



Market News

The Capital Gain Tax Rate Change for 2011 Will Present Challenges for Sellers

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As we look ahead to 2011, the federal government will allow the capital gains tax rate for individuals in the 28% Ordinary Income Tax Class or above, to increase from 15% to 20%, a 33.3% increase over 2010. Historically, rises in the capital gains tax rate have tended to slow economic growth and reinvestment. This condition is known as the "lock-in effect" where investors avoid taxation by holding appreciated assets.



For ranch Sellers, one way to gain momentum before this occurs is to candidly look at the price points set on the property and offer a discount where appropriate. In order to be effective, this discount should be large enough to garner action within the first 90 days. If the timing of price reductions is delayed toward the end of the year it may force a Seller into further discounts and a negative "double dip" for resulting net proceeds due to the compounding of lower prices and higher gains tax. Buyers negotiating near year-end may try to discount the purchase price an additional 3-4% based upon the argument they will save the Seller the 5% tax increase by closing in 2010.

Given the increase in cash Buyers roaming the marketplace in search of the right ranch at the right price, we recommend serious Sellers act now on appropriate price adjustments for optimal market positioning ahead of this upcoming issue.

New Listings

Wild Billy Lake - Beatty, Oregon

Located near Beatty, Oregon, Wild Billy Lake is comprised of 1,020 deeded acres and is the ideal fishing retreat for the discerning stillwater angler. The property boasts approximately 2.4 miles of shoreline on a 200-acre natural lake. The lake is one of the largest privately-held lakes in the state of Oregon and offers an incoming owner a wide range of recreational opportunities including big game hunting, waterfowl hunting, and trophy trout fishing on the property. Operating as a fly fishing, barbless-hook operation, the property is fully supported by its income generation and requires minimal management. Improvements



at Wild Billy Lake include two small, solar-powered cabins that sleep a total of thirteen people. With close proximity to over 2.3 million acres of public lands, Wild Billy Lake is a private fishing and hunting haven with an endless array of possibilities for the outdoor enthusiast.

Offering Price is \$4,105,000

Big Horn Mountains Snowshoe Lodge - Shell, Wyoming

The Big Horn Mountains Snowshoe Lodge is located in the Big Horn Mountains near Shell, Wyoming. Consisting of 2,508 +/- deeded acres, this exceptional recreational property borders national forest and BLM lands providing endless opportunities for hunting, fishing, hiking and horseback riding. The Big Horn Mountains are considered one of the top ten areas for snowmobiling, boasting 400 miles of groomed trails and 50 miles of non-groomed trails. This private getaway includes the Snowshoe Lodge, a high-end three-story log structure in addition to three cozy and beautifully appointed cabins. The lodge has been enjoyed by dude ranch guests, snowmobile enthusiasts and elk hunters. This turn-key operation includes a heated helicopter pad and shop, 3,000-gallon propane storage and a rare 10,000-gallon commercial fuel storage. These 2,508 acres include mountain tops and canyons that offer excellent hunting. The area produces prolific elk due to a well-thought out management program here and on the adjoining property. All furnishings are included in the sale of the ranch.



Offering Price is \$3,290,000

Henry's Lake Estate - Island Park, Idaho

Henry's Lake Estate is a 8.75-acre property located on one of the finest trophy stillwater fisheries in the northern Rockies. Situated 20 miles from Island Park, Idaho, and 15 miles from West Yellowstone, Montana, Henry's lake is home to trophy trout. The setting is magical as the property enjoys 500' of frontage on the north shore of the lake with breathtaking views across the water to the peaks of the Centennial Valley. Henry's Lake Estate boasts a 3-bedroom, 3.5-bathroom, 4,500 sqft main home, in addition to caretaker's quarters, 6-stall horse barn, pond and manicured grounds. The largest fish in the lake are the rainbow cutthroat hybrids that tip the scales up to 16 pounds. The state record for brook trout weighs in at 7.2 pounds and was caught in Henry's Lake. Located ½ mile from national forest, the property is frequented by elk, deer and moose while ducks and geese cover the lake providing excellent bird watching and fall waterfowling opportunities. The property is positioned just minutes from the famous waters of the Madison River, the Henry's Fork and the world class fisheries of Yellowstone National Park. Owner financing is available to qualified buyers.



Offering Price is \$2,695,000

Baker Springs - Manhattan, Montana

This 20-acre lot is located in Baker Springs, a one-of-a-kind exclusive fly fishing community created by and for the passionate angler. Located in Manhattan, Montana, twenty minutes west of Bozeman, Baker Springs sits at the heart of Montana's fly fishing activity. The



unique 11-residence fishing neighborhood encompasses spectacular scenery, close proximity to town and unsurpassed fly fishing. It includes more than 200 acres of common area and offers full fishing access to Baker Springs property owners, including the Gallatin River, Baker Creek, Trout Creek, Baker Spring Creek and four stocked trout ponds. It is a short drive to some of the finest trout rivers in the country, including the Madison, Jefferson, Yellowstone and Missouri Rivers. With Big Sky and Bridger Bowl Ski Areas and Yellowstone National Park down the road, Baker Springs is the ideal home base for all of your wild and peaceful Montana sporting adventures.

Offering Price is \$545,000

Price Reductions

Udderly Grand Teton Retreat - Jackson Hole, WY

A rare offering situated in the heart of Jackson Hole, this is an ideal retreat featuring the finest in custom home construction. The resort town of Jackson Hole offers fine dining, luxury shopping, art galleries, hotels, spas and an abundance of outdoor recreational activities. Teton Village is 20 minutes from the property and boasts approximately 2,500 acres of terrain for downhill skiing. Udderly Grand Teton Retreat is adjacent to 3 Creek Ranch and the 8th hole of the world-class Rees Jones-designed private golf course. The Udderly Grand Teton Retreat encompasses the splendid grandeur of luxury living, wide-open spaces and excellent spring creek fishing while enjoying the convenience of in-town living. This well-appointed home boasts the highest quality finishes and custom furnishings, and has premium views of the awe-inspiring Teton Mountain Range. Situated on 35.81 acres, the home has 6,000 +/- sqft and a charming guest cottage overlooking a cascading waterfall, trout pond and the rippling, trout-filled Spring Creek. With snow capped peaks in every direction, this elite home resides in a postcard setting. Also a place for several waterfowl species, songbirds and foraging elk, this mountain retreat is a resort dream.



Offering Price is \$7.9M, Reduced from \$8.999M (12% Off)

Flyway Ranch - Craig, Montana

Just 25 miles as the crow flies from the Rocky Mountain Front, Flyway Ranch lies equidistant between Great Falls and Helena, Montana, along the fabled Missouri River. The 160-acre ranch was purchased in 1993 and has been meticulously updated and improved to become not just a prime wildlife refuge, but a place where residents and their guests can enjoy privacy and seclusion while having access to two cities with endless outdoor and cultural opportunities. The ranch sits at 3200' in elevation, enjoying mild winters and easy access all months of the year. For the avid outdoorsmen, the Flyway Ranch boasts over a mile of prime fishing on the blue-ribbon, tail-water Missouri River, where there are thousands of fish per mile. The Flyway Ranch also has prime habitat for ducks, geese, Hungarian partridge, pheasants and deer. Most remarkably, the ranch boasts views of pristine mountains and ranchland. There are no houses visible from the ranch, which is highly unusual on such a popular trout river. The property is protected with a conservation easement and is an integral part of the conservation corridor that stretches approximately 10 miles along the Missouri River. Elk and antelope herds are often visible and occasionally bear come down from the mountains to eat chokecherries in August. The property boasts an apple orchard, a freshwater pond, an original farmhouse that was updated in 1995, a four bedroom, high-end guest lodge and several outbuildings.



Offering Price is \$2.595M, Reduced from \$2.995M (14% Off)

York Gulch Ranch - Wisdom, Montana

Located a few miles from the small town of Wisdom, Montana, in Deer Lodge County, the approximate 1,512-acre York Gulch Ranch is a classic Montana ranch set in one of the state's most scenic valleys. With a population of 120, Wisdom offers small town conveniences while key amenities and commercial air service can be found one hour away in Butte. Bordering Beaverhead-Deerlodge National Forest, BLM and State Lands on three sides, this expansive ranch offers excellent hunting onsite in addition to the seemingly endless acres of national forest surrounding the ranch. With numerous elk herds grazing on the ranch in the spring, fall and early winter months, it is evident why this



Upper Big Hole Valley is well-known for big game hunting. The flows in York Gulch, along with the numerous natural springs running throughout the property, create a superb wildlife habitat and offer the incoming owner several enhancement opportunities. The York Gulch Ranch enjoys easy accessibility to the Upper Big Hole River, which borders BLM land to the south of the ranch. Until an incoming owner identifies and creates the ideal accommodations on the property, a modest caretaker's cabin offers big mountain views as well as a comfortable stay for any sportsman enjoying the incredible recreational attributes of York Gulch.

Offering Price is \$1.9M, Reduced from \$3M (37% Off)

Star Valley Highlands - Freedom, Idaho

Located just west of the Wyoming state line in Freedom, Idaho, Star Valley Highlands encompasses lush meadows, healthy stands of aspen groves and unprecedented views. A portion of these 160 acres rests on a hillside overlooking the valley, situated between the Salt River and Wyoming Ranges. On its northern border, the property is adjacent to Caribou National Forest offering access to endless recreational opportunities including hiking, horseback riding, biking, snowmobiling and cross-country skiing. For the angler, the Greys and Salt Rivers are within close proximity to the ranch and provide excellent fishing for cutthroat, brook, brown and rainbow trout. The



world-renowned South Fork of the Snake River flows into the nearby Palisades Reservoir and is less than an hour from the ranch. Star Valley Highlands has historically been used for recreational purposes with a limited number of horses grazing on the property thus the possibilities for the sporting lifestyle are endless. With close proximity to Star Valley towns and the resort destination of Jackson Hole, Star Valley Highlands holds beauty and privacy in addition to desired amenities and conveniences.

Offering Price is \$995,000, Reduced from \$1.25M (20% Off)

Hyalite Reserve - Bozeman, Montana

Located in the northeast part of Montana's Gallatin Valley, the Hyalite Reserve is a truly distinctive piece of property with live water, wildlife, and spectacular mountain views. With its creek-side house site and over one-third mile of Hyalite Creek flowing through the property, you'll feel like you've found your own special piece of Montana at last. And, at an affordable price. Hyalite Creek winds through the east end of this 26.75-acre parcel, drawing in wildlife and



birds. A buck-and-rail fence was recently constructed on the west boundary, and the Reserve's 20 acres of hay and grain fields were recultivated and reseeded with alfalfa and grass in the spring of 2010. With its sweet honey holes, Hyalite Creek offers seasonal fishing during the summer and fall as fish migrate up from the confluence with the Gallatin River, just downstream. For hunters, thick cover along the creek affords good hunting for pheasants and Hungarian partridge, and waterfowling for ducks and geese can also be superb. Take a good look at this offering—Hyalite Reserve could be the opportunity to acquire your own piece of creek-front heaven in the Gallatin Valley.

Offering Price is \$500,000, Reduced from \$750,000 (33% Off)

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