

Site Data

The subject property is irregular in shape, consisting of 25 acres, with approximately 20 acres of pasture and the balance being the home site and building waste. The subject has a small amount of frontage on Farmer Road. Subject topography is described as moderately rolling and draining appears to be adequate. The subject property is served by a drilled well, sanitary septic systems, and public electricity. Wells, springs, and septic fields are typical for rural home and farms in the market area.

Improvement Data

Subject is a farm operation with a dwelling, three operating poultry units, litter storage building, and other farm-related outbuildings. The primary home, built in 1988, is approximately 2,112 square feet that is one and one-half stories. Exterior finish is vinyl siding and a shingle roof. Interior includes three bedrooms, two full baths and one half bath, kitchen, dining room, office/den, and living room. Interior finish includes laminate wood and carpet floors, with gypsum board walls and ceilings that are painted. Heat is provided by gas and heat pump and the home has central air conditioning. Water is provided by a drilled well and serviced by a septic system. The dwelling is in good condition. The two poultry units are 31 x 350 and have metal siding, metal roof, and dirt floor. Both units have feed lines and drinkers; these units are in average condition. The litter storage unit is 5,775 square feet with wood frame knee walls, metal siding, metal roof, and a dirt floor; this improvement is in average condition. A stationary generator and a small equipment storage building have been given lump sum values that have been market derived from their contributory value to the subject; both of these improvements are in fair condition.

Zoning and Other Restrictions

The subject is zoned A-1, prime agriculture, by the County of Oldland, Oklahoma. Representative uses permitted under this classification are as follows:

- Agricultural
- Animal husbandry
- Silviculture
- Orchards
- Nurseries
- Aquaculture
- Flood control or watershed structures
- Greenhouse
- Intensive poultry operations
- Hog operations
- Fish hatchery
- Hunting or fishing club
- Domestic animals
- Public utilities
- Single-family residences
- Water filling stations
- Storage of agricultural products
- Residential human care facility
- Special uses by permit

Flood Hazard Area

To assist the citizens in a potential or actual emergency, the U.S. federal government has created the Federal Emergency Management Agency (FEMA). Among the many responsibilities of FEMA, one is to determine the high hazard areas where the probability of periodic flooding is high. Through the National Flood Insurance Program, FEMA has compiled flood insurance rate maps, which rate areas according to the probability of period flooding. Areas where potential flooding occurs within a 100-year timeframe are considered to be in a flood hazard area. FEMA's flood hazard map indicates that the subject property is not located in a flood hazard area.

Environmental Hazards

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent, significant hazardous substances or detrimental environmental conditions, which would affect the property negatively unless otherwise stated in this report. It is possible that Phase I or II test and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

Highest and Best Use

Highest and best use (HBU) is the basic foundation for the valuation process. It is typically defined as the reasonably probable and legal use, which, at the time of the appraisal, is the most profitable and likely use for the property. The criteria that the HBU of the property must meet are: 1-legal permissibility, 2-physical possibility, 3-financial feasibility, 4-maximum profitability or maximally productive.

- **Physically possible.** The site must possess adequate size, shape, soil, and other physical conditions to support potential use.
- **Legally permissible.** The potential use of the property must conform to all private, local, and state zoning and use restrictions for the site.
- **Financially feasible.** The potential use must be capable of providing a net return to the property owner.
- **Maximally productive.** Of those physically possible, legally permissible, and financially feasible uses, the highest and best use for a property is that use which provides the greatest net return to the property owner over a given period.

Highest and Best Use (continued)

These criteria should usually be considered sequentially; it makes no difference that a use is financially feasible if it cannot be physically constructed on the site or if it is not legally permitted.

Each alternative land use has been analyzed according to these four criteria. The land use plan recommended as a result of this analysis represents the HBU for the land.

The subject property is currently utilized for poultry/general farming.

Analysis of the Subject Property as if Vacant. In an evaluation of the HBU of land as if vacant, structural improvements are eliminated from consideration. All factors regarding neighborhood trends and site characteristics are given full weight in the analysis. With this framework in mind, a property owner's most reasonable approach to the use of the land must be evaluated.

After analyzing local zoning codes and market area trends, it is my opinion that the HBU for the subject, as if vacant, as of the date of value is agriculture.

Analysis of the Subject Property as Improved. In an evaluation of the HBU of land as improved, all factors regarding structural improvements, market area trends, and site characteristics are given full weight in the analysis. With this framework in mind, a property owner's most reasonable approach to the use of the land must be evaluated.

Further analyzing the above data, it is my opinion that the present improvements contribute to the value of the subject property so that its value is greater than the estimated vacant site value. Therefore, the HBU of the subject property as improved as of the date of value is poultry/general agriculture, which is the HBU as reflected in this appraisal.

Delineation of Title for the Subject Property

The subject property is identified as parcel 11-(Z)-A112Y on the County of Oldland tax maps. It was acquired by David and Mary Johnson from Henry and Susan Doe by deed dated August 12, 2003, as recorded in the Clerk's Office of Oldland County in Deed Book 1111 on page 100. No other transfers were recorded for the subject property for 4 years prior to the effective date of the appraisal. (See addendum of this report for a copy of the subject property deed.)

Title Report

I have not been furnished a copy of the title report on the subject property, and I cannot warrant missing data that a title search would typically reveal. During the typical appraisal process, I have found no apparent restrictions on the development and use of the property which would have a material impact on its value.

Legal Description

All that certain tract or parcel of land, containing 25 acres, more or less, together with all the improvements thereon, and all rights, privileges, appurtenances, easements, and rights-of-way thereunto belonging or in anyway pertaining, situate on the west side of Woodland Road in Oldland County, Oklahoma.

Sale, Option, or Listing Agreement

The owner reports that the subject property is not under contract agreement or option and is not offered for sale on the open market.

Real Estate Tax Assessment Data

The real estate assessor's office for the County of Old land was consulted to confirm the present and historical tax structure for the county. The county assesses property on a yearly basis at a ratio of 100% of assessed value. The current 2009 tax rate is \$.57 per \$100 of assessed value.

The current assessment for the subject is \$203,600 for the site and \$327,800 for the improvements for a total assessment of \$531,400. The subject is in land use and is taxed at \$88,220. This equates to a tax liability of \$2,412.91 for 2009.

Valuation Process

The valuation process develops a supportable estimate of market value of the property appraised. It involves collecting market evidence to support an analysis of value trends, the reactions of buyers and sellers in the marketplace, and a proper interpretation of the facts. Traditionally, three approaches to value are used: the cost, sales comparison, and income.

All three approaches are based on the principal of substitution which states that no reasonable person would be willing to pay more for a property than the current cost of buying the site and constructing a similar building having similar utility. In theory, all three approaches are designed to provide an estimate of market value as of a specific date, and all three are, in essence, market data comparative approaches. When the data is correctly analyzed and processed, the three approaches will provide value indications within a narrow range, with diversions resulting only for the lack of mathematical precision inherent in the appraisal process. One or more of these approaches is used in all estimations of value, depending on the type of property, the function of the appraisal, and the quality and quantity of data available for analysis.

Sales Comparison Approach

In the sales comparison approach, the appraiser's objective is to find the probable market value of the subject property by interpreting data on sales of similar properties. Each comparable sale is compared with the subject property. Typically, physical characteristics, terms of financing, and conditions of sale are included in the elements of comparison. Adjustments are made to the comparable sales prices to arrive at an indication of what the subject property would sell for if offered in the market. Herein, I have conducted a thorough investigation of the subject's immediate and general neighborhood to identify recent sales of property with reasonably similar characteristics and utility.

Additionally, I have prepared a discrete valuation of the site, as if vacant. By comparison of the site to several historical transactions involving land intended for similar use to that of the subject, I have made an estimation of the value of the subject land as a separate entity. I would direct your attention to the following land and subject value comparison charts and schedule of values, as well as the photographs of comparable sales. For additional supporting documentation, I have also included maps of the comparable sale locations in the addendum section of this report.

COMPARABLE SALE #1

County: Oldland
Property type: vacant
Address: Water Mill Lane, Mistytown, Oklahoma
Acreage: 39.677
Tax map: 62 (A) 111
Zoning: general agriculture
Sale price: \$337,254
Date of sale: February 5, 2008
Recording reference: Deed Book 3259, Page 371
Grantor: Jane Doe
Grantee: John and Jill Poe
Data verified by: public records

Improvements: None

Site Improvements (list):

Land:

Use	Acres	Value Per Acre	Total Value
Pasture	29		
Woods	10.677		
Total		\$8,500	\$337,254

Remarks:

COMPARABLE SALE #2

County: Oldland
Property type: land
Address: Hikers Road, Leafyville, Oklahoma
Acreage: 30.712
Tax map: 50 (A) 119 and 122
Zoning: general agriculture
Sale price: \$250,000
Date of sale: August 12, 2007
Recording reference: Deed Book 2252, Page 344
Grantor: Koe Family Revocable Trust
Grantee: John H. and Eileen T. Hook
Data verified by: deed/public record

Improvements: None

Site Improvements (list):**Land:**

Use	Acres	Value Per Acre
Pasture	30.712	\$8,140
Total		\$250,000

Remarks: Great views

COMPARABLE SALE #3

County: Oldland
Property type: general farm
Address: 9876 Creek Road, Hot Glen, Oklahoma
Acreage: 41.1
Tax map: 77-A-92
Zoning: A-2
Sale price: \$500,000
Date of sale: October 7, 2008
Recording reference: Deed Book 2404, Page 614
Grantor: Trustee of the Soe Family Trust
Grantee: Robert T. Dane
Data verified by: public record/realtor

LAND VALUE COMPARISON

Date of value: June 10, 2009

Sale Number:	1	2	3
Sale Location:	Water Mill Lane Mistytown, OK	Hikers Road, Leafyville, OK	9876 Creek Road, Hot Glen, OK
Sale Date:	February 5, 2008	August 12, 2007	October 7, 2008
Units (Land Area):	39.677 acres	30.712 acres	41.1
Sale Price:	\$337,254	\$250,000	\$328,800
Unit Price:	\$8,500 acre	\$8,140 acre	\$8,000 acre
Interest:	0	0	0
Cash Equivalency:	0	0	0
Market Adjustment:	0	0	0
Adjusted Price:	\$8,500 acre	\$8,140 acre	\$8,000 acre

Degree of Comparability:

Location:	0	0	0
Access:	0	0	0
Topography:	0	0	0
Public Utilities:	0	0	0
Utility:	0	0	0
Land Size:	0	0	0
Zoning:	0	0	0
Improvements:	0	0	(4,165)
Net Adjustments	0	0	0
Indicated Value	\$8,500	\$8,140	\$8,000

Adopted Unit Value: \$8,000 per acre

Estimated Market Value: 40.20 acres @ \$8,000 per acre = \$321,600

Rounded: \$322,000

COMPARABLE SALE #4

County: Oldland
Property type: poultry - broilers
Address/location: Prickly Branch Road, Doeville, Oklahoma
Acreage: 28.85741 **Tax map number:** 111-A-181 **Zoning:** A1
Sale price: \$905,000 **Date of sale:** March 30, 2006
Recording reference: Deed Book 2707, Page 694
Grantor: William E. and Katherine R. Woe
Grantee: Nathan B. and Sandra Loe
Data verified by: public records and SL 2005 appraisal

Main Residence

Number of stories: 1 **Square feet:** 1,080
Exterior walls: masonite siding **Roof surface:** shingle
Basement: -- **Fireplace:** --
Floor covering: carpet, vinyl **Interior walls:** drywall
Total rooms: 5 **Bedrooms:** 2 **Bathrooms:** 1
HVAC: EBB/no AC
Actual age: 20 yrs effective age **Condition:** average
Miscellaneous:
Updates: mobile home on concrete piers with under-skirting

Improvements:

Description	Exterior Wall	Floor	Roof	Square Foot	Value Per Square Foot	Condition	Contributory Value
Main dwelling	metal	crpt, vinyl	shingle	1,080	\$50.92	Average	\$55,000
Poultry unit	metal	concrete	metal	31,200	\$7.44	1986	\$232,363
Poultry unit	metal	concrete	metal	31,200	\$7.44	1987	\$232,363
Litter storage	metal	concrete	metal	2,600	\$9.61	Good	\$25,000
Compost building	metal	concrete	metal	3,192	\$7.83	Good	\$25,000
Generator & bldg.	metal	concrete	metal		Lump sum		\$12,000
Site imprvmnts.							\$34,700
						Total	\$616,426

Site Improvements (list): well, septic, poultry house pads

Land:

Use	Acres	Value Per Acre	Total Value
Crop	28.85741	\$10,000	\$288,574
Total		\$10,000	\$288,574

Remarks: Poultry units have Choretime feeders and waterers, Choretronics computer system, radiant brooder stoves, and tunnel ventilation. Poultry units were converted from turkeys to broilers in 2004, so all equipment (including computer system), tunnel ventilation, and metal siding was basically new at time of sale.

COMPARABLE SALE #5

County: Anyland
Property type: poultry - broilers
Address/location: 222 Bowtown Lane, Marketplace, Oklahoma
Acreage: 60.003 **Tax map number:** 99-A-11
Zoning: general agriculture
Sale price: \$750,000 **Date of sale:** March 3, 2008
Recording reference: Instrument #070002230
Grantor: James D. Carter, Jr.
Grantee: Richard K. Voe
Data verified by: public records and SL 2008 appraisal

Main Residence

Number of stories: 2 **Square feet:** 1,658
Exterior walls: vinyl siding **Roof surface:** metal
Basement: -- **Fireplace:** --
Floor covering: vinyl, laminate **Interior walls:** plaster, wallpaper, painted
Total rooms: 7 **Bedrooms:** 4 **Bathrooms:** 1
HVAC: gas forced air; no AC
Actual age: **Condition:** good
Miscellaneous:
Updates: vinyl siding, replacement windows, painted roof, new laminate in living room, new vinyl in kitchen and bathroom, new 2-story porch with vinyl railing.

Improvements:

Description	Exterior Wall	Floor	Roof	Square Foot	Value Per Square Foot	Condition	Contributory Value
Dwelling	vinyl siding	crpt, vinyl	metal	1,658	\$58.92		\$97,770
Poultry unit	metal	concrete	metal	25,200	\$6.00		\$151,200
Poultry unit	metal	concrete	metal	25,200	\$6.00		\$151,200
Litter storage	concr/metal	concrete	metal	4,500	\$3.33		\$15,000
Shop/generator	metal	concrete	metal	1,800	\$4.23	Average	\$7,616
Bldg & generator							
Bank barn	metal	dirt/wood	metal	3,000		Good	\$8,000
Misc. buildings					Lump sum	Fair	\$1,200
Site imprvmnts.							\$30,000
						Total	\$461,986

Site Improvements (list): well, septic, poultry house pad

Land:

Use	Acres	Value Per Acre	Total Value
Pasture	60.003	\$4,800	\$288,014
Total		\$4,800	\$288,014

COMPARABLE SALE #5 (continued)

Remarks: Poultry units built in 1995, converted from turkeys to broilers in 2004. All equipment new – Choretime feeders; Ziggaty nipple drinkers; XYZ Company furnaces; LMN Company brooder stoves, tunnel ventilation, and foggers. Overall condition of poultry units is very good. 100 K W generator.

COMPARABLE SALE #6

County: Oldland
Property type: poultry - broilers
Address/location: 12345 Mountain Way, Leafyville, Oklahoma
Acreage: 47.50 **Tax map number:** 33-A-111 **Zoning:** A2
Sale price: \$915,000 **Date of sale:** February 24, 2006
Recording reference: Deed Book 2811, Page 644
Grantor: Emanuel and Carla Ramos
Grantee: Damian and Angela Pedro
Data verified by: Deed – Joseph Goe appraisal

Main Residence

Number of stories: 1½ **Square feet:** 2,400
Exterior walls: brick, vinyl **Roof surface:** metal
Window type: double hung **Gutter:** metal
Basement: cellar **Fireplace:** 1 **Trim:** --
Floor covering: carpet, vinyl, wood **Interior walls:** drywall
Kitchen appliances: range, refrigerator, dishwasher
Total rooms: 9 **Bedrooms:** 3 **Bathrooms:** 2
HVAC: LP forced air; central AC
Actual age: Approx. 1940
Effective age: 10 years **Condition:** good
Miscellaneous:
Updates:

Improvements: In-ground pool, large concrete patio and deck around pool

Description	Exterior Wall	Floor	Roof	Square Foot	Value Per Square Foot	Condition	Contributory Value
Main Dwelling	brick/vinyl	crpt, vinyl	metal	2,400	\$76.00	Good	\$182,000
Double wide	vinyl	crpt, wood	shingle	1,700	\$25.00	Average	\$43,000
Poultry unit	Metal	dirt	metal	10,440	\$2.69	Average	\$28,100
Poultry unit	Metal	dirt	metal	11,232	\$2.69	Average	\$30,200
Poultry unit	Metal	dirt	metal	21,000	\$3.85	Good	\$80,800
Poultry unit	Metal	dirt	metal	16,800	\$2.69	Average	\$45,200
Poultry unit	metal	dirt	metal	16,800	\$3.85	Good	\$64,700
Mach shed/shop	block	concr/dirt	metal		Lump sum	Fair	\$25,000
Poultry unit	storage				Lump sum	Fair	\$20,000
Misc. buildings					Lump sum	Average	\$25,000
Litter storage					Lump sum	Average	\$15,000
Gen. bldg. & gen.					Lump sum		\$20,000
Site imprvmnts.							\$80,000
						Total	\$659,000

COMPARABLE SALE #6 (continued)

Site Improvements (list): 1 well, 2 septs, 5 poultry pads, in-ground pool, concrete patio deck, fencing

Land:

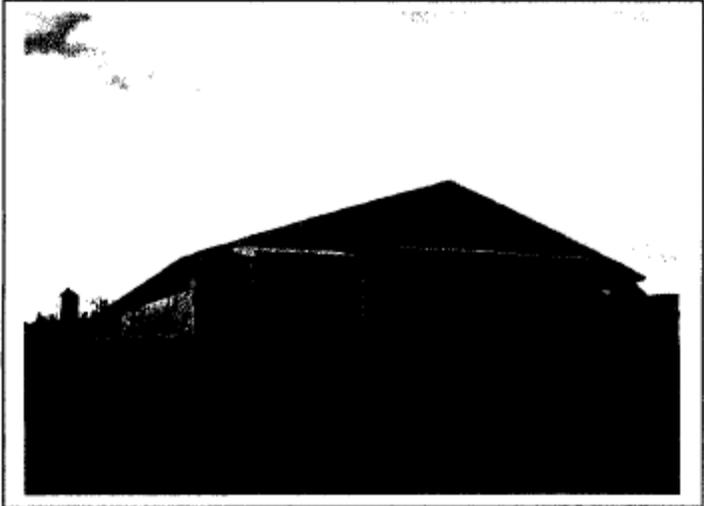
Use	Acres	Value Per Acre	Total Value
Pasture	47.50	\$5,389	\$256,000
Site preparation			
Total			

Remarks: Choretime feed lines; Ziggy fountains; LMN Company brooders in all units, only two computerized. Miscellaneous buildings include bank barn and four other garage/storage buildings, all with approximate value of \$5,000 each.

PHOTOGRAPHS OF COMPARABLE SALES



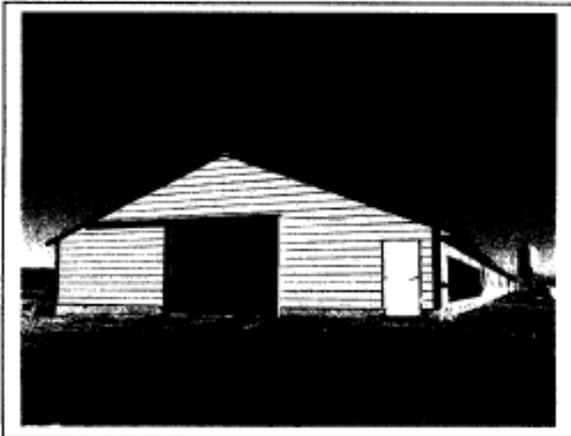
Sales Comparison Approach (continued)



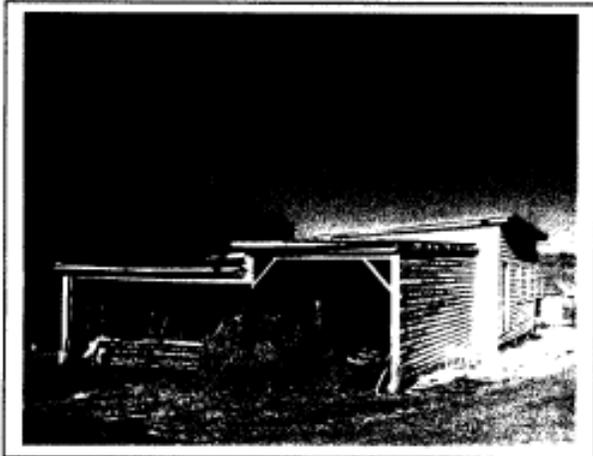
Sales Comparison Approach (continued)



Sales Comparison Approach (continued)



Sales Comparison Approach (continued)



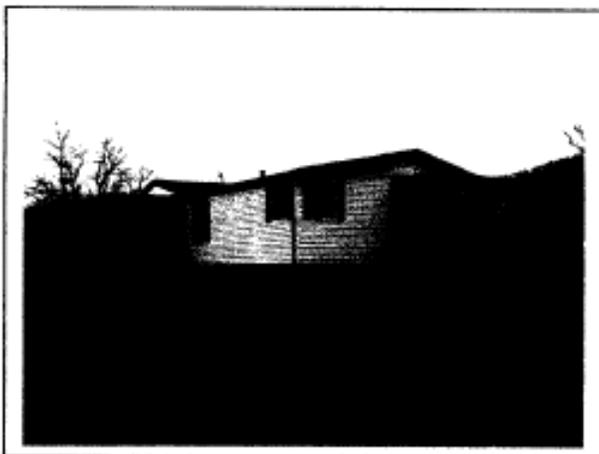
Subject Photographs



Subject
Dwelling
(Front)



Subject
Dwelling
(Rear)

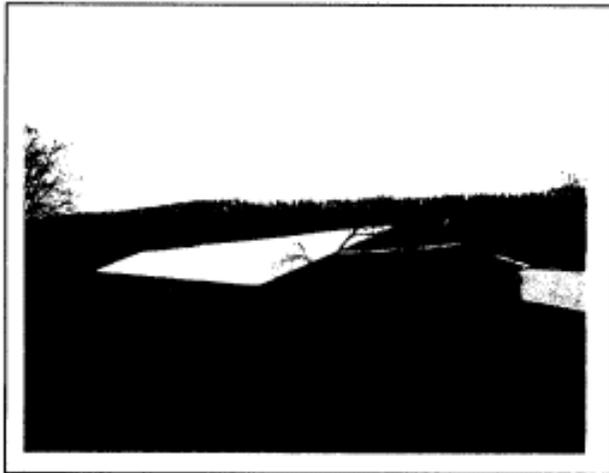


Subject
Double-wide

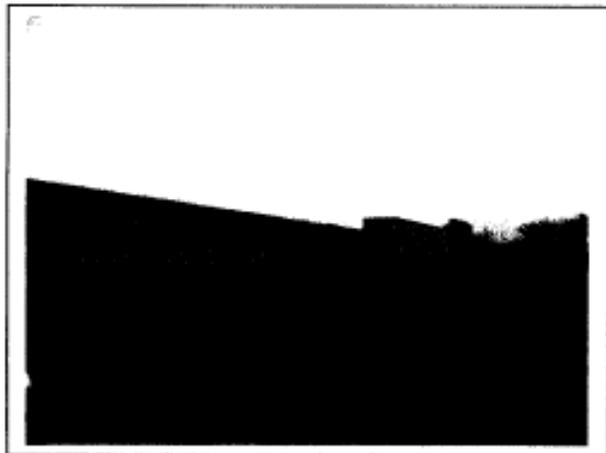
Subject Photographs (continued)



Subject
Poultry unit



Subject
Poultry unit

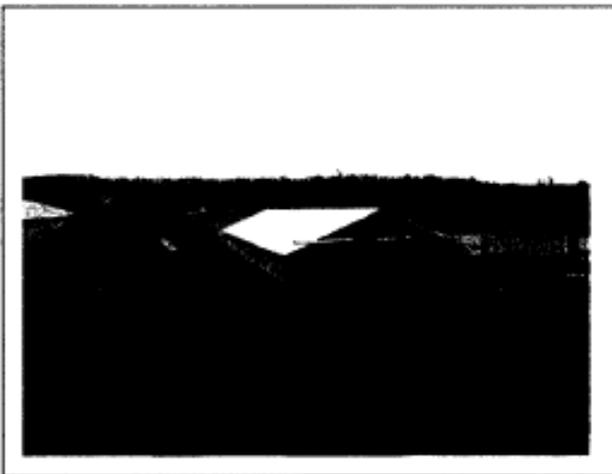


Subject
Poultry unit

Subject Photographs (continued)



**Subject
Poultry unit**



**Subject
Poultry unit**



**Subject
Poultry Unit
(Storage only)**

Subject Photographs (continued)



Subject
Shop/ machine shed



Subject
Generator

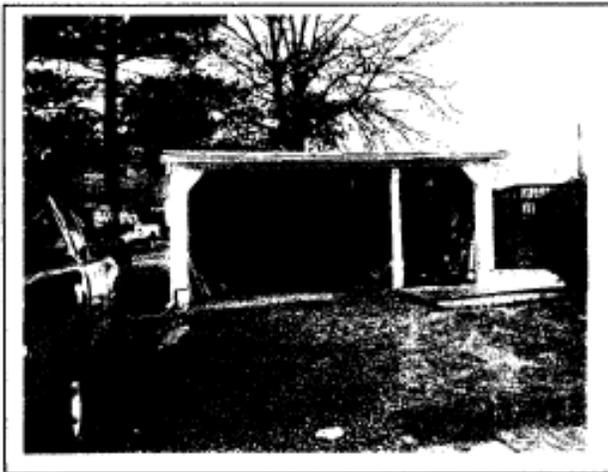


Subject
Litter storage

Subject Photographs (continued)



Subject
Utility building



Subject
Shed garage



Subject
Street scene

Sales Comparison Approach Analysis

Every effort has been made to use comparables sold within 3 years of appraisal date. Our database includes local multiple listing service (MLS) data, appraisal files and available public record, and is considered to be as good as or better than any competing appraisal service in our area. Paramount to time is matching the most similar sales to the subject. This at times necessitates using comparables sold over 3 years ago. The comparables used in this appraisal are felt to be the best and most representative current sales found for comparison in this report.

The comparables utilized in the land value comparison were the best obtained and are felt to reflect the market value of the subject. Comparable #3 was adjusted for improvement value and was utilized due to similarities (i.e., size, utility, and topography) to that of the subject.

Comparable #4, #5, and #6, as referenced in the subject comparison chart, were adjusted for typical land and building size variations. All adjustments are based on market contribution, not cost. Lump sum values for the subject have been market derived using match pair's analysis. Comparables #4 and #6 are somewhat dated and have been utilized due to the lack of similar poultry operation comparable sales in the market area. Use of other comparables would have required larger adjustments. The values derived from these comparisons all fall within an acceptable differential range and are felt to reflect the market value of the subject as dictated by the typical investor.

Marketability Analysis

Exposure time, in the case of real property, is the estimated length of time the property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on analysis of past events, assuming a competitive and open market.

The basis for determining the market exposure is simply by investigating actual sales of properties similar to the subject that have occurred and verifying the amount of time which was required between the date of listing and the actual consummation of the disposition. Interviews were conducted of active professionals knowledgeable of a given property type in a particular marketplace in order to estimate a reasonable period of time which would be necessary after the date of value. Also, to determine a reasonable exposure time a property would require in order to trade at what would be defined as a "reasonable exposure time," the fundamental underlying principle is that the property is correctly priced to sell.

Properties of this type are typically marketed through real estate brokerage and management firms. The marketing is achieved through multiple listing services (MLSs) and newspaper advertisements. In terms of investor's desirability, the subject property is an intermediate risk property.

Marketability Analysis (continued)

Correlating the data presented, the indicated exposure time ranges from 6 to 12 months. This is predicated on the physical condition of the subject property as detailed in the body of this report, financing being readily available and the listing price being consistent with the market value estimate herein effective at the date of appraisal.

Cost Approach

The cost approach to value is the reproduction cost of the improvements in a new condition, less accrued depreciation, plus the value of the land.

I have gathered current costs from local contractors actively engaged in building similar improvements in the area, and compared these costs to known costs published by current manual services.

Accrued depreciation is the difference between the cost new of the improvements and the value of the accrued depreciation on the date of the appraisal. Depreciation is losses in value from three categories: physical deterioration, functional obsolescence, and external obsolescence. Physical deterioration comes from normal wear and tear. Functional obsolescence is due to problems in design, over and under improvements, and changes in market standards over the years. External obsolescence can be attributed to forces outside the property; it results from such influences as changing land use patterns, adverse economic climates, and other drawbacks not under the control of the property owner. Herein I have utilized the age-life method of estimating physical depreciation in which the effective age is divided by the building's total economic life. I have found no functional or external obsolescence affecting the subject property.

I direct your attention to the following estimate of the subject's replacement costs.

Cost Analysis

1	Primary residence	
	2,642 square feet @\$90.00 per square foot	\$237,780
	Depreciation:	
	Economic life	60 years
	Remaining economic life	50 years
	Observed effective age	10 years
	$10 / 60 = 16.67\%$	
		<u>(\$38,045)</u>
	Depreciation value of improvement	\$199,735

Cost Analysis (continued)

2	Poultry units (three) 50,400 square feet @\$6.00 per square foot	\$302,400
	Depreciation:	
	Economic life	30 years
	Remaining economic life	20 years
	Observed effective age	10 years
	20 / 30 = 66 %	<u>(\$199,584)</u>
	Depreciation value of improvement	\$102,816
3	Poultry equipment 50,400 square feet @\$4.00 per square foot	\$201,600
	Depreciation:	
	Economic life	15 years
	Remaining economic life	10 years
	Observed effective age	5 years
	5 / 15 = 66 %	<u>(\$66,528)</u>
	Depreciation value of improvement	\$135,072
4	Litter storage 6,175 square feet @\$8.00 per square foot	\$49,400
	Depreciation:	
	Economic life	30 years
	Remaining economic life	25 years
	Observed effective age	5 years
	15 / 30 = 50 %	<u>(\$24,700)</u>
	Depreciation value of improvement	\$24,700
5	Generator/building (lump sum value)	\$8,000
6	Miscellaneous buildings	\$2,000
7	Site improvements (lump sum value) Wells, septic systems 3 pads	\$30,000
	Depreciated value of all improvements	\$502,323
	Site value by the sales comparison approach	\$322,000
	VALUE OF SUBJECT VIA THE COST APPROACH	\$824,323
	ROUNDED	\$824,000