



— The Schoolhouse Creek Ranch —

Three Miles South
of
Twin Bridges, Montana

offered exclusively by

**BATES • SANDERS • SWAN
LAND COMPANY**

FOUNDED 1970 AS PATRICK BATES LAND COMPANY





LOCATION & ACCESS

The Big Hole and Beaverhead River valleys are predominantly comprised of good-sized cattle ranches in strong ownerships and, as such, provide privacy and protection for their neighbors. Several landowners along Schoolhouse Creek have judiciously developed significant stretches of the stream in an effort to further enhance the fishery.

A testimony to the allure and outstanding trout fishing reputation of Southwestern Montana is evidenced by the presence of the internationally-respected R.L. Winston Rod Company, which is located just a mile south of Twin Bridges.

High-quality and experienced guide services can be found in Twin Bridges and Dillon for both fishing and hunting. The acclaimed innovator of the world famous elk hair caddis dry fly, Al Troth, has headquartered in Dillon for many decades,

All the essential services are provided in Twin Bridges and Dillon, including banks, numerous churches, equipment and car dealers, agricultural supply stores, a movie theatre, grocery stores, and fine restaurants. The Barrett Memorial Hospital in Dillon provides a wide array of medical services and specialists for the community and surrounding region.

The Ranch is located within a ninety-minute drive of Bozeman and Butte's commercial air service – good connections are offered by Skywest-Delta Airlines, United Airlines, Horizon Airlines and Northwest Airlines.

The Twin Bridges Airport provides good service, including a full time airplane mechanic, for private aircraft. Complete with a full service FBO, this airport is located approximately one mile east of Twin Bridges and within 10 minutes of the Ranch. The main runway is paved and 4,800' in length with an elevation approximately 4,719' above sea level. This facility is equipped with a PAPI system – night lighting can be activated on radio frequency 122.9. This fixed-base operation enables easy access for those fortunate enough to travel by private aircraft who desire to be in the middle of some of Montana's best fishing and hunting quickly.

INTRODUCTION

Schoolhouse Creek is a wonderful trout stream comprised of significant spring creek influence and partially-contained diversion flow from the Big Hole River. This unsung stream is known only in fly fishing circles of Southwestern Montana. Consistent year 'round flows are generated from the numerous springs that feed the creek as it meanders through the Ranch and neighboring properties eventually flowing into the Beaverhead River just south of Twin Bridges. This unique opportunity – to own about a half-mile stretch controlling both banks of one of Montana's little known fisheries – is now on the market for the first time in over 50 years.

The Ranch consists of about 425 contiguous acres of deeded land, the majority of which is either flood or sub-irrigated pastures and riparian bottom. Possessing abundant live water and solid senior water rights, the Ranch provides all of the components for the enhancement of additional fish and waterfowl habitat.

Schoolhouse Creek contains deep cut banks, very good stream structure and numerous riffles flowing into trout-filled pools which provide excellent holding water for rainbow and feisty German brown trout. The Ranch will provide its next owner ample opportunity to conduct

additional stream enhancement and the creation of waterfowl habitat. The character of the land is river valley with mature stands of willows and Montana's famed cottonwoods with well-established native grasses.

Prolific populations of whitetail deer, upland game birds, geese and ducks will entertain an owner and guests throughout the hunting seasons. Mature vegetation and willow cover provide outstanding habitat for pheasants and Hungarian partridge. Several head of moose also frequent the Ranch. The Ranch provides a high degree of privacy while being within minutes of the classic rural community of Twin Bridges.

There are no significant buildings on the Ranch so the proud new owner is free to thoughtfully place a personal imprimatur on this wonderful place, which will attract family and friends for many decades, rather than tolerating "improvements" that are too expensive to level. Several very attractive building sites provide views of the stream and panoramic vistas of the Tobacco Root, Pioneer and Highland Mountain Ranges.



AREA HISTORY

The early history of the area near the confluence of the Big Hole and Beaverhead Rivers is well-documented in the historical annals of the Lewis and Clark Expedition. A natural ford in the Beaverhead River became the cross-roads for numerous Indian trails and later led early settlers to this river valley on their way to the gold mines in Bannack and Virginia City. The plentiful game drew trappers and traders alike to the region.

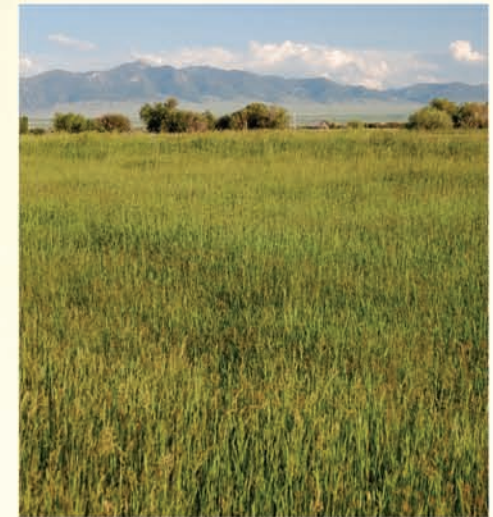
As successful merchants in nearby Nevada City, brothers Mortimer and John Lott saw opportunity at the downstream cross-roads and in 1864 moved their general store from Nevada City to this fertile crescent. The productive soils and readily available water, which provided lush natural meadows, soon attracted cattlemen and farmers from the surrounding area to utilize the abundant grass.

The Lott Brothers realized that access through the Valley was imperative for trade and commerce and in 1865 constructed bridges over both the Beaverhead and Big Hole Rivers. Settlers were drawn to "The Bridges", as it was known during this era, by the Lott Brothers who gave away building lots to all who settled and built a home there. By the turn of the 20th Century, "Twin Bridges" was a bustling town of commerce with a general mercantile store, bank, doctor, three hotels, grain elevator, a theater, churches, schools and, of course, several saloons.

The Pageville School was constructed in 1882 to serve the nearby ranching and farming families. Used for community events, church services and many other local events, the one-room school house was used until the early 1920's when it was the first to consolidate with the Twin Bridges School.

The old homestead on the east end of the Ranch was originally settled in 1885 by Edward and Matilda Aeisenbrey (pronounced I-sen-bri). As newlywed immigrants from Russia, Edward and Matilda moved West with Matilda's parents to the area west of Twin Bridges at the base of the McCartney Mountains. Looking for their fortune in the unsettled Montana Territory, the young couple learned ranching and farming from Matilda's parents while seeking an opportunity of their own. In the early 1920s, Edward and Matilda purchased the Owsley Ranch from homesteader William Owsley and began their own cattle and farming operation.

The Aeisenbreys ranched and farmed, using only horse-drawn equipment for nearly 50 years, before selling the ranch to Ed Elford, grandfather and father of the present-day owners. Still referred to as the "Aeisenbrey Place", the old buildings located on the eastern edge of the property are remnants of Edward and Matilda's ranching and farming operation.





THE BIG HOLE RIVER

This remarkable and reliable headwaters tributary of the Jefferson River is formed in one of the strongest watersheds in the Rocky Mountain West. While the Big Hole River is certainly well-known and highly desirable for knowledgeable fly-fishermen, it is just far enough west of the maddening crowds which tangle lines and trade curses on the Madison, Yellowstone and Upper Snake Rivers.

As the River winds its way from Glen to Twin Bridges, its solitude and privacy provide anglers with an intimate fishing experience with quiet seclusion. With limited public access, this section of the Big Hole is the most lightly-fished and trafficked section on the River, typically allowing an angler or floater to have long stretches all to themselves.

The Big Hole River is managed under Montana's singularly unique "wild trout management policy" which has precluded stocking moving water with hatchery fish for about 30 years. This decision to focus on providing and enhancing habitat to allow natural reproduction has made all the difference in the Big Sky State's attraction for the true fly-fishing aficionado. This management strategy has heavily influenced the surrounding streams influenced by the Big Hole River.

Whenever one desires to explore Southwestern Montana's other fine trout waters, a remarkable array of choices is available within an hour's scenery-filled drive of the Ranch. The Beaverhead and Ruby Rivers – sister tributaries joining the Big Hole River to form the Jefferson

River – are very close at hand. The Madison can easily be sampled during off-season and midweek days. Within a 90-minute commute, the Gallatin, Yellowstone and Missouri Rivers – along with Idaho's Snake and Henry's Fork Rivers – are readily accessible; not to mention an abundance of nearby mountain lakes and streams.

While the plentiful wild trout species will always be the Ranch's magnet, it would be short-sighted not to recognize the incredible plethora of big game, upland game birds, waterfowl and smaller wildlife species which frequent this wonderful area and are also drawn to the safe and fecund habitat which is provided by this major Montana river valley.



PHYSICAL & OPERATIONAL DESCRIPTION

The entire 425 acres could be classified as irrigated and sub-irrigated land combined with a lush riparian corridor. A historic home and barn are located on the east end of the Ranch known as the "Aiesenbrey Place". The home was used as a hired man's house by the current owners until the late 1970s. This home site has a well and septic system; however, the septic system has not been used since the home was last occupied.

If a permanent cattle or horse herd is desirable to the next owner, construction of corrals and other facilities would be required. The Ranch has numerous building envelopes with spectacular views with possible water amenities nearby.

The Ranch has been historically utilized for grazing and grass hay production. The next owner may wish to continue this lease and could realistically charge \$17.00 per head per month for five months during the summer running about 100 head of yearlings.

The current owners have done a fine job in maintaining the aesthetics of the Schoolhouse Creek's bottom and wetland areas within the Ranch while effectively managing the resources and maintaining its integrity.

MINERAL RIGHTS

The Seller will convey the Schoolhouse Creek Ranch without reservation of whatever mineral, oil, gas, geo-thermal, hydro-carbon and gravel rights they actually own, subject to reservations by previous owners, and make no representation as to the quantity or quality of any mineral or other subsurface rights appurtenant to the Ranch.

WATER RIGHTS

The Ranch controls extensive irrigation water rights with very good priority dates. Any and all water rights appurtenant to and for the benefit of the Ranch will convey at the closing of a sale. Please contact our Bozeman Office for a complete tabulation of water rights.

All water rights in Montana are subject to eventual re-adjudication by the Montana Water Court and, as a result of that process, may be changed as to validity, amount, priority date, place of use, and any other changes the Court determines to make. The Seller has made all filings currently required and will transfer the water rights as they currently stand with no warranty of future viability.

ELEVATION – CLIMATE – PRECIPITATION

The Schoolhouse Creek Ranch sits at approximately 4,700' above sea level. The Tobacco Root Mountain Range runs to the east and the Pioneer and Highland Mountain Ranges run to the west of the Ranch with the Ruby Mountains to the southeast. The influence of these ranges creates a relatively mild climate in the Valley with consistent moisture and little wind.

The area's average annual precipitation ranges from 10" to 12" in the river valley. The average growing season is approximately 110 days.

Average maximum temperatures in June, July and August range from 76° to 83° F. In December, January and February average maximum temperatures are between 34° and 43° F.

Summer nights cool off and average around 48° F – a welcome relief after a long day fishing and recreating. Winter minimums are between 11° and 19° F. In the Big Sky State there is always plenty of sunshine regardless of temperatures!



UTILITIES and SERVICES

- Electricity is provided by Vigilante Electric
- Telephone by 3-Rivers Communication
- Both services run along the county road bordering the Ranch's north and south boundaries.

PROPERTY TAXES

The real estate taxes for 2008 were approximately \$2,850.00.



SUMMARY STATEMENT

On rare occasion does such a private and unsullied stretch of trout water come available on the investment-recreation-conservation horizon for serious consideration. As investors' Wall Street portfolios vanish during these tumultuous economic times, live water properties in the Rocky Mountains continue to be attractive investment opportunities.

In the smaller tract market, river properties remain strong and stable. The more premium recreational properties will be selling at market and subject to stronger demand, while the more marginal or agriculturally-influenced properties will reflect decreases within the market to attract sales.

Norman C. Wheeler & Associates - 2008 Land Survey published January 9, 2009.

Additionally, the Schoolhouse Creek Ranch's absence of poorly-designed and ill-located im-

provements – of any vintage – and outlandish residential structures provides an equally rare opportunity to build exactly what feels best to the next owner – if anything.

This quiet stream is away from the fishing guides who float their clients on the Big Hole and Beaverhead Rivers and is beautifully screened from the adjacent graveled county road. Only in Montana is genuine world-class wild trout fishing available – a quality which is readily obvious in the feeding characteristics, powerful fight, and incredible natural beauty of healthy fish which make reels sing and quickens the pulse of those who seek the healing solitude of sparkling trout-rich waters.

While the Sellers would prefer a cash transaction, they have indicated a willingness to consider extending private contract terms to a Buyer who offers at least a 40%. This being said, it must be

clearly understood that they are not obligated to do so; furthermore, the Buyer's creditworthiness will be determined at the Sellers' sole discretion.

Finally, this attractive holding has bona fide potential for placement of a conservation easement to provide all of the satisfaction and tax advantages attendant with such a decision. Every viable conservation organization in Montana will be enthused and very helpful in structuring such an easement on the Schoolhouse Creek Ranch.





OFFERING PRICE & CONDITIONS

The Schoolhouse Creek Ranch, consisting of approximately 425 acres of deeded land including all improvements and water rights as described herein, is offered at \$4,850,000 Cash under the following conditions:

1. All Offers to Purchase must be in writing and accompanied by earnest money deposit check in the amount of 5.00% of the Purchaser's offering price;
2. Each Offer must also be accompanied with the name and telephone number of the Purchaser's private banker to assist the Sellers and their agents in ascertaining the Purchaser's financial ability to consummate a purchase;
3. Earnest money deposits will be placed in escrow with First American Title Company of Madison County which will then place the funds with local banks at nominal rates of interest accruing to the Purchaser's benefit until Closing;
4. The Sellers will provide and pay for an owner's title insurance policy. Title to the real property will be conveyed by warranty deed and the water rights and personal property will be transferred by bill of sale;
5. All of the Ranch's water rights will be transferred to the Purchaser and all of the mineral rights which the Sellers actually own will be conveyed to the Purchaser at Closing.

The Sellers reserve the right to affect a tax-deferred exchange for other real property in accordance with provisions in Section 1031 of the Internal Revenue Code. The Purchaser will not be required to incur any additional expenses nor to step into the chain of title on any property which the Seller may acquire.

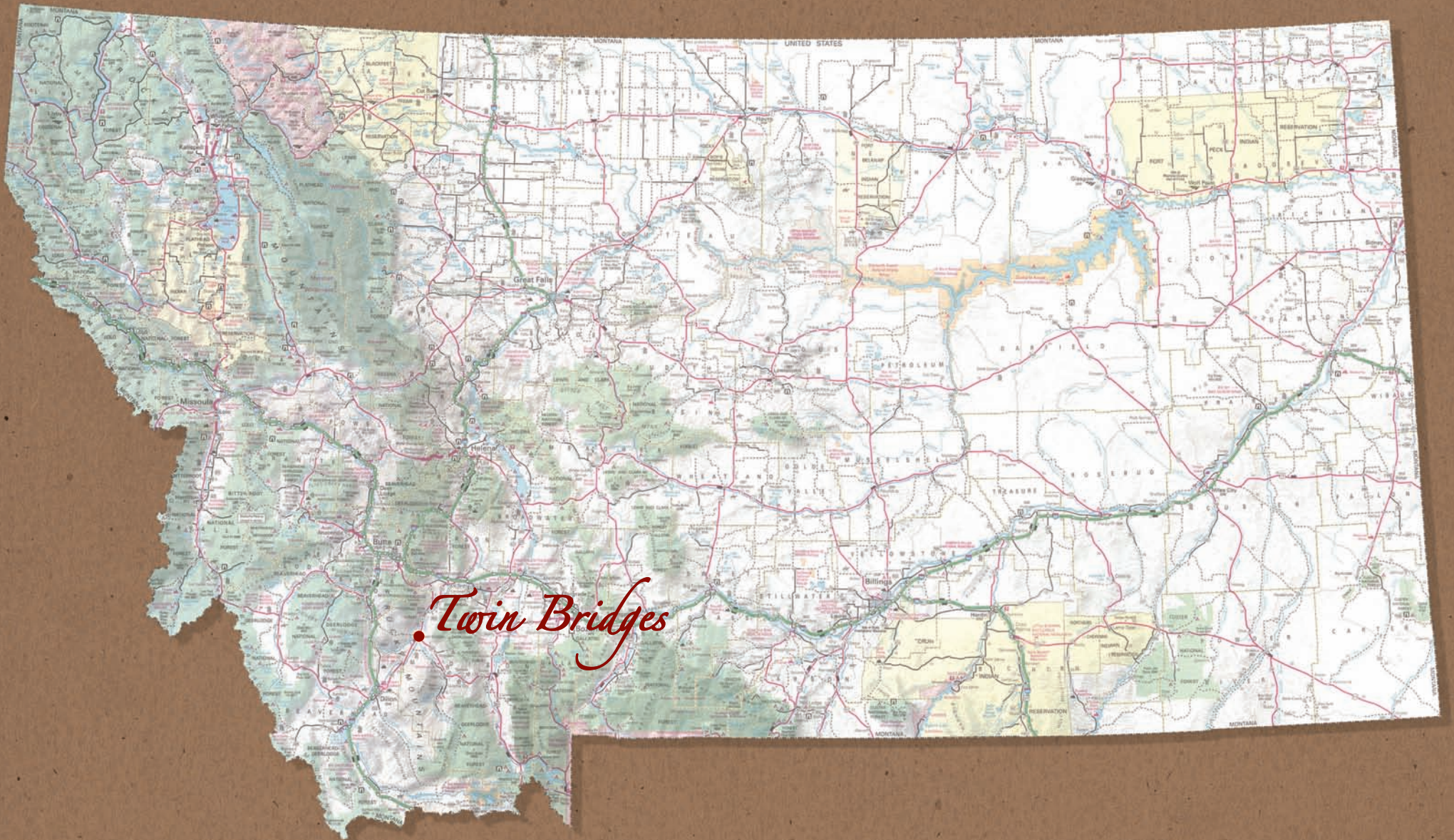
This Offering is based on information believed to be correct; however, it is subject to errors, omissions, prior sale and change or withdrawal without notice. Information contained herein has been provided by the Sellers or obtained from other sources deemed to be reliable.

Bates • Sanders • Swan Land Company has been authorized by the Sellers, to act as their Exclusive Real Estate Agent on the sale of the Schoolhouse Creek Ranch. Since 1971 this company has primarily focused on the brokerage of significant ranches, farms and recreational properties in Montana, Utah, Idaho, Wyoming, Nebraska, Colorado and Nevada.

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At closing of a purchase, the Buyer will state in writing that such investigation has occurred and the Buyer is satisfied with the Ranch and its suitability for the Buyer's intents and purposes.





Big Hole River

SCHOOLHOUSE CREEK RANCH

near

Twin Bridges, Montana

APPROXIMATELY 425 DEEDED ACRES

Offered Exclusively by Bates Sanders Swan Land Company



US HIGHWAY 41

NOTE: THIS MAP IS FOR ORIENTATION PURPOSES ONLY. IT IS AS ACCURATE AS POSSIBLE BUT IS NOT TO BE CONSIDERED A SURVEY OR LEGAL DESCRIPTION.

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BOZEMAN, MONTANA

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— www.bateslandco.com —

For more information or to
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A 48-hour notice is requested to
make proper arrangements for an
inspection of The Schoolhouse
Creek Ranch.

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