sales which include improvements such as grain bins and hopper bottom bins were reviewed and compared to the quality and condition of the subject property to perform this improvement adjustment analysis. Those sales can be made available upon request.

**Time** - Reflects the adjustment made due to recent market changes. There have been no resales of similar use properties within the past three years within the market area. A trend line analysis of area sales does not show any strong correlation for a time adjustment for sales taking place after the end of 2021 through the present. This is a factor of the limited number of sales available as well as the limited number of resales in the market area. No time adjustment is warranted.

**Size** - This reflects differences in sale price per unit for larger sales when compared to smaller ones where smaller parcels may be more desirable than larger ones due to additional financing sources, and for certain markets may have less excess land that would not be utilized to its highest and best use. No size adjustments are warranted.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements. These adjustments account for changes in the prime rate when compared to today for financing terms, cost of credit adjustments. Sales reported as cash transactions will typically involve some form of financing and some adjustments may be necessary based on the timing of the sale and the rate environment on effective financing terms at the time of the sale when compared to the subject property at the time of the inspection this is typically reflected in changes in the prime rate as reported by the United States Federal Reserve Bank. No adjustments were necessary for this analysis of the subject property and included sales based on historical changes in the prime rate.

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected. No adjustments were warranted for rights transferred.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate and and extraordinary conditions associated with the sale such as motivations, preferential rates for contract sales and any others items that may affect the reported sales price. The subject property purchase agreement has an additional clause in place that makes reference to a bankruptcy proceeding. Based on the length of time of the expired listing for the subject property, the subject property appears to be similarly exposed to the market when compared to the other sales that have taken place in Chouteau County. Additionally, the additional terms makes no reference to any other requirements or conditions with respect to any bankruptcy proceedings. Based on this analysis it appears that the conditions of the sale of the subject property are the same or similar to the conditions of the comparable sales included in this appraisal report. No adjustments were warranted for conditions of sale.

**Location** - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject. No adjustments for location are warranted.

**Land Quality** - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization. These adjustments reflect access to irrigation water, favorable soil conditions that support higher yields under irrigation when compared to the subject property. Adjustments are made to the comparable sales to bring them in line with the subject property. No adjustments are warranted for differences in land productivity by soil types.

**Improvement Quality** - the reflect differences in the quality of construction of the improvements for the comparable sales when compared to the subject property. No adjustments are warranted.

**Condition of Land/Improvements** - Reflects the age and condition of forage stands and irrigation delivery systems. Some Adjustments for the condition of the improvements are warranted.

**Crop** - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop. There are no growing crops that are included in the purchase agreement nor were any disclosed to the Appraiser at the time of inspection. There are no adjustments with regard to crop in this appraisal report.

See the following page for how the adjustments detailed above are applied to each sale.

**Sales Comparison Comments - Continued****The Adjustments as they are applied to each comparable sale:**

Sale 1 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 2 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 3 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 4 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale.

Sale 5 - Land use mix adjustments and improvement mix adjustments are applied to this sale to bring it more in line with the land use mix and improvements of the comparable sale. This sale has the highest land value of all three sales. This is most probably reflective of the location and proximity to the highway, this is also the oldest sale and less weight is placed on this sale.

## Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Dunham	William Courtnege	Vischer	Van Wagner	Kimbrig
	Grantee (Buyer)		Herbert Harvey	Todd Haseleu	Mearl McCready	Gale & Diana Manning	Stephen Lund
	Source		MLS #30005117	MLS #30006527	MLS #337292	MLS 326679	MLS #22111036
	Date	Eff 10/24	06/24	01/24	02/23	03/22	10/21
	Eff Unit Size/Unit	8.73 / Acres	38	20	7	23	6
	Sale Price		510,000	565,000	55,000	430,000	295,000
	Finance Adjusted		Cash 0	C4D 0	Conv. 0	Conv. 0	Conv. 0
	CEV Price		510,000	565,000	55,000	430,000	295,000
	Multiplier						
	Expense Ratio			1,320.16			11,404.76

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Acres		13,294.06	28,235.88	7,362.78	18,728.22	53,636.36
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### LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		-0.73	0.01	-0.02	-0.06	0.03
Impvt. Adjustment		-3,515.33	-20,691.90	-1,477.78	-12,648.21	-24,698.36
Adjusted Price		9,778.00	7,543.99	5,884.98	6,079.95	28,938.03

### TIME ADJUSTMENTS

<input checked="" type="checkbox"/> Yr	<input type="checkbox"/> Mo	Periods				
<input checked="" type="checkbox"/> Smpl	<input type="checkbox"/> Cmp	Rate				
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00
		Time Adj. Price	9,778.00	7,543.99	5,884.98	6,079.95

### OTHER ADJUSTMENTS

Rights Transferred	Adjustment	0.00	0.00	0.00	0.00	0.00
Financing Terms	Adjustment	0.00	0.00	0.00	0.00	0.00
Location	Adjustment	0.00	0.00	0.00	0.00	0.00
Land Quality	Adjustment	0.00	0.00	0.00	0.00	0.00
Property Condition	Adjustment	0.00	0.00	0.00	0.00	0.00
Net Adjustments		-3,516	-20,692	-1,478	-12,648	-24,698
<b>ADJUSTED PRICE</b>		9,778	7,544	5,885	6,080	28,938

#### Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

The adjusted sales prices from the five comparable sales analyzed ranges from \$5,885/acre to \$28,938/acre with an average of \$11,654/ac. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2039) in terms of size. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity.

A value of \$8,000/acre is the best indication of market value for the subject property.

The indicated value for the subject property from the Sales Comparison Approach is 8.727 acres @ \$8,000/acre = \$69,816 rounded to \$70,000.00.

#### Sales Comparison Approach Summary:

Property Basis (Value Range): \$ 5,885.00 to \$ 28,938.00  
 Unit Basis: \$ 8,000.00 / Acres X 8.73 Acres = \$ 69,840.00  
 Multiplier Basis: \$ X (multiple) = \$

#### Sales Comparison Indication:

\$ 70,000

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2			2	Land Adjustment Amt. \$			0.01			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland	6.10	7,544.00	Acres				7,544.00			
Hayland										
Tame/Imp. Pasture										
Pasture	4.76	7,544.00	Acres				7,544.00			
Site	9.15	7,544.00	Acres			8.73	7,544.00			65,859
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	150,955.00		<b>/ Eff. Unit Size</b>	20.01	= 7,543.98	<b>Total</b>	65,859	<b>/ Eff. Unit Size</b>	8.73	= 7,543.99

## Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2			2	Improvement Adjustment Amt. \$:			-20,691.90	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,275	X \$	36.00	=\$ 45,900		/		X \$	=\$		
Basement	Avg.	/ Avg. 768	X \$	6.00	=\$ 4,608		/		X \$	=\$		
Dwelling	Avg.	/ Avg. 1,904	X \$	136.80	=\$ 260,467		/		X \$	=\$		
Basement	Avg.	/ Avg. 1,904	X \$	15.20	=\$ 28,941		/		X \$	=\$		
Att Garage	Avg.	/ Avg. 896	X \$	19.00	=\$ 17,024		/		X \$	=\$		
Det Garage	Avg.	/ Avg. 560	X \$	10.25	=\$ 5,740		/		X \$	=\$		
Bin	Avg.	/ Avg. 7,300	X \$	0.15	=\$ 1,095		/		X \$	=\$		
Granary	Avg.	/ Avg. 720	X \$	0.48	=\$ 346		/		X \$	=\$		
Prefab	Avg.	/ Avg. 2,880	X \$	3.72	=\$ 10,714		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 5,400	X \$	0.78	=\$ 4,185		/		X \$	=\$		
Bin	Avg.	/ Avg. 4,300	X \$	0.85	=\$ 3,655		/		X \$	=\$		
4 Bins	Avg.	/ Avg. 12,800	X \$	0.65	=\$ 8,320		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 6,000	X \$	1.10	=\$ 6,600		/		X \$	=\$		
3 Hopper	Avg.	/ Avg. 3,600	X \$	1.51	=\$ 5,418		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 9,800	X \$	1.13	=\$ 11,025		/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
Sale Effective Unit Size:				20.01	\$ 414,045	Subject Effective Unit Size:				8.73	\$	
<b>Total Improvement Value = \$</b>				20,691.90	/ Acres	<b>Total Improvement Value = \$</b>				0.00	/ Acres	

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4			4	Land Adjustment Amt. \$			-0.06			
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrigated Cropland										
Irrigated Pasture										
Dry Cropland										
Hayland										
Tame/Imp. Pasture										
Pasture										
Site	22.96	6,080.00	Acres			8.73	6,080.00			53,078
Roads & Waste										
Other										
Public Lease										
<b>Sale Land Contrib.</b>	139,597.00	<b>/ Eff. Unit Size</b>		22.96	= 6,080.01	<b>Total</b>	53,078	<b>/ Eff. Unit Size</b>		8.73 = 6,079.95

## Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.

Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4			4	Improvement Adjustment Amt. \$:			-12,648.21	/	Acres			
Sale Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	\$/Unit	Contrib. Value	
Dwelling	Avg.	/ Avg. 1,579	X \$	135.00	=\$ 213,165		/		X \$	=\$		
Basement	Avg.	/ Avg. 1,579	X \$	15.00	=\$ 23,685		/		X \$	=\$		
Shed	Avg.	/ Avg. 200	X \$	2.40	=\$ 480		/		X \$	=\$		
Shed	Avg.	/ Avg. 48	X \$	2.40	=\$ 115		/		X \$	=\$		
Shed	Avg.	/ Avg. 88	X \$	2.40	=\$ 211		/		X \$	=\$		
4 Bins	Avg.	/ Avg. 12,800	X \$	0.85	=\$ 10,880		/		X \$	=\$		
Bin	Avg.	/ Avg. 4,500	X \$	1.33	=\$ 5,963		/		X \$	=\$		
Det Garage	Avg.	/ Avg. 576	X \$	10.50	=\$ 6,048		/		X \$	=\$		
Quonset	Avg.	/ Avg. 3,600	X \$	3.60	=\$ 12,960		/		X \$	=\$		
Prefab	Avg.	/ Avg. 480	X \$	3.72	=\$ 1,786		/		X \$	=\$		
Bin	Avg.	/ Avg. 1,000	X \$	0.93	=\$ 925		/		X \$	=\$		
Bin	Avg.	/ Avg. 3,200	X \$	0.85	=\$ 2,720		/		X \$	=\$		
2 Bins	Avg.	/ Avg. 5,400	X \$	0.70	=\$ 3,780		/		X \$	=\$		
Bin	Avg.	/ Avg. 5,800	X \$	1.33	=\$ 7,685		/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
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		/	X \$	=\$			/		X \$	=\$		
		/	X \$	=\$			/		X \$	=\$		
Sale Effective Unit Size:			22.96	\$ 290,403		Subject Effective Unit Size:			8.73	\$		
<b>Total Improvement Value = \$</b>			12,648.21	/ Acres		<b>Total Improvement Value = \$</b>			0.00	/ Acres		



Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.  
Note: Appraiser must manually enter the \$/Unit for the Subject Improvements -- either individually or as a lump sum.

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## Reconciliation and Opinion of Value

Summary

<b>Cost Approach</b> _____	\$	N/A
<b>Income Approach</b> _____	\$	N/A
<b>Sales Comparison Approach</b> _____	\$	70,000

Discussion &amp; Correlation of Values

**Analysis of Each Approach and Opinion of Value: Hypothetical Condition** (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.

**Hypothetical Condition** (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.

The Income Approach is developed in this report only to show that the subject property would have a negative cash flow or would not be able to support itself as the subject property is not large enough to be able to produce income to support its own tax value unless it is part of a larger economic unit. The dwelling will rarely produce enough income to justify the sales prices and many times without VRBO income which is scarce and difficult to obtain most properties have a negative income after paying taxes. The Income Approach in this instance would not provide any useful information in developing a market value for the subject property and carries no weight in the final Opinion of Market Value for any of the sales (2037, 2038, & 2039).

The Cost Approach is used in the analysis of value of the subject property by comparing similar tracts of land that have previously sold in the same general area. Time adjustments can be made to arrive at a current market value of the comparable sales. The Cost Approach is not developed in the "As Though Vacant" analysis of each sale (2037, 2038, & 2039) as the Hypothetical Condition provided by the engagement letter states that the land is to be appraised as though it is vacant raw land exclusive of any improvements and the Cost Approach would be a restatement of the Sales Comparison Approach and could be potentially misleading to the client and/or the intended user.

Although the sales used for the Sales Comparison Approach are not as similar to the subject as they could ideally be, they are an indicator of rural residential land values in the area. Large adjustments were unavoidable. Sale 1 is the most recent sale. Sale 2 is the closest to the subject property in terms of physical proximity. Sale 3 is closer in size to the subject property (less than 10 acres), however all of the comparable sales bracket subject (sale 2039) in terms of size. The most weight is placed on sales 1 & 2 with sale 2 carrying slightly more weight due to proximity. The Sales Comparison Approach typically reflects the motivations of actual market participants and most accurately reflects buyers and sellers in the market area.

As the Sales Comparison Approach is the only approach completed in this analysis it carries all of the weight.

The final reconciled opinion of Market Value for the subject property (Sale 2039 "As Though Vacant") from the Approaches reconciled above is: **\$70,000.00**

Allocation of Value

<b>Opinion Of Value -</b>	(Estimated Marketing Time	12	months, see attached)	\$	70,000
Cost of Repairs	\$	_____			
Cost of Additions	\$	_____			
<b>Allocation:</b>	(Total Deeded Units: 8.73)	Land:	\$ 70,000	\$ 8,018 /	Acre ( 100 %)
		Land Improvements:	\$ _____	\$ 0 /	( 0 %)
		Structural Improvement Contribution:	\$ _____	\$ 0 /	( 0 %)
<b>Value Estimate of Non-Realty Items:</b>					
	Value of Personal Property (local market basis)	\$	_____		
	Value of Other Non-Realty Interests:	\$	_____		
	Non-Realty Items:	\$	_____	\$ 0 /	( 0 %)
	Leased Fee Value (Remaining Term of Encumbrance)	\$	_____	\$ 0 /	( 0 %)
	Leasehold Value	\$	_____	\$ 0 /	( 0 %)
	Overall Value	\$	70,000	\$ 8,018 /	Acre ( 100 %)

## **Sale 2039 Reconciliation and Final Opinion of Value**

## Sale 2039 Final Reconciliation Comments

The analysis of the subject property as though vacant (the second analysis) indicates the value of the subject property as if it were raw land per the hypothetical condition required by the engagement letter.

**Hypothetical Condition (utilized for the "As Is" and the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The land is owned in Fee Simple ownership and there are no leases on the property.**

**Hypothetical Condition (utilized for the "As Though Vacant" analysis of all three sales 2037, 2038, & 2039): The subject property is vacant raw land exclusive of real property improvements.**

This second analysis provided the land value component of the total value from the first analysis. Which indicates the total value of the subject property from the Cost Approach and the Sales Comparison Approach in "As Is" condition.

From these two analysis' the final opinion of value for the subject property (Sale 2039) in "As Is" condition is \$200,000.00, and the final opinion of value for the subject property as though vacant (hypothetical condition above) is \$70,000.00. The value of this improvements can then be extracted from the opinion of market value for the total property as a whole at \$130,000.00 as the final opinion of market value for the improvements independent of the land value.

Opinion of Market Value:

Land Value: \$ 70,000.00 (from the "As Though Vacant" analysis of Market Value for the Subject Property)

Improvement Value: \$130,000.00 (from the calculation detailed above)

Total: \$200,000.00 (from the "As Is" analysis of Market Value for the Subject Property)

The Opinion of Market Value for the Land as though vacant raw land exclusive of real property improvements: \$70,000.00

The Opinion of Market Value for the Subject property "As Is" including both the land and improvements: \$130,000.00

The Opinion of Market Value for the Improvements to the subject property exclusive of the land: \$200,000.00

## Exhibits and Addenda

Sale Analysis	Index #	Database #	948	Sale #	1	Improved Sale
	Grantor	Dunham	Sales Price	510,000	Property Type	Rural Residential
	Grantee	Herbert Harvey	Other Contrib.		Primary Land Use	Rural Residential
	Deeded Acres	38.36	Net Sale Price	510,000	Secondary Land Use	
	Sale Date/DOM	06/07/24 / 123	\$/Deeded Acre	13,294.06	Water	
	Prior Sale Date		Financing	Cash		
	Prior CEV Price		% Fin. Adj.	0		
	Analysis Code		CEV Price	510,000		
	Source	MLS #30005117	SCA Unit Type	Acres		
	Motivation	Rural Res Purch	Eff. Unit Size	38.36		
	Highest & Best Use	Rural Residential	SCA \$/Unit	13,294.06		
	Address	40389 US Hwy 87	Multiplier Unit			
	City	Fort Benton	Multiplier No.			
	County	Chouteau	Legal Access	Yes		
	State/Zip	MT / 59442	Physical Access	Yes		
	Region/Area/Zone	/ /	View	Rural	Tax ID/Recording	483132
Location	NW Fort Benton	Utilities	Yes	Sec/Twp/Rge	15 / 24N / 08E	
Legal Description: S15, T24 N, R08 E, LOT 4, PLAT #101E AMD WIDAMAN MINOR SUB (38.363 AC) IN SW & SE						

## Land-Mix Analysis

Land Mix Analysis	Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
	Irrigated Cropland	%	Ac.				X \$	= \$
	Irrigated Pasture	%	Ac.				X \$	= \$
	Dry Cropland	%	Ac.				X \$	= \$
	Hayland	%	Ac.				X \$	= \$
	Tame/Imp Pasture	%	Ac.				X \$	= \$
	Pasture	%	Ac.				X \$	= \$
	Site	%	38.36	Ac.	9,779.00	Acres	X \$	= \$ 375,152
	Roads & Waste	%	Ac.				X \$	= \$
	Other	%	Ac.				X \$	= \$
	Public Lease	%	Ac.				X \$	= \$
	Totals		38.36	Ac.	9,779.00		X \$	= \$ 375,152
CEV Price \$	510,000	- Land Contribution \$			375,152	= Improvement Contribution \$		134,848

## Income Analysis

Income Analysis	Income Estimate Basis:		<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator		
	Income Source		Unit	Stabilized	Total Production		Cash/Share/Owner Income
	<input type="checkbox"/> Actual	<input checked="" type="checkbox"/> Estimated	Units	Yield	Stabilized \$/Unit	Gross Income	Share % Income \$
	Building Site		38.36	Acres	1.00		100
Improvements <input type="checkbox"/> Improvements Included in Land Rent				/mo	/yr		
Stabilized Gross Income = \$							
Expense Items:		Expenses (cont.):		Expenses (cont.):			
Real Estate Tax	\$ 2,200		\$		\$		
Insurance	\$		\$		\$		
Maintenance	\$		\$		\$		
Management	\$		\$		\$		
Total Expenses	2,200	/ Stabilized G.I.		= Expense Ratio	%	Total Expenses = \$	2,200
Net Income	-2,200	/ CEV Price	510.000	= Cap Rate	-0.43 %	Net Income = \$	-2,200

Index #		Database #							948		Sale #		1	
Improvement Analysis											Reproduction Cost			
Improvement Analysis	Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10			
	Type	Dwelling	Basement	Pole Bldg	Det Garage	2 Bins	Bin	Bin						
	Size	1,312	560	2,560	616	13,600	3,400	6,800						
	Unit	SF	SF	SF	SF	bu	bu	bu						
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.						
	Condition	Fair	Fair	Avg.	Avg.	Avg.	Avg.	Avg.						
	Age	29	29	37	33	21	21	21						
	Remaining Life	31	31	13	27	29	29	29						
	RCN/Unit	120.00	20.00	8.00	25.00	2.50	2.50	2.50						
	RCN	157,440	11,200	20,480	15,400	34,000	8,500	17,000						
	% Physical Depreciation	48	48	73	55	42	42	41						
	RCN Remainder After Phys. Depr.	81,869	5,824	5,530	6,930	19,720	4,930	10,030						
	% Functional Obsolescence													
	RCN Rem. After Phys./Funct. Depr.	81,869	5,824	5,530	6,930	19,720	4,930	10,030						
	% External Obsolescence													
Total Impt. Contribution	81,869	5,824	5,530	6,930	19,720	4,930	10,030							
Contribution \$/Unit	62.40	10.40	2.16	11.25	1.45	1.45	1.48							
Physical Depreciation <u>49</u> % Functional Obsolescence <u>      </u> % External Obsolescence <u>      </u> % Total Depreciation <u>49</u> % Total RCN \$ <u>264,020</u> Total Improvement Contribution: \$ <u>134,833</u> Improvement As % of Price <u>26</u> %														
Comments	Reliable available rural residential rental rates are difficult to determine in the market area. The income analysis is included for this property to show that the agriculture use does not cover the taxes for the subject property without additional income from rural residential rental fees. Typically properties of this type are owner occupied and do not generate rental income. The income analysis shows a negative cash flow.													



Index #

Database # 948

Sale # 1

Aerial Map

Aerial Map



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Boundary Center: 47.831030, -110.695358

0ft 832ft 1663ft

  
Maps Provided By:  
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15-24N-8E  
Chouteau County  
Montana



11/17/2024

Index # \_\_\_\_\_ Database # 948 Sale # 1

Photo



Sale Analysis	Index #		Database #		Sale #		2		Improved Sale	
	Grantor	William Courtnage	Sales Price	565,000	Property Type	Rural Residential				
	Grantee	Todd Haseleu	Other Contrib.		Primary Land Use	Rural Residential				
	Deeded Acres	20.01	Net Sale Price	565,000	Secondary Land Use	Small Grains/Pasture				
	Sale Date/DOM	01/24/24 / 1,151	\$/Deeded Acre	28,235.88	Water					
	Prior Sale Date		Financing	C4D						
	Prior CEV Price		% Fin. Adj.	0						
	Analysis Code		CEV Price	565,000						
	Source	MLS #30006527	SCA Unit Type	Acres						
	Motivation	Rural Res Purch	Eff. Unit Size	20.01						
	Highest & Best Use	Rural Residential	SCA \$/Unit	28,235.88						
	Address	2505 Dorn Coulee Rd	Multiplier Unit							
	City	Geraldine	Multiplier No.							
	County	Chouteau	Legal Access	Yes						
	State/Zip	MT / 59446	Physical Access	Yes						
Region/Area/Zone	/ /	View	Rural	Tax ID/Recording	482784					
Location	26 mi se Fort Benton	Utilities	YEs	Sec/Twp/Rge	30 / 23N / 12E					
Legal Description: S30, T23 N, R12 E, TRACT A OF COS 207B/RB IN SENE & NESE										

## Land-Mix Analysis

Land Mix Analysis	Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
	Irrigated Cropland	%	Ac.				X \$	= \$
	Irrigated Pasture	%	Ac.				X \$	= \$
	Dry Cropland	%	6.10	Ac.	7,544.00	Acres	X \$	= \$ 46,018
	Hayland	%	Ac.				X \$	= \$
	Tame/Imp Pasture	%	Ac.				X \$	= \$
	Pasture	%	4.76	Ac.	7,544.00	Acres	X \$	= \$ 35,909
	Site	%	9.15	Ac.	7,544.00	Acres	X \$	= \$ 69,028
	Roads & Waste	%	Ac.				X \$	= \$
	Other	%	Ac.				X \$	= \$
Public Lease	%	Ac.				X \$	= \$	
Totals			20.01	Ac.	7,544.00	X \$	= \$ 150,955	
CEV Price \$		565,000	- Land Contribution \$		150,955	= Improvement Contribution \$ 414,045		

## Income Analysis

Income Analysis	Income Estimate Basis:		<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator			
	Income Source		Unit	Stabilized	Total Production		Cash/Share/Owner Income	
	<input type="checkbox"/> Actual	<input checked="" type="checkbox"/> Estimated	Units	Measure	Yield	Stabilized \$/Unit	Gross Income	Share %
	Dry Cropland		6.10	Acres	1.00	30.00	183	100
	Pasture		1.86	AUMs	1.00	35.00	65	100
	Site		9.15	Acres	1.00			100
Improvements <input type="checkbox"/> Improvements Included in Land Rent				/mo	/yr			
Stabilized Gross Income = \$							248	
Expense Items:		Expenses (cont.):		Expenses (cont.):				
Real Estate Tax	\$ 3,274		\$		\$			
Insurance	\$		\$		\$			
Maintenance	\$		\$		\$			
Management	\$		\$		\$			
Total Expenses	3,274	/ Stabilized G.I.	248	= Expense Ratio	1,320.16 %	Total Expenses = \$		3,274
Net Income	-3.026	/ CEV Price	565.000	= Cap Rate	-0.54 %	Net Income = \$		-3.026

Index #		Database #					947		Sale #		2		
Improvement Analysis												Reproduction Cost	
Improvement Analysis	Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10		
	Type	Dwelling	Basement	Dwelling	Basement	Att Garage	Det Garage	Bin	Granary	Prefab	2 Bins		
	Size	1,275	768	1,904	1,904	896	560	7,300	720	2,880	5,400		
	Unit	SF	SF	SF	SF	SF	SF	bu	SF	SF	bu		
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.		
	Condition	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.		
	Age	42	42	14	14	14	35	47	47	35	35		
	Remaining Life	18	18	46	46	46	25	3	3	15	15		
	RCN/Unit	120.00	20.00	180.00	20.00	25.00	25.00	2.50	8.00	12.00	2.50		
	RCN	153,000	15,360	342,720	38,080	22,400	14,000	18,250	5,760	34,560	13,500		
	% Physical Depreciation	70	70	24	24	24	59	94	94	69	69		
	RCN Remainder After Phys. Depr.	45,900	4,608	260,467	28,941	17,024	5,740	1,095	346	10,714	4,185		
	% Functional Obsolescence												
	RCN Rem. After Phys./Funct. Depr.	45,900	4,608	260,467	28,941	17,024	5,740	1,095	346	10,714	4,185		
	% External Obsolescence												
	Total Impt. Contribution	45,900	4,608	260,467	28,941	17,024	5,740	1,095	346	10,714	4,185		
	Contribution \$/Unit	36.00	6.00	136.80	15.20	19.00	10.25	0.15	0.48	3.72	0.78		
Improvement Analysis	Item:	Impt. #11	Impt. #12	Impt. #13	Impt. #14	Impt. #15	Impt. #16	Impt. #17	Impt. #18	Impt. #19	Impt. #20		
	Type	Bin	4 Bins	2 Bins	3 Hopper	2 Bins							
	Size	4,300	12,800	6,000	3,600	9,800							
	Unit	bu	bu	bu	bu	bu							
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.							
	Condition	Avg.	Avg.	Avg.	Avg.	Avg.							
	Age	33	37	28	29	28							
	Remaining Life	17	13	22	21	22							
	RCN/Unit	2.50	2.50	2.50	3.50	2.50							
	RCN	10,750	32,000	15,000	12,600	24,500							
	% Physical Depreciation	66	74	56	57	55							
	RCN Remainder After Phys. Depr.	3,655	8,320	6,600	5,418	11,025							
	% Functional Obsolescence												
	RCN Rem. After Phys./Funct. Depr.	3,655	8,320	6,600	5,418	11,025							
	% External Obsolescence												
	Total Impt. Contribution	3,655	8,320	6,600	5,418	11,025							
	Contribution \$/Unit	0.85	0.65	1.10	1.51	1.13							
Physical Depreciation <u>45</u> % Functional Obsolescence _____ % External Obsolescence _____ % Total Depreciation <u>45</u> % Total RCN \$ <u>752,480</u> Total Improvement Contribution: \$ <u>414,038</u> Improvement As % of Price <u>73</u> %													
Comments	Reliable available rural residential rental rates are difficult to determine in the market area. The income analysis is included for this property to show that the agriculture use does not cover the taxes for the subject property without additional income from rural residential rental fees. Typically properties of this type are owner occupied and do not generate rental income. The income analysis shows a negative cash flow.												



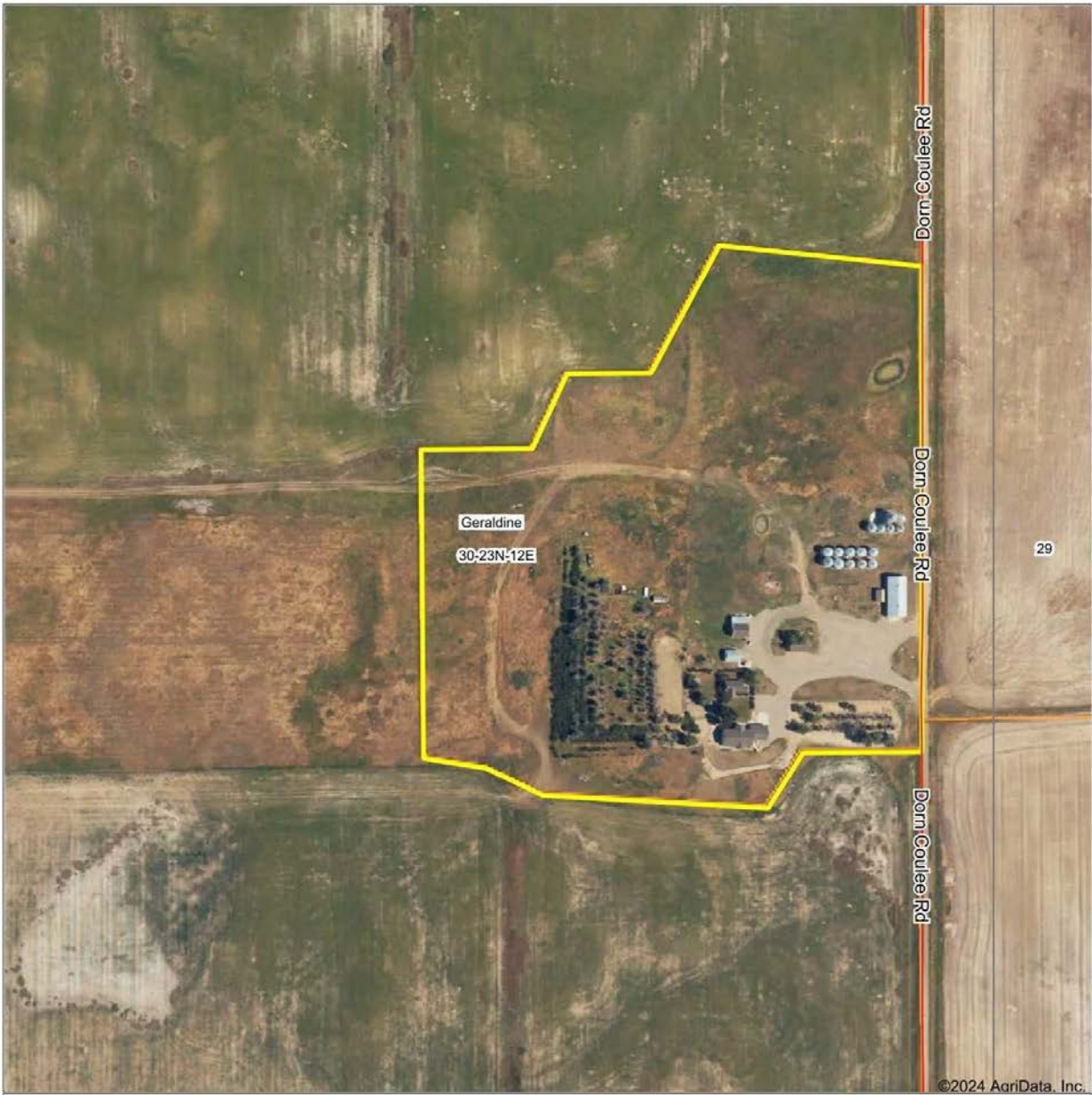
Index #

Database # 947

Sale # 2

Aerial Map

Aerial Map



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Boundary Center: 47.722987, -110.238591

0ft 310ft 619ft



30-23N-12E  
Chouteau County  
Montana



11/17/2024

Index # \_\_\_\_\_ Database # 947 Sale # 2

Photo



Sale Analysis	Index #	Database #	952	Sale #	3	Improved Sale
	Grantor	Vischer	Sales Price	55,000	Property Type	Rural Residential
	Grantee	Mearl McCready	Other Contrib.		Primary Land Use	Rural Residential
	Deeded Acres	7.47	Net Sale Price	55,000	Secondary Land Use	
	Sale Date/DOM	02/16/23 / 49	\$/Deeded Acre	7,362.78	Water	
	Prior Sale Date		Financing	Conv.		
	Prior CEV Price		% Fin. Adj.	0		
	Analysis Code		CEV Price	55,000		
	Source	MLS #337292	SCA Unit Type	Acres		
	Motivation	Rural Res Land Purch	Eff. Unit Size	7.47		
	Highest & Best Use	Rural Residential	SCA \$/Unit	7,362.78		
	Address	355 Floweree Rd N	Multiplier Unit			
	City	Floweree	Multiplier No.			
	County	Chouteau	Legal Access	Yes		
	State/Zip	MT / 59440	Physical Access	Yes		
	Region/Area/Zone	/ /	View	Rural	Tax ID/Recording	481549
	Location	21 ne Great Falls	Utilities	Yes	Sec/Twp/Rge	12 / 23N / 05E
	Legal Description: S12, T23 N, R05 E, ACRES 7.47, COS 64C TRACT A IN SENE					

## Land-Mix Analysis

Land Mix Analysis	Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
	Irrigated Cropland	%	Ac.			X \$	= \$	
	Irrigated Pasture	%	Ac.			X \$	= \$	
	Dry Cropland	%	Ac.			X \$	= \$	
	Hayland	%	Ac.			X \$	= \$	
	Tame/Imp Pasture	%	Ac.			X \$	= \$	
	Pasture	%	Ac.			X \$	= \$	
	Site	%	7.47	Ac. 5,885.00		Acres X \$	= \$	43,961
	Roads & Waste	%	Ac.			X \$	= \$	
	Other	%	Ac.			X \$	= \$	
	Public Lease	%	Ac.			X \$	= \$	
	<b>Totals</b>		7.47	Ac. 5,885.00		X \$	= \$	43,961
	<b>CEV Price \$</b>	55,000	<b>- Land Contribution \$</b>		43,961	<b>= Improvement Contribution \$</b>		11,039

## Income Analysis

Income Analysis

Income Estimate Basis:		<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator				
Income Source		Unit	Stabilized	Total Production		Cash/Share/Owner Income		
<input type="checkbox"/> Actual	<input checked="" type="checkbox"/> Estimated	Units	Measure	Yield	Stabilized \$/Unit	Gross Income	Share %	Income \$
Rural Residential		7.47	Acres	1.00			100	
Improvements		<input type="checkbox"/> Improvements Included in Land Rent			/mo	/yr		
Stabilized Gross Income = \$								
Expense Items:		Expenses (cont.):		Expenses (cont.):				
Real Estate Tax	\$ 336		\$		\$			
Insurance	\$		\$		\$			
Maintenance	\$		\$		\$			
Management	\$		\$		\$			
Total Expenses	336	/ Stabilized G.I.		= Expense Ratio	%	Total Expenses = \$		336
Net Income	-336	/ CEV Price	55,000	= Cap Rate	-0.61 %	Net Income = \$		-336



Index #		Database #		952		Sale #		3			
Improvement Analysis										Reproduction Cost	
Improvement Analysis	Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
	Type	Prefab	Bin	Barn	Shed	Shed	Shed	Bin			
	Size	1,536	3,200	1,536	252	256	631	1			
	Unit	SF	bu	SF	SF	SF	SF	bu			
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.			
	Condition	Avg.	Avg.	Unsnd.	Unsnd.	Unsnd.	Unsnd.	Unsnd.			
	Age	32	23	50	50	50	50	50			
	Remaining Life	18	27								
	RCN/Unit	12.00	2.50	14.00	8.00	8.00	8.00	2.50			
	RCN	18,432	8,000	21,504	2,016	2,048	5,048	3			
	% Physical Depreciation	64	45	100	100	100	100	100			
	RCN Remainder After Phys. Depr.	6,636	4,400								
	% Functional Obsolescence										
	RCN Rem. After Phys./Funct. Depr.	6,636	4,400								
	% External Obsolescence										
Total Impt. Contribution	6,636	4,400									
Contribution \$/Unit	4.32	1.38									
Physical Depreciation <u>81</u> % Functional Obsolescence <u>      </u> % External Obsolescence <u>      </u> % Total Depreciation <u>81</u> %											
Total RCN \$ <u>57,051</u> Total Improvement Contribution: \$ <u>11,036</u> Improvement As % of Price <u>20</u> %											
Comments	Reliable available rural residential rental rates are difficult to determine in the market area. The income analysis is included for this property to show that the agriculture use does not cover the taxes for the subject property without additional income from rural residential rental fees. Typically properties of this type are owner occupied and do not generate rental income. The income analysis shows a negative cash flow.										

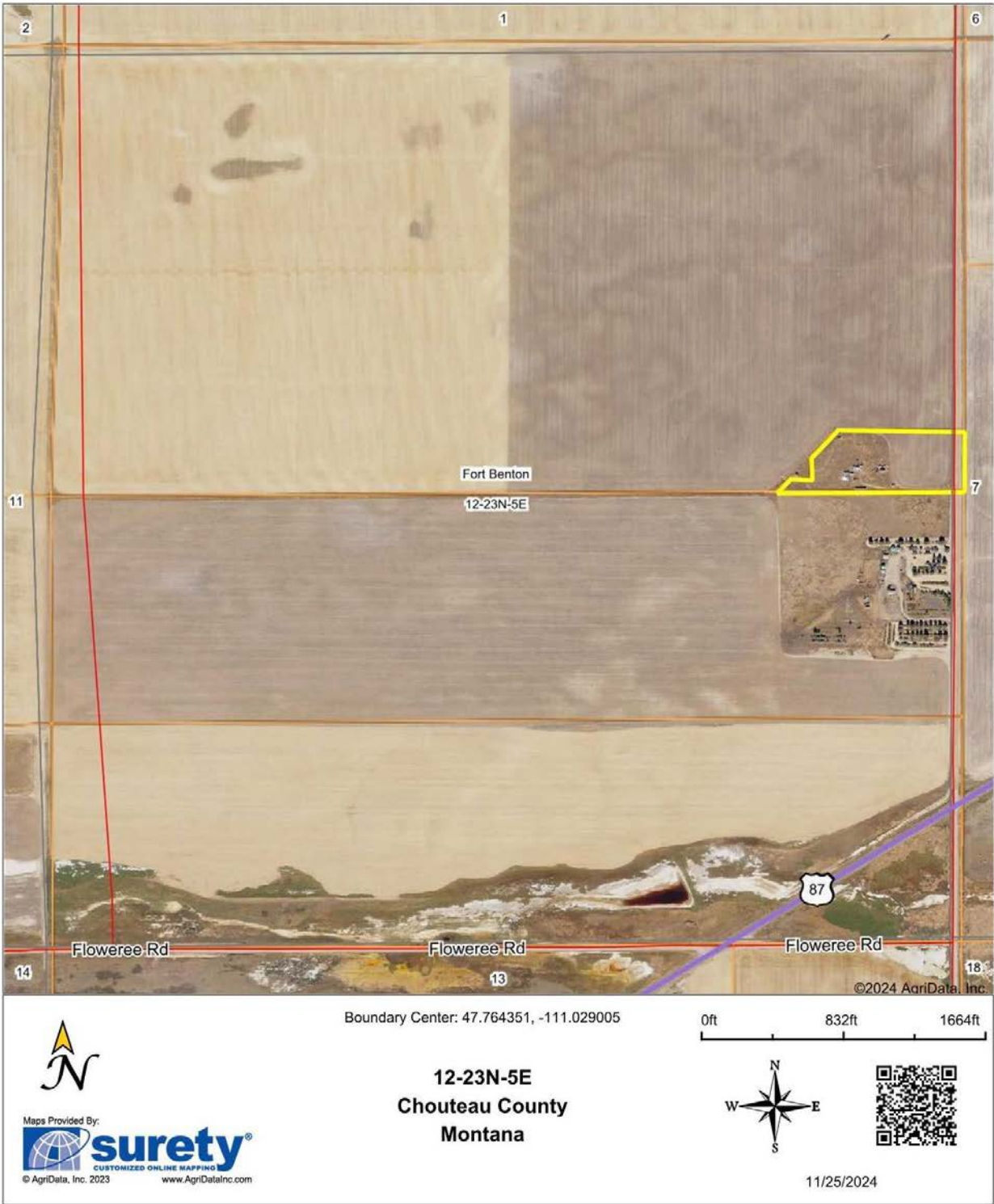
Index #

Database # 952

Sale # 3

Aerial Map

Aerial Map



Index # \_\_\_\_\_ Database # 952 Sale # 3

Photo



Sale Analysis	Index #	Database #	951	Sale #	4	Improved Sale
	Grantor	Van Wagner	Sales Price	430,000	Property Type	Rural Residential
	Grantee	Gale & Diana Manning	Other Contrib.		Primary Land Use	Rural Residential
	Deeded Acres	22.96	Net Sale Price	430,000	Secondary Land Use	
	Sale Date/DOM	03/25/22 / 0	\$/Deeded Acre	18,728.22	Water	
	Prior Sale Date		Financing	Conv.		
	Prior CEV Price		% Fin. Adj.	0		
	Analysis Code		CEV Price	430,000		
	Source	MLS 326679	SCA Unit Type	Acres		
	Motivation	Rural Res Purch	Eff. Unit Size	22.96		
	Highest & Best Use	Rural Residential	SCA \$/Unit	18,728.22		
	Address	3710 Davis School Rd	Multiplier Unit			
	City	Carter	Multiplier No.			
	County	Chouteau	Legal Access	Yes		
State/Zip	MT / 59420	Physical Access	Yes			
Region/Area/Zone	/ /	View	Rural	Tax ID/Recording	480310	
Location	4 sw Carter	Utilities	Yes	Sec/Twp/Rge	25 / 24N / 05E	
Legal Description: S25, T24 N, R05 E, LOT 1 KRUMWIEDE MINOR SUB, COS 37C						

## Land-Mix Analysis

Land Mix Analysis	Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit	Total Unit Value
	Irrigated Cropland	%	Ac.				X \$	= \$
	Irrigated Pasture	%	Ac.				X \$	= \$
	Dry Cropland	%	Ac.				X \$	= \$
	Hayland	%	Ac.				X \$	= \$
	Tame/Imp Pasture	%	Ac.				X \$	= \$
	Pasture	%	Ac.				X \$	= \$
	Site	%	22.96	Ac.	6,080.00	Acres	X \$	= \$ 139,597
	Roads & Waste	%	Ac.				X \$	= \$
	Other	%	Ac.				X \$	= \$
Public Lease	%	Ac.				X \$	= \$	
Totals			22.96	Ac.	6,080.00		X \$	= \$ 139,597
CEV Price \$		430,000	- Land Contribution \$		139,597	= Improvement Contribution \$		290,403

## Income Analysis

Income Analysis

Income Estimate Basis:		<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Share	<input type="checkbox"/> Owner/Operator				
Income Source		Unit	Stabilized	Total Production	Cash/Share/Owner Income			
<input type="checkbox"/> Actual	<input checked="" type="checkbox"/> Estimated	Units	Measure	Yield	Stabilized \$/Unit	Gross Income	Share %	Income \$
Rural Residential		22.96	Acres	1.00			100	
Improvements <input type="checkbox"/>		Improvements Included in Land Rent /mo /yr						
Stabilized Gross Income = \$								
Expense Items:		Expenses (cont.):		Expenses (cont.):				
Real Estate Tax	\$ 1,225		\$		\$			
Insurance	\$		\$		\$			
Maintenance	\$		\$		\$			
Management	\$		\$		\$			
Total Expenses	1,225	/ Stabilized G.I.		= Expense Ratio	%	Total Expenses = \$		1,225
Net Income	-1.225	/ CEV Price	430.000	= Cap Rate	-0.28 %	Net Income = \$		-1.225

Index #		Database #					951					Sale #		4	
Improvement Analysis														Reproduction Cost	
Improvement Analysis	Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10				
	Type	Dwelling	Basment	Shed	Shed	Shed	4 Bins	Bin	Det Garage	Quonset	Prefab				
	Size	1,579	1,579	200	48	88	12,800	4,500	576	3,600	480				
	Unit	SF	SF	SF	SF	SF	bu	bu	SF	SF	SF				
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.				
	Condition	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.				
	Age	15	15	35	35	35	33	24	35	35	35				
	Remaining Life	45	45	15	15	15	17	26	25	15	15				
	RCN/Unit	180.00	20.00	8.00	8.00	8.00	2.50	2.50	25.00	12.00	12.00				
	RCN	284,220	31,580	1,600	384	704	32,000	11,250	14,400	43,200	5,760				
	% Physical Depreciation	25	25	70	70	70	66	47	58	70	69				
	RCN Remainder After Phys. Depr.	213,165	23,685	480	115	211	10,880	5,963	6,048	12,960	1,786				
	% Functional Obsolescence														
	RCN Rem. After Phys./Funct. Depr.	213,165	23,685	480	115	211	10,880	5,963	6,048	12,960	1,786				
% External Obsolescence															
Total Impt. Contribution	213,165	23,685	480	115	211	10,880	5,963	6,048	12,960	1,786					
Contribution \$/Unit	135.00	15.00	2.40	2.40	2.40	0.85	1.33	10.50	3.60	3.72					
Improvement Analysis	Item:	Impt. #11	Impt. #12	Impt. #13	Impt. #14	Impt. #15	Impt. #16	Impt. #17	Impt. #18	Impt. #19	Impt. #20				
	Type	Bin	Bin	2 Bins	Bin										
	Size	1,000	3,200	5,400	5,800										
	Unit	bu	bu	bu	bu										
	Utility	Avg.	Avg.	Avg.	Avg.										
	Condition	Avg.	Avg.	Avg.	Avg.										
	Age	32	33	36	24										
	Remaining Life	18	17	14	26										
	RCN/Unit	2.50	2.50	2.50	2.50										
	RCN	2,500	8,000	13,500	14,500										
	% Physical Depreciation	63	66	72	47										
	RCN Remainder After Phys. Depr.	925	2,720	3,780	7,685										
	% Functional Obsolescence														
	RCN Rem. After Phys./Funct. Depr.	925	2,720	3,780	7,685										
% External Obsolescence															
Total Impt. Contribution	925	2,720	3,780	7,685											
Contribution \$/Unit	0.93	0.85	0.70	1.33											
Physical Depreciation <u>37</u> % Functional Obsolescence <u>        </u> % External Obsolescence <u>        </u> % Total Depreciation <u>37</u> %															
Total RCN \$ <u>463,598</u> Total Improvement Contribution: \$ <u>290,403</u> Improvement As % of Price <u>68</u> %															
Comments	Reliable available rural residential rental rates are difficult to determine in the market area. The income analysis is included for this property to show that the agriculture use does not cover the taxes for the subject property without additional income from rural residential rental fees. Typically properties of this type are owner occupied and do not generate rental income. The income analysis shows a negative cash flow.														



Index #


Database # 951

Sale # 4

Aerial Map

Aerial Map







Maps Provided By:  
**surety**  
CUSTOMIZED ONLINE MAPPING  
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Boundary Center: 47.800932, -111.041429

**25-24N-5E**  
**Chouteau County**  
**Montana**

0ft    835ft    1671ft



11/25/2024

Index # \_\_\_\_\_ Database # 951 Sale # 4

Photo





Sale Analysis	Index #	Database #	571	Sale #	5	Improved Sale
	Grantor	Kimbrig	Sales Price	295,000	Property Type	Building Site
	Grantee	Stephen Lund	Other Contrib.		Primary Land Use	Building Site
	Deeded Acres	5.50	Net Sale Price	295,000	Secondary Land Use	
	Sale Date/DOM	10/25/21 / 103	\$/Deeded Acre	53,636.36	Water	
	Prior Sale Date		Financing	Conv.		
	Prior CEV Price		% Fin. Adj.	0		
	Analysis Code		CEV Price	295,000		
	Source	MLS #22111036	SCA Unit Type	Acres		
	Motivation	Dwelling Purchase	Eff. Unit Size	5.50		
	Highest & Best Use	Ag/Residential	SCA \$/Unit	53,636.36		
	Address	1670 Penguin Lane	Multiplier Unit			
	City	Big Sandy	Multiplier No.			
	County	Chouteau	Legal Access	Yes		
	State/Zip	MT / 59520	Physical Access	Yes		
	Region/Area/Zone	/ /	View		Tax ID/Recording	479614
	Location	10 w Big Sandy	Utilities	Yes	Sec/Twp/Rge	10 / 28N / 11E
	Legal Description: S10, T28 N, R11 E, C.O.S. 190C, TRACT 1 IN SESW					

Land-Mix Analysis									
Land Mix Analysis	Land Use	Ratios	Acres	\$/Acre	Unit Size	Unit Type	\$/Unit		Total Unit Value
	Irrigated Cropland	%	Ac.			X \$	= \$		
	Irrigated Pasture	%	Ac.			X \$	= \$		
	Dry Cropland	%	Ac.			X \$	= \$		
	Hayland	%	Ac.			X \$	= \$		
	Tame/Imp Pasture	%	Ac.			X \$	= \$		
	Pasture	%	Ac.			X \$	= \$		
	Site	%	5.50	Ac. 28,938.00		Acres X \$	= \$		159,159
	Roads & Waste	%	Ac.			X \$	= \$		
	Other	%	Ac.			X \$	= \$		
	Public Lease	%	Ac.			X \$	= \$		
	<b>Totals</b>		5.50	Ac. 28,938.00		X \$	= \$		159,159
	<b>CEV Price \$</b>	295,000	<b>- Land Contribution \$</b>		159,159	<b>= Improvement Contribution \$</b>			135,841

Income Analysis

Income Analysis												
Income Estimate Basis:			<input checked="" type="checkbox"/>	Cash		<input type="checkbox"/>	Share		<input type="checkbox"/>	Owner/Operator		
Income Source				Unit	Stabilized	Total Production		Cash/Share/Owner Income				
<input type="checkbox"/>	Actual	<input checked="" type="checkbox"/>	Estimated	Units	Measure	Yield	Stabilized \$/Unit	Gross Income	Share %	Income \$		
Pasture				0.61	AUMs	1.00	35.00	21	100	21		
Site				2.00	Acres	1.00			100			
Improvements			<input type="checkbox"/>	Improvements Included in Land Rent				/mo	/yr			
Stabilized Gross Income = \$										21		
Expense Items:			Expenses (cont.):				Expenses (cont.):					
Real Estate Tax	\$	2,395				\$			\$			
Insurance	\$					\$			\$			
Maintenance	\$					\$			\$			
Management	\$					\$			\$			
Total Expenses		2,395	/ Stabilized G.I.	21	= Expense Ratio	11,404.76 %	Total Expenses = \$			2,395		
Net Income		-2,374	/ CEV Price	295,000	= Cap Rate	-0.80 %	Net Income = \$			-2,374		

Index #		Database #						571		Sale #		5	
Improvement Analysis										Reproduction Cost			
Improvement Analysis	Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10		
	Type	Dwelling	Quonset	Bin	Bin	Shed	Shed	Granary					
	Size	976	2,040	3,200	3,200	488	1,232	960					
	Unit	SF	SF	bu	bu	SF	SF	SF					
	Utility	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.					
	Condition	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.	Avg.					
	Age	15	15	29	25	46	15	40					
	Remaining Life	45	35	21	25	4	35	10					
	RCN/Unit	140.00	12.00	2.50	2.50	8.00	8.00	8.00					
	RCN	136,640	24,480	8,000	8,000	3,904	9,856	7,680					
	% Physical Depreciation	25	30	58	50	91	30	79					
	RCN Remainder After Phys. Depr.	102,480	17,136	3,360	4,000	351	6,899	1,613					
	% Functional Obsolescence												
	RCN Rem. After Phys./Funct. Depr.	102,480	17,136	3,360	4,000	351	6,899	1,613					
	% External Obsolescence												
Total Impt. Contribution	102,480	17,136	3,360	4,000	351	6,899	1,613						
Contribution \$/Unit	105.00	8.40	1.05	1.25	0.72	5.60	1.68						
Physical Depreciation <u>32</u> % Functional Obsolescence <u>      </u> % External Obsolescence <u>      </u> % Total Depreciation <u>32</u> %													
Total RCN \$ <u>198,560</u> Total Improvement Contribution: \$ <u>135,839</u> Improvement As % of Price <u>46</u> %													
Comments													

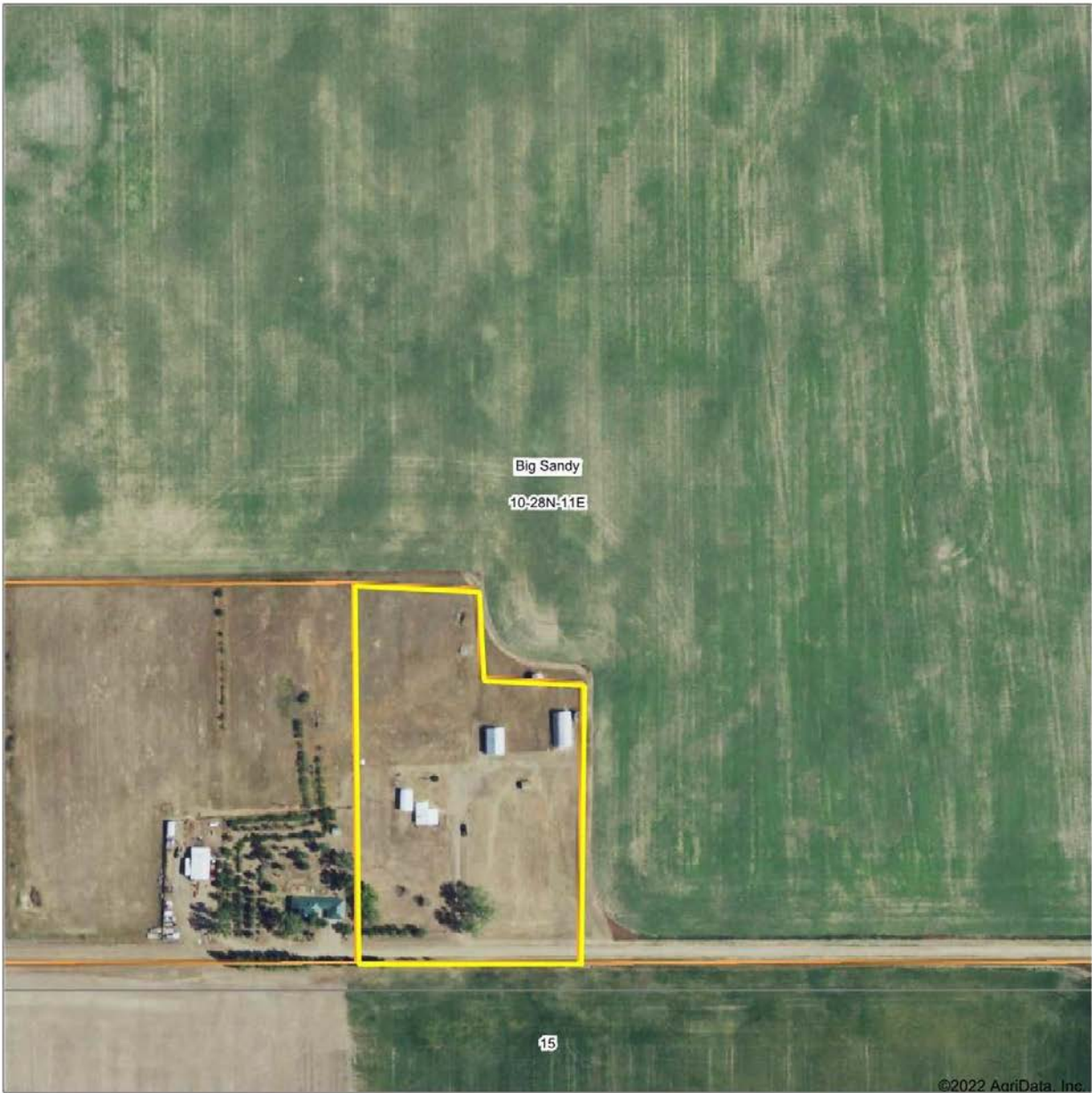
Index #

Database # 571

Sale # 5

Aerial Map

Aerial Map



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Map Center: 48.192752, -110.304447

0ft 271ft 542ft



10-28N-11E  
Chouteau County  
Montana



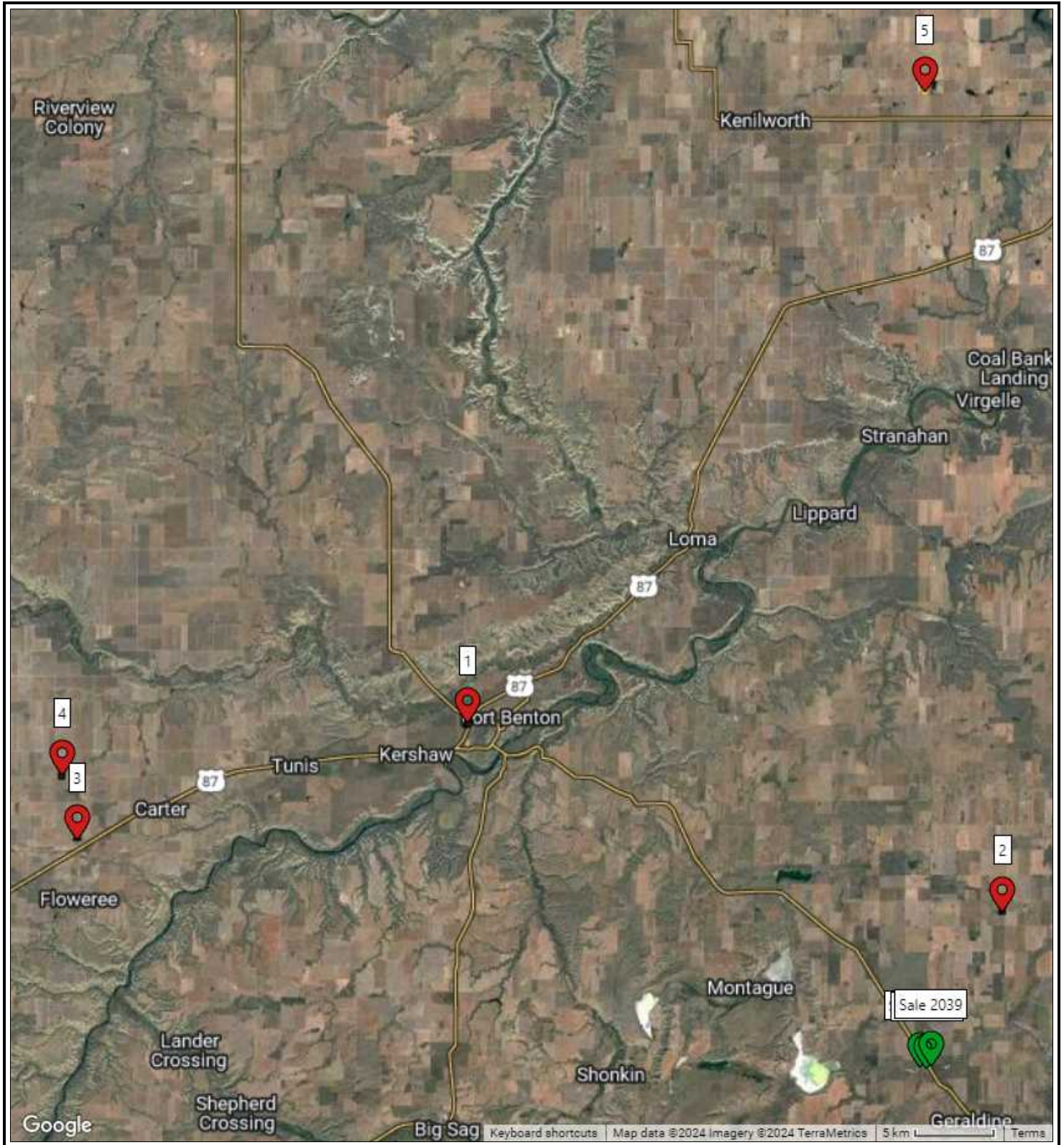
**Index #** \_\_\_\_\_ **Database #** \_\_\_\_\_ 571 **Sale #** \_\_\_\_\_ 5

Photo



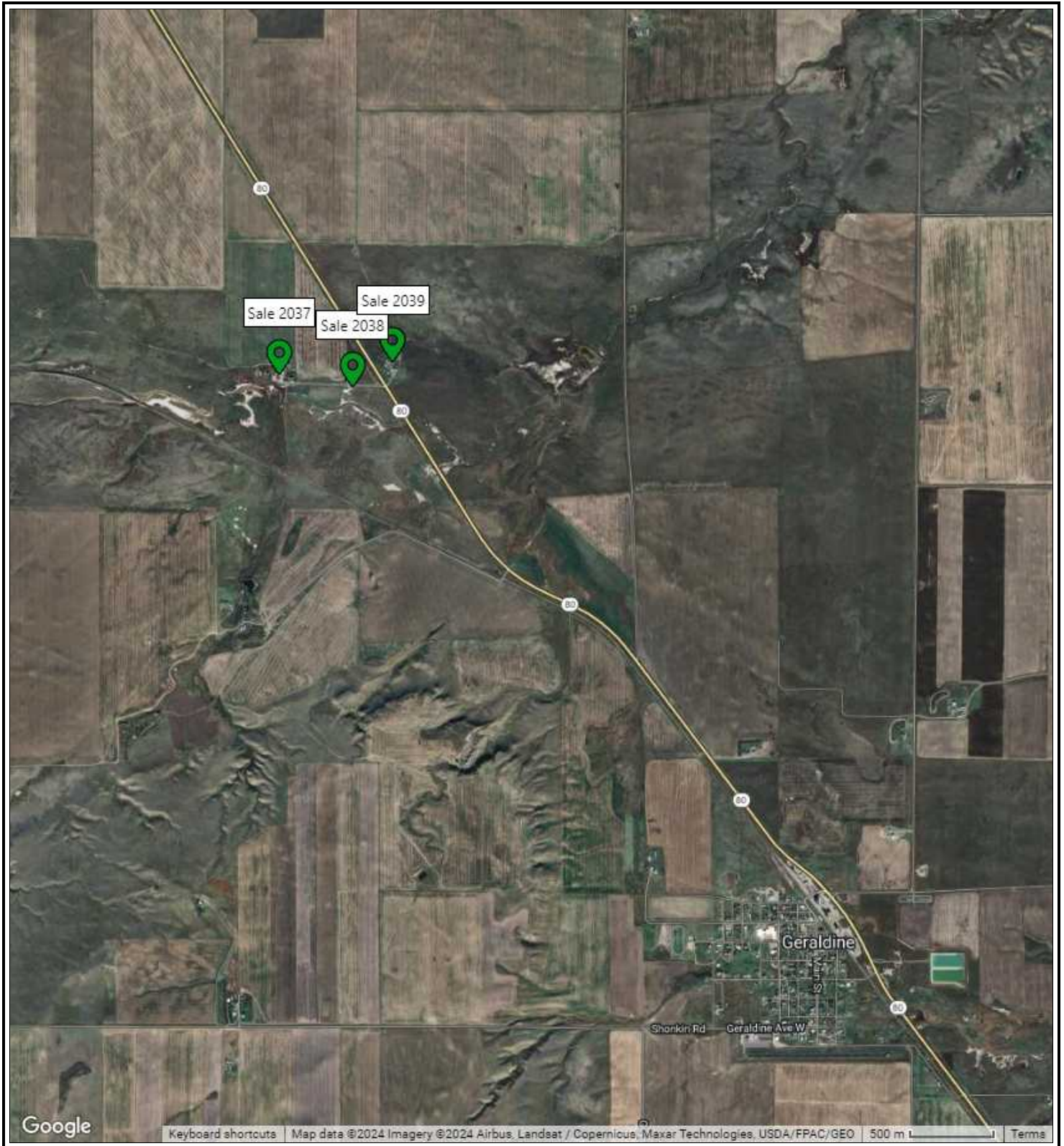


## Map Addendum





## Map Addendum



Montana Counties Map



© Rand McNally & Co.



## Sale 2037 Land Status Report

**STATEMENT OF LAND STATUS**

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

Brent Neace, 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:

**Section 27, Township 22 North, Range 11 East**  
**Tract 1 of COS 223A, containing 11.081 acres, more or less.**

Title vested in the State of Montana on August 30, 1917, under Clear List Selection No. 15 issued by the General Land Office, as previously described in a conveyance to the State of Montana filed in the records of the Chouteau County Clerk and Recorder's office on June 12, 1918, in book 15 of Deeds on page 387.

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:

Residential Lease No. 5427 issued March 1, 2020, to Gordon Muir, Freida B. Muir and Hucke Land and Livestock, and expiring February 28, 2035;  
 Right of Way Deed No. D-3020 issued June 16, 1948, to The Montana Power Company, A Corporation for an electric distribution single pole line-less than 23,000 volts;  
 Water Right No. 41R 30155656 issued to Montana, State Board of Land Commissioners, Trust Land Management Division, with a priority date of March 29, 2022.

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 Brent Neace.

Home Site Sale #2037  
 Common Schools Trust

Page 1 of 2

Sale 2037 Land Status Report

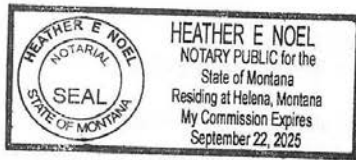
DATED this 7th day of November, 2023




Brent Neace, Real Estate Sales Specialist  
Trust Land Management Division

State of Montana  
County of Lewis & Clark

Signed and acknowledged before me on the date referenced above by Brent Neace.



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

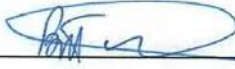
## STATEMENT OF LAND STATUS

Page 1 of 2

## Sale 2038 Land Status Report

This concludes the affidavit of Brent Neace.

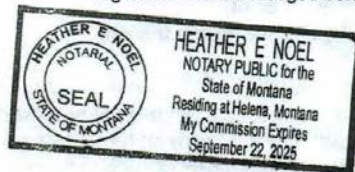
DATED this 7th day of November, 2023

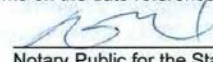


Brent Neace, Real Estate Sales Specialist  
Trust Land Management Division

State of Montana  
County of Lewis & Clark

Signed and acknowledged before me on the date referenced above by Brent Neace.



  
Notary Public for the State of Montana  
Residing at Helena, Montana  
My commission expires September 22, 2025

## Sale 2039 Land Status Report

**STATEMENT OF LAND STATUS**

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

Brent Neace, 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:

**Section 26, Township 22 North, Range 11 East**  
**Tract 3 of COS 223A, containing 8.727 acres, more or less.**

Title vested in the State of Montana on August 30, 1917, under Clear List Selection No. 15 issued by the General Land Office, as previously described in a conveyance to the State of Montana filed in the records of the Chouteau County Clerk and Recorder's office on June 12, 1918, in book 15 of Deeds on page 387.

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:

Residential Lease No. 9014 issued March 1, 2013, to Evelyn L. Sande, and expiring February 28, 2028;  
 Right of Way Deed No. D-17753 issued June 5, 2023, to Triangle Telephone Cooperative Association, Inc. for a buried fiber optic telecommunications cable;  
 Right of Way Deed No. D-3019 issued June 16, 1948, to The Montana Power Company, A Corporation for an electric distribution single pole line-less than 23,000 volts;  
 Water Right No. 41R 30155656 issued to Montana, State Board of Land Commissioners, Trust Land Management Division, with a priority date of March 29, 2022.

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.

Home Site Sale #2039  
 Common Schools Trust

Page 1 of 2



## Sale 2039 Land Status Report

This concludes the affidavit of Brent Neace.

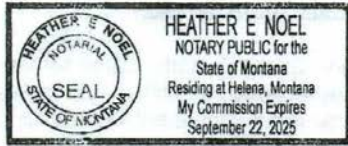
DATED this 7th day of November, 2023

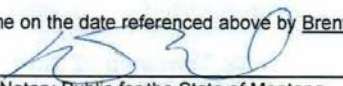


Brent Neace, Real Estate Sales Specialist  
Trust Land Management Division

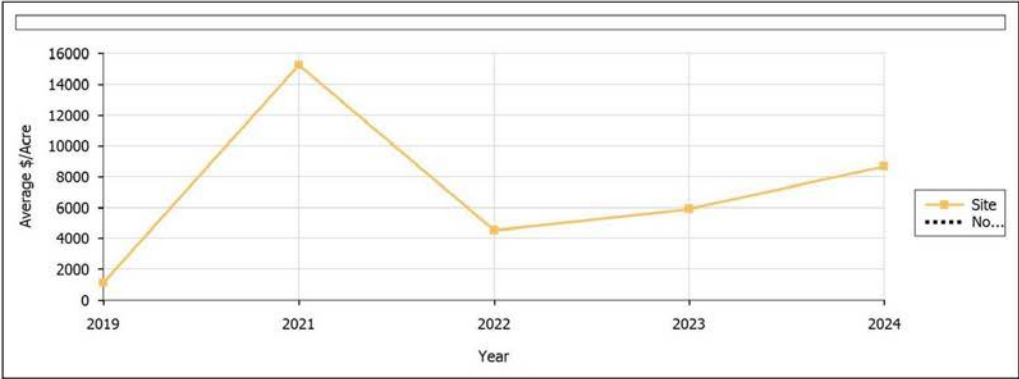
State of Montana  
County of Lewis & Clark

Signed and acknowledged before me on the date referenced above by Brent Neace.



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

Chouteau County Sales Trend Analysis





Chouteau County Sales Trend Analysis

Filter:  
LandQualityTypeName Include: Site;

Chouteau County Sales Trend Analysis


Average	Count	\$	Rate of Char	Year					
				2019	2021			2022	
LandQualityTypeName	Average \$/Acre	Count \$/Acre		Average \$/Acre	Count \$/Acre	Rate of Change (\$/Acre)	Average \$/Acre	Count \$/Acre	Rate of Change (\$/Acre)
Site	1100.00	1		15219.00	2	1283.55%	4526.67	3	-70.26%
<Prefilter is Empty>									

Chouteau County Sales Trend Analysis

2023			2024			Grand Total	
Average \$/Acre	Count \$/Acre	Rate of Change (\$/Acre)	Average \$/Acre	Count \$/Acre	Rate of Change (\$/Acre)	Average \$/Acre	Count \$/Acre
5885.00	1	30.01%	8661.50	2	47.18%	7591.78	9

## Engagement Letter

DocuSign Envelope ID: 7B0BD3D7-4765-40B9-8383-87F96B346154

FOR DNRC USE ONLY			Approved	
Maximum Amount under this Contract: \$9,000.00			Contract No. 255041	
<b>Fund Name</b>	<b>Source of Funds</b>	<b>Fund No.</b>	<b>Division</b>	DK
Cabin Site Sale Private Closing Costs		02031	<b>Legal</b>	MP
Trust Administration Account		02938	<b>FSO</b>	SS
<b>Subclass</b>	<b>Org. No.</b>	<b>Amount</b>	<b>SPSD</b>	NH
555HA	6048-01	\$4,500.00		
	6049-59	\$4,500.00		
Contract Expiration Date: December 31, 2024				

**FORESTRY AND TRUST LANDS DIVISION  
APPRAISAL OF POTENTIAL CABIN/HOME SITE SALE PROPERTIES IN CHOUTEAU 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) 444-4289, and Ernest F. Goettlich V, Northern Acres Appraisal Services, L.L.C. (Contractor), whose address and phone number are PO Box 2347 Havre, MT 59501 and (406) 942-0419.

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

**1.1 Contract Term**

The contract's initial term is upon contract execution, through **December 31, 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, Brent Neace, Real Estate Specialist at P.O. Box 201601, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1601 by November 30, 2024.**

**1.2 Contract Renewal - N/A**

**2. COST ADJUSTMENTS - N/A**

**2.1 Cost Increase by Mutual Agreement - N/A**

Rev. 08/24

## Engagement Letter

DocuSign Envelope ID: 7B0BD3D7-4765-40B9-8383-87F96B346154

**3. SERVICES AND/OR SUPPLIES**

Contractor shall provide the State the following: the contractor shall be responsible for providing a credible appraisal, for the parcels in Chouteau County, as described in Attachment B, Montana DNRC Forestry and Trust Lands 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 B, Montana DNRC Forestry and Trust Lands 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: \$9,000.00.

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

## Engagement Letter

Docusign Envelope ID: 7B0BD3D7-4765-40B9-8383-87F96B346154

In No case shall the State's total cumulative payment under this contract exceed Nine thousand dollars and no/100 (\$9,000.00)

**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

Rev. 08/24

3 | Page



## Engagement Letter

DocuSign Envelope ID: 7B0BD3D7-4765-40B9-8383-87F96B346154

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 – N/A**

**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.



## Engagement Letter

DocuSign Envelope ID: 7B0BD3D7-4765-40B9-8383-87F96B346154

**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, coverages, 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 employee's 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.

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**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.

**14.5 Nondiscrimination Against Firearms Entities/Trade Associations – N/A****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.

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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 as such Pre-Existing Materials remain embedded in the

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Work Product. Except as otherwise provided for in **Section 17.3** or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

**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.

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- 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

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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.

Brent Neace, Real Estate Specialist, is the State's liaison.

Address: PO Box 201601

Helena, MT 59620-1601

Telephone: (406) 444-4289

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

Ernest F. Goettlich V, Northern Acres Appraisal Services, L.L.C. is the Contractor's liaison.

Address: PO Box 2347

Havre, MT 59501

Telephone: (406) 942-0419

E-Mail: [northernacresapp@gmail.com](mailto:northernacresapp@gmail.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 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

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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 **12** numbered pages, Attachment A – Scope of Work and Attachment B – Supplemental Appraisal Instructions, Pages **13-18**. 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.

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STATE OF MONTANA

**DEPARTMENT OF NATURAL RESOURCES & CONSERVATION**

PO Box 201601  
1539 11<sup>th</sup> Avenue  
Helena, MT 59620-1601

BY: Deidra Kloberdanz      REMB Chief  
\_\_\_\_\_  
(Deidra Kloberdanz, Bureau Chief)

Signed by:  
  
\_\_\_\_\_  
(Signature)

DATE: 10/10/2024

CONTRACTOR

Ernest F. Goettlich V  
Northern Acres Appraisal Services, L.L.C.,

PO Box 2347  
Havre, MT 59501  
FEDERAL ID #: 84-4683696

BY: Ernest Goettlich      Manager/Owner/Principal  
\_\_\_\_\_  
Ernest F. Goettlich V

DocuSigned by:  
  
\_\_\_\_\_  
(Signature)

DATE: 10/9/2024

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**Attachment A****Scope of Work for Appraisal of Potential Property Sales through the Land Banking Program****DNRC TLMD Real Estate Management Bureau  
Cabin/Home Site Sale Program**

Scope of Work for the Appraisal of Potential Property Sale Through the Cabin/Home Site Sales  
Program: 2024 Chouteau 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 Lessees Freida & Gordon Muir; Hucke Land & Livestock and Evelyn Sande. 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 probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (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,

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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.

The legal descriptions and other characteristics of the lessee's property that are known by the lessee 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, 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 must be competent to appraise the subject properties. 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. 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

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be noted. The appraiser will provide one appraisal report that includes analysis and appraised values of the 3 (Three) homesites site identified in the Supplemental Appraisal Instructions.

The subject properties must be valued with the actual or hypothetical condition that the sites have legal access.

All appraisals are to describe the market value trends, and provide a rate of change, for the markets of the subject properties. Comparable sales used should 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.

The home sites (land) should be valued under the hypothetical condition that it is vacant raw land, without any site improvements, utilities, or buildings.

The appraisal report must list all real property improvements that were considered when arriving at the appraised value for the improvements. Improvements means a home or residence, outbuildings and structures, sleeping cabins, utilities, water systems, septic systems, docks, landscaping or any other improvements to the raw land.

The appraised value of state-owned land added to the allocated market value of the non-state-owned improvements value will not be greater than total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.

**APPRAISED VALUES REQUIRED:**

The appraisal for each cabin and home site must:

1. Include a total market value of the property, with the hypothetical condition that land and improvements are in fee simple ownership, with one owner.
2. Include a separate market value for the state-owned cabin or home site (land), under the hypothetical condition of it being vacant raw land exclusive of real property improvements.
3. Allocate a separate market value for the non-state-owned improvements, from the total market value derived in 1 above.
4. Valuation of the improvements must account for all forms of obsolescence.

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ATTACHMENT B

Montana DNRC Forestry and Trust Lands Division  
Supplemental Appraisal Instructions

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

Subject Properties (Located in Chouteau County):

Sale #	Acres ±	Legal Description
2037	11.081	TRACT 1 OF CHOUTEAU COUNTY COS 223A, Section 27, T 22N-R 11E
2038	9.37	TRACT 2 OF CHOUTEAU COUNTY COS 223A, Section 27, T 22N-R 11E
2039	8.727	TRACT 3 OF CHOUTEAU COUNTY COS 223A, Section 26, T 22N-R 11E

<u>DNRC Contact Information:</u> Brent Neace, Real Estate Specialist PO Box 201601 Helena, MT 59620-1601 Phone: (406) 444-4289 Fax: (406) 444-2684 <a href="mailto:brent.neace@mt.gov">brent.neace@mt.gov</a>	<u>Lessees:</u> Sale 2037: Freida and Gordon Muir & Huckle Land and Livestock - (406) 737-4277 Sale 2038: Gordon Muir - (406) 737-4225 Sale 2039: Evelyn Sande - (406) 737-4345
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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 office, including but not limited to aerial photos, land improvements, current lease data, any known property issues, surveys (if any). 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.

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Location Map of Parcels

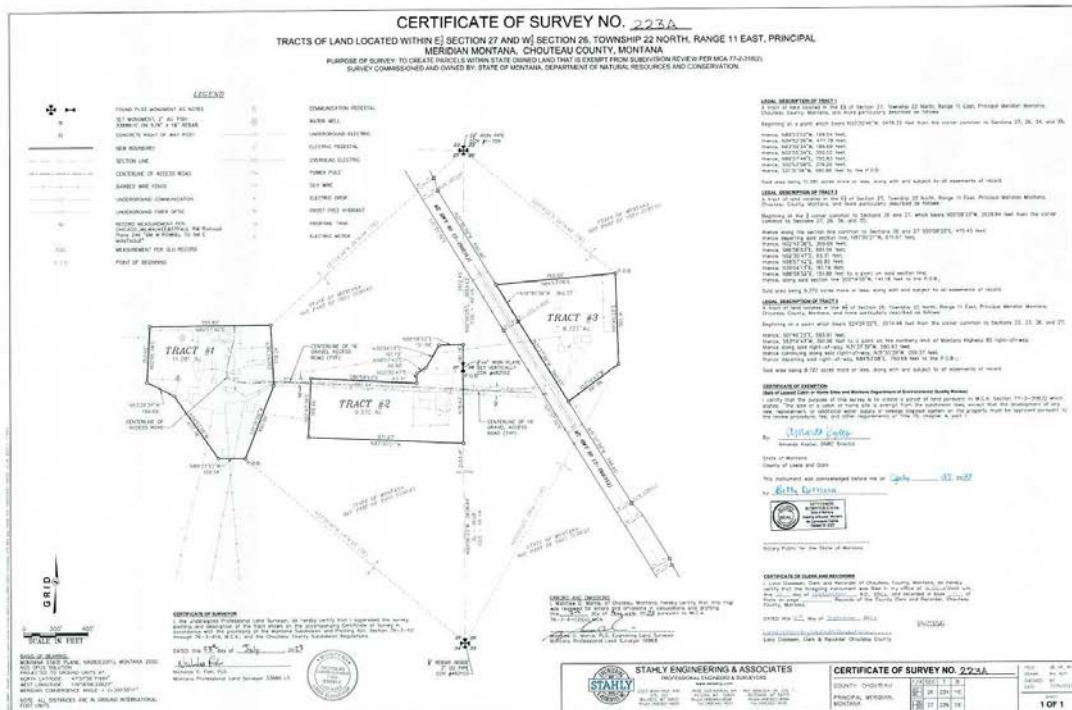
Sales 2037, 2038, 2039, Chouteau County



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# Cabin Site Sale Chouteau County Certificate of Survey 223A





Ernest Goettlich License



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.**

## Appraiser Qualifications

**Ernest F. Goettlich V**Employment

Quality Bank, Page ND, AG/Commercial Lender, Collections Officer	08/2008 – 12/2010
Farmers State Bank, Iroquois SD, AG/Commercial Lender, Developed in-house real estate evaluation program	02/2011 – 08/2012
Independence Bank, Havre, MT, Staff Appraiser	09/2012 – 03/2020
Northern Acres Appraisal Services, LLC, Owner/Principal	03/2020 to Present

Licenses

Real Estate Appraiser Trainee, State of Montana, License #REA-RET-LIC-5705	03/2014 to 09/2018
Completed Apprenticeship with Dave Anderson, Havre	
Certified General Real Estate Appraiser, State of Montana, License #REA-RAG-LIC-10644	09/2018 to Present

Types of Assignments

Appraisals:	Irrigated and dryland farms and ranches, residential and special purpose properties, commercial and industrial properties.
Expert Witness	
Testimony:	Expert witness testimony with regard to appraisal assignments.
Court Appointed Referee:	Court Appointed Referee in disposition of estate and/or trust real estate assets

Education

Embry-Riddle Aeronautical University, Daytona Beach FL, Bachelor of Science Degree-Aerospace Engineering	08/2004 – 05/2008
South Dakota Bankers Association, Fundamentals of AG Lending	06/2009
Sheshunoff, Commercial Lending Coursework	2010
Appraisal Institute, Basic Appraisal Principles	10/04/2013
Appraisal Institute, 15-Hour National USPAP Course	11/08/2013
Appraisal Institute, Online Basic Appraisal Procedures	01/13/2014
Appraisal Institute, Real Estate Finance Statistics and Valuation Modeling	10/21/2014
McKissock, National USPAP Update (2014-2015)	02/16/2015
Appraisal Institute, General Appraiser Market Analysis and Highest & Best Use	03/27/2015
Appraisal Institute, General Appraiser Sales Comparison Approach	06/20/2015
Appraisal Institute, General Appraiser Site Valuation and Cost Approach	10/08/2015
McKissock, National USPAP Update (2016-2017)	02/21/2016
Appraisal Institute, General Appraiser Income Approach/Part 1	04/15/2016
Appraisal Institute, General Appraiser Income Approach/Part 2	07/14/2016
Appraisal Institute, General Appraiser Report Writing and Case Studies	10/20/2016
Appraisal Institute, Quantitative Analysis	05/08/2017

## Appraiser Qualifications

Education – Continued

McKissock, 7-Hour National USPAP Update (2018-2019)	02/24/2018
Ag Lenders Range School, Inc, 2019 MT Ag Lenders Range School	06/21/2019
McKissock, Complex Properties: The Odd Side of Appraisal	11/26/2019
McKissock, 7-Hour National USPAP Update (2020-2021)	12/31/2019
McKissock, Basic Hotel Appraising – Limited Service Hotels	03/12/2021
McKissock, 7-Hour National USPAP Update (2022-2023)	11/07/2022
McKissock, Relocation Appraisal and the ERC Form	02/02/2023
McKissock, Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do	02/03/2023
McKissock, Appraisal of Fast Food Facilities	03/21/2023
McKissock, The Basics of Expert Witness for Commercial Appraisers	03/24/2023
McKissock, Introduction to Commercial Appraisal Review	06/08/2023
McKissock, 7-Hour National USPAP Update (2024)	03/24/2024
McKissock, Appraisal of Industrial and Flex Buildings	08/19/2024

## Definitions

Market Value - As defined by the 2010 Interagency Appraisal and Evaluation Guidelines (75 Fed. Reg. 77449 (December 10, 2010); the "Interagency Guidelines" can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2010-12-10/pdf/2010-30913.pdf>)

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Extraordinary Assumption - As defined in USPAP, an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions regarding the property's market value. An example of an extraordinary assumption is when an appraiser assumes that an application for a zoning change will be approved and there is no evidence to suggest otherwise.

Hypothetical Condition

- A condition that is presumed to be true when it is known to be false.
- A condition, directly related to a specific assignment, which contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

Fair Value/Fair Market Value - is the Price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

Liquidation Value - The price that an owner is compelled to accept when a property must be sold without reasonable market exposure.

## Definitions - Continued

Transaction Value

As defined in the Agencies' appraisal regulations:

- For loans or other extensions of credit, the amount of the loan or extension of credit;
- For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and
- For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

For purposes of this definition, the transaction value for loans that permit negative amortization should be the institution's total committed amount, including any potential negative amortization.

Value-In-Use - The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

Value-As-Vacant - The most probable price for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under influence nor duress. This definition assumed the assets would be sold for and alternative use.

Montana waters, in all their varied forms and locations, belong to the State for the benefit of its people. A water right is the right to use the water within state-established guidelines, and not any ownership of the water itself. Since water rights in Montana are guided by the prior appropriation doctrine, a person's right to use a specific quantity of water depends on when the use of water began, establishing the relative priority date of use on the water source. The first person to use water from a source established the first right, the second person could establish a right to the water that was left, and so on. Additionally, water users are limited to the amount of water that can be beneficially used. Beneficial use includes, but is not limited to, agricultural, recreational, fish and wildlife and domestic purposes.

The total carrying capacity has been estimated utilizing the current livestock carrying capacity on the ranch, the guidelines as stated in the Vegetative Rangeland Types in Montana and the appraiser's knowledge in managing cow/calf operations. An animal-unit month (AUM) is expressed as the feed required to carry one 1,000 lb. cow with calf at side for 30 days. The actual total carrying capacity for a property can vary dramatically depending upon stewardship of the land, land-mix, weight of cattle, weather, and availability of livestock water, among other factors. The average rating for most of the range on the subject parcel falls between .30 and .40 AUMs per acre.

Reconciliation of Values from Comparable Sales Approach

**Rights Transferred** - Reflects the property rights transferred by the sale including both surface and sub-surface rights as well as use rights. This is where conservation easements are reflected.

**Financing Terms** - Reflect adjustments to the sale of the property if they include favorable financing terms such as a below market rate, longer amortization, or less down payment requirements.

**Conditions of sale** - Reflect adjustments for short sale, distressed sale, bank-owned real estate.

## Definitions - Continued

Time - Reflects the adjustment made due to recent market changes. These adjustments are supported by Montana State University and USDA reports tracking the trends in agriculture land sales, as well as re-sales of properties.

Location - Reflects the adjustment made due to the location, rainfall, stock water, etc., of the sale as compared to the subject.

Mix - The actual per acre difference in value considering the mix of acreage (pasture, hayland, cropland, etc.) comparing the sales to the subject.

Improvements - The actual per acre difference in value of building improvements comparing the sales to the subject.

Land Quality - Reflects the per acre value difference between the subject and the sales considering land quality, yield potential, soil capability and utilization.

Condition of Land - Reflects the age and condition of forage stands and irrigation delivery systems.

Lease - Reflects the overall per acre consideration paid for leases conveyed with the sales as compared to the subject. These leases can include but are not limited to deeded acreages, State Land Leases, BLM Land Leases, BOR Land Leases, as well as tribal land leases.

Crop - The per acre value of growing crop contribution in the sale. This value is typically specified in a contract and verified with the input costs of said growing crop.

Real Estate is appraised on the basis of its Highest and Best Use.

Following is a definition of Highest and Best Use from "Appraiser's Terminology and Handbook".

"HIGHEST AND BEST USE...

The most profitable likely use to which a property can be put. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. However, elements affecting value which depend upon events or a combination of occurrences which, while within the realm of possibility are not fairly shown to be reasonably probable, should be excluded from consideration. Also, if the intended use is dependent on an uncertain act of another person, then intention cannot be considered.

That use of Land which may reasonably be expected to produce the greatest net return to land over a given period of time. That legal use which will yield to land the highest present value. Sometimes called optimum use."

## Definitions - Continued

"Highest and Best Use" is further described as follows:

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

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

It is that use found to be:

- (1) legally permissible
- (2) physically possible
- (3) financially feasible
- (4) maximally productive

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

The definition applies specifically to the highest and best use of 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 appraiser's judgment and analytical skills. The use determined from analysis represents an opinion, not a determination of fact. Consideration has to be given to that range of uses which fit the appraised property. Consideration has to be given to alternative uses, as well as existing use. Lack of utilities, dedicated access, and title limitations may be limiting factors.

Land in the immediate surrounding area is currently under the same use as the subject property. The appraised property is located in an area that does not have established recreational value.

There is no indication of subdivision or industrial use for land in the area of the subject which can be considered relatively remote.



## Minimum Appraisal Standards

As defined by the 2010 Interagency Appraisal and Evaluation Guidelines (75 Fed. Reg. 77449 (December 10, 2010); the "Interagency Guidelines" can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2010-12-10/pdf/2010-30913.pdf>)

The Agencies' appraisal regulations include minimum standards for the preparation of an appraisal. (See Appendix D, Glossary of Terms, for terminology used in these Guidelines.)

The appraisal must:

- Conform to generally accepted appraisal standards as evidenced by the USPAP promulgated by the Appraisal Standards Board of the Appraisal Foundation unless principles of safe and sound banking require compliance with stricter standards. Although allowed by USPAP, the Agencies' appraisal regulations do not permit an appraiser to appraise any property in which the appraiser has an interest, direct or indirect, financial or otherwise in the property or transaction. Further, the appraisal must contain an opinion of market value as defined in the Agencies' appraisal regulations. (See discussion on the definition of market value below.) Under USPAP, the appraisal must contain a certification that the appraiser has complied with USPAP. An institution may refer to the appraiser's USPAP certification in its assessment of the appraiser's independence concerning the transaction and the property. Under the Agencies' appraisal regulations, the result of an Automated Valuation Model (AVM), by itself or signed by an appraiser, is not an appraisal, because a state certified or licensed appraiser must perform an appraisal in conformance with USPAP and the Agencies' minimum appraisal standards. Further, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) 35 provides "[i]n conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of loan origination of a residential mortgage loan secured by such piece of property."
- Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction. An institution should obtain an appraisal that is appropriate for the particular federally related transaction, considering the risk and complexity of the transaction. The level of detail should be sufficient for the institution to understand the appraiser's analysis and opinion of the property's market value. As provided by the USPAP Scope of Work Rule, appraisers are responsible for establishing the scope of work to be performed in rendering an opinion of the property's market value. An institution should ensure that the scope of work is appropriate for the assignment. The appraiser's scope of work should be consistent with the extent of the research and analyses employed for similar property types, market conditions, and transactions. Therefore, an institution should be cautious in limiting the scope of the appraiser's inspection, research, or other information used to determine the property's condition and relevant market factors, which could affect the credibility of the appraisal. According to USPAP, appraisal reports must contain sufficient information to enable the intended user of the appraisal to understand the report properly. An institution should specify the use of an appraisal report option that is commensurate with the risk and complexity of the transaction. The appraisal report should contain sufficient disclosure of the nature and extent of inspection and research performed by the appraiser to verify the property's condition and support the appraiser's opinion of market value. (See Appendix D, Glossary of Terms, for the definition of appraisal report options.) Institutions should be aware that provisions in the Dodd-Frank Act address appraisal requirements for a higher-risk mortgage to a consumer. To implement these provisions, the Agencies recognize that future regulations will address the requirement that the appraiser conduct a physical property visit of the interior of the mortgaged property.

## Minimum Appraisal Standards - Continued

- Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units. Appraisers must analyze, apply, and report appropriate deductions and discounts when providing an estimate of market value based on demand for real estate in the future. This standard is designed to avoid having appraisals prepared using unrealistic assumptions and inappropriate methods in arriving at the property's market value. (See Appendix C, Deductions and Discounts, for further explanation on deductions and discounts.)
- Be based upon the definition of market value set forth in the appraisal regulation. Each appraisal must contain an estimate of market value, as defined by the Agencies' appraisal regulations. The definition of market value assumes that the price is not affected by undue stimulus, which would allow the value of the real property to be increased by favorable financing or seller concessions. Value opinions such as "going concern value," "value in use," or a special value to a specific property user may not be used as market value for federally related transactions. An appraisal may contain separate opinions of such values so long as they are clearly identified and disclosed. The estimate of market value should consider the real property's actual physical condition, use, and zoning as of the effective date of the appraiser's opinion of value. For a transaction financing construction or renovation of a building, an institution would generally request an appraiser to provide the property's current market value in its "as is" condition, and, as applicable, its prospective market value upon completion and/or prospective market value upon stabilization. Prospective market value opinions should be based upon current and reasonably expected market conditions. When an appraisal includes prospective market value opinions, there should be a point of reference to the market conditions and time frame on which the appraiser based the analysis. An institution should understand the real property's "as is" market value and should consider the prospective market value that corresponds to the credit decision and the phase of the project being funded, if applicable.
- Be performed by state certified or licensed appraisers in accordance with requirements set forth in the appraisal regulation. In determining competency for a given appraisal assignment, an institution must consider an appraiser's education and experience. While an institution must confirm that the appraiser holds a valid credential from the appropriate state appraiser regulatory authority, a state certification or license is a minimum credentialing requirement. Appraisers are expected to be selected for individual assignments based on their competency to perform the appraisal, including knowledge of the property type and specific property market. As stated in the Agencies' appraisal regulations, a state certified or licensed appraiser may not be considered competent solely by virtue of being certified or licensed. In communicating an appraisal assignment, an institution should convey to the appraiser that the Agencies' minimum appraisal standards must be followed.