

Summary of Salient Facts

Owner of Record:

State of Montana
Administered/Managed by Department of Natural
Resources and Conservation

Occupant or Lessee:

#	Lessee
109	John Hillenbrand
110	John Hillenbrand
111	John Hillenbrand
113	John Hillenbrand
164-1	John Hillenbrand
164-2	John Hillenbrand
166	John Hillenbrand
177	John Hillenbrand
180	John Hillenbrand
182	John Hillenbrand
186	John Hillenbrand
192	John Hillenbrand
174	Virginia & Lee Murnion
133	Ray Jerrell, Inc.
176	Virginia & Lee Murnion
178	Virginia & Lee Murnion
187	Jack & Charlotte Murnion
188	Jack & Charlotte Murnion
189	Jack & Charlotte Murnion
181	Jack & Charlotte Murnion
185	Jack & Charlotte Murnion
81	Matthew Bliss
82	Matthew Bliss
83	Matthew Bliss
84	Matthew Bliss
87	Matthew Bliss
88	Matthew Bliss
89	Matthew Bliss
90	Matthew Bliss
91	Matthew Bliss
92	Matthew Bliss
140	Mike Pierson

Property Location:

#	Location
109	35 road or 18 air miles northeast of Jordan
110	18 road or 13 air miles northeast of Jordan
111	23 road or 13 air miles northeast of Jordan
113	19 road or 16 air miles east of Jordan
164-1	30 road or 21 air miles northeast of Jordan
164-2	32 road or 21 air miles northeast of Jordan
166	28 road or 20 air miles northeast of Jordan
177	29 road or 20 air miles northeast of Jordan
180	20 road or 15 air miles northeast of Jordan
182	22 road or 17 air miles northeast of Jordan
186	15 road or 9 air miles northeast of Jordan
192	26 road or 16 air miles northeast of Jordan

174	5 road or 4 air miles southeast of Jordan
133	30 road or 29 air miles southeast of Jordan
176	5 road or 2.5 air miles west of Jordan
178	5 road or 2.5 air miles west of Jordan
187	25 road or 18 air miles northwest of Jordan
188	26 road or 18 air miles northwest of Jordan
189	25 road or 18 air miles northwest of Jordan
181	19.5 road or 16 air miles northwest of Jordan
185	19 road or 16 air miles northwest of Jordan
81	36 road or 20 air miles southeast of Jordan
82	36 road or 20 air miles southwest of Jordan
83	33 road or 19 air miles southwest of Jordan
84	33 road or 19 air miles southwest of Jordan
87	32 road or 20 air miles southwest of Jordan
88	33 road or 19 air miles southwest of Jordan
89	32 road or 20 air miles southwest of Jordan
90	32 road or 20 air miles southwest of Jordan
91	31 road or 20 air miles southwest of Jordan
92	39 road or 23 air miles southwest of Jordan
140	46 road or 36 air miles northwest of Jordan

Property Rights Appraised:

Surface Estate subject to any encumbrances, reservations, conveyances, restrictions, and/or easements of record.

Present Use:

Grazing Operation

Highest and Best Use (as unimproved):

Agricultural with minor to moderate non-agricultural (recreational) influences

Highest and Best Use (as improved):

Agricultural with minor to moderate non-agricultural (recreational) influences

Property Description:

Acreage:

Tract #109:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #110:

Land Type	Acreage
Rangeland	40.00
Roads, Waste	0.00
Total/Fee Acres	40.00

Tract #111:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #113:

Land Type	Acreage
Rangeland	40.00
Roads, Waste	0.00
Total/Fee Acres	40.00

Tract #164-1:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #164-2:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #166:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #177:

Land Type	Acreage
Rangeland	120.00
Roads, Waste	0.00
Total/Fee Acres	120.00

Tract #180:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #182:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #186:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #192:

Land Type	Acreage
Rangeland	560.00
Roads, Waste	0.00
Total/Fee Acres	560.00

Tract #174:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #133:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #176:

Land Type	Acreage
Rangeland	240.00
Roads, Waste	0.00
Total/Fee Acres	240.00

Tract #178:

Land Type	Acreage
Rangeland	40.00
Roads, Waste	0.00
Total/Fee Acres	40.00

Tract #187:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #188:

Land Type	Acreage
Rangeland	120.00
Roads, Waste	0.00
Total/Fee Acres	120.00

Tract #189:

Land Type	Acreage
Rangeland	120.00
Roads, Waste	0.00
Total/Fee Acres	120.00

Tract #181:

Land Type	Acreage
Rangeland	280.00
Roads, Waste	0.00
Total/Fee Acres	280.00

Tract #185:

Land Type	Acreage
Rangeland	40.00
Roads, Waste	0.00
Total/Fee Acres	40.00

Tract #81:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #82:

Land Type	Acreage
Rangeland	240.00
Roads, Waste	0.00
Total/Fee Acres	240.00

Tract #83:

Land Type	Acreage
Rangeland	40.00
Roads, Waste	0.00
Total/Fee Acres	40.00

Tract #84:

Land Type	Acreage
Rangeland	280.00
Roads, Waste	0.00
Total/Fee Acres	280.00

Tract #87:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #88:

Land Type	Acreage
Rangeland	160.00
Roads, Waste	0.00
Total/Fee Acres	160.00

Tract #89:

Land Type	Acreage
Rangeland	160.00
Roads, Waste	0.00
Total/Fee Acres	160.00

Tract #90:

Land Type	Acreage
Rangeland	240.00
Roads, Waste	0.00
Total/Fee Acres	240.00

Tract #91:

Land Type	Acreage
Rangeland	80.00
Roads, Waste	0.00
Total/Fee Acres	80.00

Tract #92:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Tract #140:

Land Type	Acreage
Rangeland	640.00
Roads, Waste	0.00
Total/Fee Acres	640.00

Structural Improvements

None

Date of Valuation:

March 31, 2006

Date of Inspection:

January-March, 2006

Date of Photographs:

January-March, 2006

Date of Report:

April 14, 2006

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #109	Tract #109
Sales Comparison Approach:	\$ 57,600	\$ 70,400
Market Value Estimate:	\$ 57,600	\$ 70,400
	Tract #110	Tract #110
Sales Comparison Approach:	\$ 3,600	\$ 4,400
Market Value Estimate:	\$ 3,600	\$ 4,400

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #111	Tract #111
Sales Comparison Approach:	\$ 67,200	\$ 80,000
Market Value Estimate:	\$ 67,200	\$ 80,000
Value Estimates	Tract #113	Tract #113
Sales Comparison Approach:	\$ 4,600	\$ 5,200
Market Value Estimate:	\$ 4,600	\$ 5,200
Value Estimates	Tract #164-1	Tract #164-1
Sales Comparison Approach:	\$ 8,000	\$ 9,200
Market Value Estimate:	\$ 8,000	\$ 9,200
Value Estimates	Tract #164-2	Tract #164-2
Sales Comparison Approach:	\$ 8,000	\$ 9,200
Market Value Estimate:	\$ 8,000	\$ 9,200
Value Estimates	Tract #166	Tract #166
Sales Comparison Approach:	\$ 8,000	\$ 9,200
Market Value Estimate:	\$ 8,000	\$ 9,200
Value Estimates	Tract #177	Tract #177
Sales Comparison Approach:	\$ 12,000	\$ 13,800
Market Value Estimate:	\$ 12,000	\$ 13,800
Value Estimates	Tract #180	Tract #180
Sales Comparison Approach:	\$ 67,200	\$ 76,800
Market Value Estimate:	\$ 67,200	\$ 76,800
Value Estimates	Tract #182	Tract #182
Sales Comparison Approach:	\$ 67,200	\$ 80,000
Market Value Estimate:	\$ 67,200	\$ 80,000
Value Estimates	Tract #186	Tract #186
Sales Comparison Approach:	\$ 67,200	\$ 80,000
Market Value Estimate:	\$ 67,200	\$ 80,000

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #192	Tract #192
Sales Comparison Approach:	\$ 58,800	\$ 64,400
Market Value Estimate:	\$ 58,800	\$ 64,400
Value Estimates	Tract #174	Tract #174
Sales Comparison Approach:	\$ 70,400	\$ 83,200
Market Value Estimate:	\$ 70,400	\$ 83,200
Value Estimates	Tract #133	Tract #133
Sales Comparison Approach:	\$ 67,200	\$ 73,600
Market Value Estimate:	\$ 67,200	\$ 73,600
Value Estimates	Tract #176	Tract #176
Sales Comparison Approach:	\$ 25,200	\$ 31,200
Market Value Estimate:	\$ 25,200	\$ 31,200
Value Estimates	Tract #178	Tract #178
Sales Comparison Approach:	\$ 4,000	\$ 4,600
Market Value Estimate:	\$ 4,000	\$ 4,600
Value Estimates	Tract #187	Tract #187
Sales Comparison Approach:	\$ 9,600	\$ 11,200
Market Value Estimate:	\$ 9,600	\$ 11,200
Value Estimates	Tract #188	Tract #188
Sales Comparison Approach:	\$ 13,800	\$ 16,200
Market Value Estimate:	\$ 13,800	\$ 16,200
Value Estimates	Tract #189	Tract #189
Sales Comparison Approach:	\$ 13,800	\$ 16,200
Market Value Estimate:	\$ 13,800	\$ 16,200
Value Estimates	Tract #181	Tract #181
Sales Comparison Approach:	\$ 32,200	\$ 37,800
Market Value Estimate:	\$ 32,200	\$ 37,800

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #185	Tract #185
Sales Comparison Approach:	\$ 4,800	\$ 5,600
Market Value Estimate:	\$ 4,800	\$ 5,600
Value Estimates	Tract #81	Tract #81
Sales Comparison Approach:	\$ 8,400	\$ 9,200
Market Value Estimate:	\$ 8,400	\$ 9,200
Value Estimates	Tract #82	Tract #82
Sales Comparison Approach:	\$ 27,600	\$ 30,000
Market Value Estimate:	\$ 27,600	\$ 30,000
Value Estimates	Tract #83	Tract #83
Sales Comparison Approach:	\$ 4,200	\$ 4,600
Market Value Estimate:	\$ 4,200	\$ 4,600
Value Estimates	Tract #84	Tract #84
Sales Comparison Approach:	\$ 30,800	\$ 33,600
Market Value Estimate:	\$ 30,800	\$ 33,600
Value Estimates	Tract #87	Tract #87
Sales Comparison Approach:	\$ 67,200	\$ 76,800
Market Value Estimate:	\$ 67,200	\$ 76,800
Value Estimates	Tract #88	Tract #88
Sales Comparison Approach:	\$ 17,600	\$ 19,200
Market Value Estimate:	\$ 17,600	\$ 19,200
Value Estimates	Tract #89	Tract #89
Sales Comparison Approach:	\$ 19,200	\$ 21,600
Market Value Estimate:	\$ 19,200	\$ 21,600
Value Estimates	Tract #90	Tract #90
Sales Comparison Approach:	\$ 26,400	\$ 28,800
Market Value Estimate:	\$ 26,400	\$ 28,800

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #91	Tract #91
Sales Comparison Approach:	\$ 9,600	\$ 11,200
Market Value Estimate:	\$ 9,600	\$ 11,200
Value Estimates	Tract #92	Tract #92
Sales Comparison Approach:	\$ 76,800	\$ 89,600
Market Value Estimate:	\$ 76,800	\$ 89,600
Value Estimates	Tract #140	Tract #140
Sales Comparison Approach:	\$166,400	\$220,800
Market Value Estimate:	\$166,400	\$220,800

Table of Contents	
Summary of Salient Facts.....	1
Statement of Assumptions and Limiting Conditions.....	12
Property Identification and Legal Description.....	22
Purpose and Function of Appraisal	22
Appraisal Dates	23
Property Rights Appraised	23
Definition of Value.....	24
Present Ownership.....	24
Exposure Time Verses Marketing Time.....	25
AREA/REGIONAL ANALYSIS	25
SUBJECT PROPERTY DESCRIPTION	29
Location and Access.....	29
Terrain and Soils.....	29
Taxes and Assessments	30
Hazards and Determents.....	30
Mineral Rights.....	63
Environmental Considerations	63
Climatic Conditions.....	63
Highest and Best Use.....	64
THE APPRAISAL PROCESS	66
SALES COMPARISON APPROACH.....	68
Adjustment Process	68
Reconciliation of Approaches to Value	73
CERTIFICATION OF APPRAISER	76

Statement of Assumptions and Limiting Conditions

1. LIMIT OF LIABILITY: The liability of Luther Appraisal Services, Inc. and/or subcontractors is limited to the client and to the fee collected. Further, there is no accountability, obligations, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, or legally.

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT: Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use by the client, the fee being for analytical services only.

The Bylaws and Regulations of the American Society of Farm Managers and Rural Appraisers require each Member to control the use and distribution of each appraisal report signed by such Member; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he or she may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of the appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news sales or other media for public communications without the prior consent of the appraiser (see last item in following list for client agreement/consent).

3. CONFIDENTIALITY: This appraisal is to be used only in its entirety. No part or portion thereof is to be used by any party without the whole report. All conclusions and opinions concerning the analysis are set forth in the report and were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall have no responsibility if any such unauthorized change is made.

The appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the American Society of Farm Managers and Rural Appraisers as they request in confidence for ethics enforcement, or by court of law or body with the power of subpoena.

The appraiser(s) assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

4. INFORMATION USED: No responsibility is assumed for accuracy of the information furnished by work of others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Luther Appraisal Services, Inc. and possibly signing this report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitments of funds or subject property.

5. TESTIMONY AND COMPLETION OF CONTRACT FOR APPRAISAL SERVICES: The contract for appraisal, consultation or analytical service are fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

6. EXHIBITS: The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if included, are included for the same purpose (as of date of photos). Site plans are not surveys unless shown from separate surveyor.

7. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE, HIDDEN COMPONENTS, SOIL: No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as furnished by the client, his designee, or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such.

The appraiser has inspected as far as possible, by observation, the land and the improvements; however it was not possible to personally observe conditions beneath the soil, or hidden structural, or other components. We have not critically inspected mechanical components within any improvements that may be on such lands that are the subject of this appraisal and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss in value. The land or the soil of the area being appraised appears firm; however subsidence in the area is unknown. The appraiser(s) *do not warrant against this condition* or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

8. LEGALITY OF USE: The appraisal is based on the premise that, there is full compliance with all applicable federal, state, and local environmental regulation and unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local state, federal, and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

9. COMPONENT VALUES: The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

10. INCLUSIONS: Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

11. VALUE CHANGE, MARKET INFLUENCES, ALTERATION OF ESTIMATE BY

APPRAISER(S): The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving capitalization of income benefits, the estimate of market value or investment value or value-in-use is a reflection of such benefits and appraiser's interpretation of income, yields, and other factors derived from general and specific client and market information. Such estimates are limited to the date of the estimate of value; they are thus subject to change as the market and value are naturally dynamic.

The "Estimate of Market Value" in the appraisal is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

12. CHANGES AND MODIFICATIONS: Appraisal report and value estimate are subject to change if physical, legal entity, or financing different than the envisioned at the time of writing this report becomes apparent at a later date.

13. MANAGEMENT OF THE PROPERTY: It is assumed that property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

14. CONTINUING EDUCATION: The American Society of Farm Managers and Rural Appraisers conduct voluntary programs of continuing education for their designated members: ARA's who meet minimum standards of this program are awarded periodic educational certification, and; designated members signing this report are currently certified under these programs.

15. FEE: The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. The compensation (fee) for the preparation of this appraisal report has no relation to the final values reported.

16. CHANGES, MODIFICATIONS: The appraiser, reserves the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us at the time of the report preparation.

17. MINERAL RIGHTS, NOISE, AND ENVIRONMENTAL CONCERNS: Mineral rights, noise, and environmental factors have not been given segregated consideration except as noted; they have been treated with the whole.

18. HAZARDOUS MATERIALS: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such material on or in the property unless otherwise stated. The appraiser, however, is not qualified to detect such substances or conditions. If the presence of such substances such as asbestos, urea-formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimate is predicated on

the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

19. HYPOTHETICAL CONDITION:

LEGAL ACCESS: Isolated (landlocked) parcels are to be appraised with and without access. The appraisal instructions note that if evidence is available in the market, provide the estimated value of the subject property, as it currently exists without access, and then with the hypothetical condition of legal access. If no adjustment is supported by the market data, it will be stated in the report. ***The appraiser has assumed under this hypothetical condition that legal access to each tract is considered to be along established dirt trails and/or roads as defined on the topographical maps and as described herein of each tract and not with any public improved road in place and is available for use of the landowner of the subject and assigns.***

The appraiser assumes for each specific tract the following in place access trails/roads to the tract.

- Tract #109 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, thence in a northeasterly direction through the S2 and SENE Section 10, and the SWNW, N2NW and the N2NE of Section 11, T20N, R40E, thence in a northeasterly, easterly, and southeasterly direction through the SESE of Section 2 and the S2SW Section 1, T20N, R40E, thence in a southerly direction through the W2 of Sections 12 and Section 13, T20N, R40E, thence in a westerly direction along the line common to Sections 13 and 24, thence southerly through the E2E2E2 Section 23 and the W2W2W2 Section 24, thence along the west side section line common to Sections 25 and 26, to a point on said common section line being the W1/4 of Section 25, T20N, R40E, thence by foot through the W2W2W2 Section 25, to the north boundary of the said tract, being the NWNW Section 36, T20N, R40E
- Tract #110 An existing road/trail from the Haxby Road beginning in the NWSE Section 21, T20N, R39E, thence in a southeasterly direction through the N2SE of Section 21, the SW and S2SE of Section 22, the NE of Section 27, the NW, E2SW, and W2SE of Section 26, and the NWNW and E2NE of Section 35, T20N, R39E, thence in a northeasterly direction by foot to the southwest boundary of said tract, being the NENW Section 36, T20N, R39E

- Tract #111 An existing road/trail from Montana Highway 200 beginning in the NWSE Section 1, T18N, R40E, thence in a northerly and northwesterly direction through the NWSE, SWNE, and E2NW Section 1, T18N, R40E, and the SW and SWNW Section 36, T19N, R40E thence along the section line common to NE of Section 35, NW of Section 36, the SE of Section 26, and the SW of Section 25, thence in a northwesterly direction through the SE, SWNE and NW of Section 26, S2SW of Section 23, the SE, S2NE and E2NW of Section 22, and the SW of Section 15, to the east boundary of the said tract, being the NESE Section 16, T19N, R40E
- Tract #113 An existing road/trail from Montana Highway 200 beginning directly north of the Montana Highway 200 at the section line common to the NESE of Section 6, T18N, R41E and the NWSW of Section 1 T18N, R40E, thence northerly along said section line and through the W2W2NW of Section 6 and the E2NE of Section 1 to the south boundary of the said tract, being the SESE Section 36, T19N, R40E
- Tract #164-1 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, thence in a northeasterly direction through the S2 and SENE Section 10, and the SWNW, N2NW and the N2NE of Section 11, T20N, R40E, thence in a northeasterly, easterly, and southeasterly direction through the SESE of Section 2 and the S2SW Section 1, T20N, R40E, thence in a southerly direction through the NW of Section 12, thence in a southeasterly direction through the SENW, SWNE, and the SE of Section 12, to the north boundary of the said tract, being the N2NENE Section 13, T20N, R40E
- Tract #164-2 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, thence in a northeasterly direction through the S2 and SENE Section 10, and the SWNW, N2NW and the N2NE of Section 11, T20N, R40E, thence in a northeasterly, easterly, and southeasterly direction through the SESE of Section 2 and the S2SW Section 1, T20N, R40E, thence in a southerly direction through the W2 of Section 12 and the NW and NENWSW Section 13, T20N, R40E, to the west boundary of the said tract, being the W2NESW Section 13,

T20N, R40E

- Tract #166 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, thence in a northeasterly direction through the S2 and SENE Section 10, and the SWNW Section 11, T20N, R40E, to the south boundary of the said tract, being the NWNW Section 11, T20N, R40E
- Tract #177 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, thence in a northeasterly direction through the S2 and SENE Section 10, and the SWNW, N2NW and the NWNE of Section 11, T20N, R40E, thence via foot from the existing dirt trail in the NENWNE Section 11, to the south boundary of the said tract, being the SESWSE Section 2, T20N, R40E
- Tract #180 An existing road/trail from the Haxby County Road beginning in the SWSE Section 3, T20N, R39E, thence in a northerly direction through the W2SE Section 3, thence in a westerly direction through the N2SW of Section 3, NESE and the S2N2 of Section 4, and the NE of Section 5, thence by foot to a point 2640' from the northeast corner of said Section 5, T20N, R39E, to the south boundary of the said tract, being the SESE Section 36, T21N, R38E
- Tract #182 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and the SESW and S2SE of Section 35, T21N, R39E, to the west boundary of the said tract, being the W2SW Section 36, T21N, R39E
- Tract #186 An existing road/trail from the Haxby County Road beginning in the NESE Section 8, T19N, R39E, thence in a northwesterly-westerly direction through the N2SE, SWNE, and the S2NW of said Section 8, thence northerly through the W2NW Section 8 and the E2NE Section 7, thence northwesterly through the SE and SWNE of Section 6, thence westerly through the SWNE and S2NW of Section 6, thence northwesterly through the NE of Section 1, T19N, R38E to the south boundary of the subject tract,

being the SWSE Section 36, T20N, R38E

- Tract #192 An existing road/trail from the Haxby County Road beginning in the NENE Section 2, T20N, R39E, thence in an easterly and northeasterly direction through the NENE Section 2 and the N2N2 Section 1, T20N, R39E; the NWNW Section 6, T20N, R40E; and northeasterly through the SESW and the SWSE, thence southeasterly through the SESE of Section 35, T21N, R39E, thence in a southeasterly direction across the NENW and NE of Section 6, the SWNW and S2 of Section 5 and the SW of Section 4, T20N, R40E thence in a southerly and southeasterly direction through the W2 and SE of Section 9, T20N, R40E, to the north boundary of the said tract, being the NWNE Section 16, T20N, R40E
- Tract #174 An existing road/trail from Montana Route 59 Highway (Jordan highway) beginning in the N2NE Section 3, T17N, R38E, thence in a northeasterly direction to the common boundary line between the SESE Section 34 and the NENE Section 3, T17N, R38E, thence easterly along said boundary line and through the SESW and S2SE of Section 35, T18N, R38E to the west boundary of said tract, being the SWSW of Section 36, T18N, R38E.
- Tract #133 An existing road/trail from the County Road beginning in the NW Section 12, T15N, R41E, thence in an easterly direction along the north boundary of Section 12 to the NENE of said Section 12, thence southeasterly through the NENE Section 12, W2 and S2SE Section 7, T15N, R42E, the SWSW of Section 8, the N2N2 Section 17, the SESE Section 9, and the SWSW Section 10, T15N, R42E, to the north boundary of the said tract, being the NW Section 16, T15N, R42E.
- Tract #176 An existing road/trail from the Brusett Road beginning in the NWSW Section 10, T18N, R37E, thence in a westerly and southwesterly direction through the S2NE, the W2SE, the SESW, and NESW of Section 9, T18N, R37E, thence in a southeasterly, easterly, and southerly direction through the SESW and S2SE of said Section 9, thence in a southerly direction through the E2NE of Section 16, thence in a westerly direction through the S2S2SENE Section 16, to the east boundary of the said tract, being the SESWNE Section 16, T18N, R37E
- Tract #178 An existing road/trail from the Brusett Road beginning in the NWSW Section 10, T18N, R37E, thence in a westerly and southwesterly direction through the S2NE, the W2SE, the SESW, and NESW of Section 9, T18N, R37E, thence in a southeasterly, easterly, and southerly direction through the SESW and S2SE of said Section 9, thence in a southerly direction through the E2NE of Section 16, thence in a westerly direction through the N2SE and the N2SW of Section 16, thence in a southerly direction through the NWSW of Section 16 to the north boundary of the said tract, being the SWSW Section 16, T18N, R37E
- Tract #187 An existing road/trail from the County Road beginning in the NWNW Section 14, T20N, R35E, thence in a westerly and southwesterly direction through the NWNW Section 14, the N2NE and NW of Section 15, and the SENE Section 16 to the north

boundary of the said tract, being the NESE Section 16, T20N, R35E

- Tract #188 An existing road/trail from the County Road beginning in the NWNW Section 14, T20N, R35E, thence in a westerly and southwesterly direction through the NWNW Section 14, the N2NE and NW of Section 15, the SENE and NESE of Section 16, thence in a northerly and northwesterly direction through the NWSE and SWNE Section 16 to the south boundary of the said tract, being the NWNW Section 16, T20N, R35E
- Tract #189 An existing road/trail from the County Road beginning in the NESE Section 22, T20N, R35E, thence in a westerly direction through the N2S2 Section 22 and the S2NE Section 21, thence in a northwesterly and northerly direction through the W2NE and E2NW of Section 21, T20N, R35E, thence in a westerly direction along the north boundary of the NW Section 21 to the south boundary of the said tract, being the SWSW Section 16, T20N, R35E
- Tract #181 Beginning at the Brusett County Road in the S2SW of Section 10, T19N, R35E thence along an existing dirt trail southwest to the boundary line common to Sections 10 and 15, T19N, R35E, thence in a westerly direction along the section line common to Sections 9 and 16, T19N, R35E to the east line of the said Tract #181, being the NENW of Section 16, T19N, R35E.
- Tract #185 Beginning at the Brusett County Road in the S2SW of Section 10, T19N, R35E thence along an existing dirt trail southwest to the boundary line common to Sections 10 and 15, T19N, R35E, thence in a westerly direction to the northeast corner of said Tract #185 being the east line of the NENE of Section 16, T19N, R35E.
- Tract #81 An existing road/trail from the County Road beginning in the NESW of Section 32, T18N, R34E, thence in a southerly direction through the E2SW of said Section 32 to the south line of said E2SW, thence in a southerly direction through the E2W2 of Section 5, T17N, R34E, to a trail in the SESW of Section 5, thence along said trail easterly through the SESW, S2SE and NESE of Section 5 to the southwest boundary of said tract, being the SWNWSW of Section 4, T17N, R34E
- Tract #82 An existing road/trail from the County Road beginning in the NESW of Section 32, T18N, R34E, thence in a southerly direction through the E2SW of said Section 32 to the south line of said E2SW, thence in a southerly direction through the E2W2 of Section 5, T17N, R34E, to a trail in the SESW of Section 5, thence along said trail easterly through the SESW to the west boundary of said tract, being the SWSE of Section 5, T17N, R34E
- Tract #83 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in a northeasterly and easterly direction through the NESW and N2SE of said Section 21, thence in a northeasterly and northerly direction through the NWSW and SWNW of Section 22, T17N, R34E to the south boundary of the said tract, being the NWNW of Section 22, T17N, R34E

- Tract #84 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in a northeasterly and easterly direction through the NWSW of said Section 21, thence northeasterly through the NWSW, NESW and N2SE of Section 21, thence in a northerly direction through the W2NW of Section 22, to the south boundary of the said tract, being the S2SW of Section 15, T17N, R34E
- Tract #87 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in an easterly direction through the NWSW of said Section 21, thence in a northeasterly and easterly direction through the NESW and N2SE of said Section 21, thence in a northeasterly and northerly direction through the NWSW and W2NW of Section 22, thence in a northerly direction through the SW and SENW of Section 15, thence westerly through the S2NW of Section 15 to the east boundary of the said tract, being the NE of Section 16, T17N, R34E
- Tract #88 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in an easterly direction through the NWSW of said Section 21, thence in a northeasterly and easterly direction through the NESW and N2SE of said Section 21, to the west boundary of the said tract, being the NWSW of Section 22, T17N, R34E
- Tract #89 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in an easterly direction through the NWSW of said Section 21, to the west boundary of the said tract, being the NESW of Section 21, T17N, R34E
- Tract #90 An existing road/trail from the County Road beginning in the NWSW of Section 21, T17N, R34E, thence in a northerly and southeasterly direction through the NESW and W2SE of Section 21, to the north boundary of the said tract, being the SWNE of Section 28, T17N, R34E
- Tract #91 An existing road/trail from the County Road on the west line of the SWSW in Section 21, T17N, R39E, along the west boundary of the said tract, being the SWSW of Section 21, T17N, R34E
- Tract #92 An existing road/trail from the County Road beginning in the NWNW of Section 1, T17N, R33E, thence in a southwesterly direction through the NW and NWSW of Section 1, the E2SE of Section 2 and the N2NE Section 11, T17N, R33E, thence in a westerly direction through the N2N2 Section 11, N2NE and NW Section 10, the S2NE, and NW Section 9, and the SENE of Section 8, T17N, R33E, thence in a southerly direction through the SENE of Section 8 and the SWNW and W2SW Section 9 to the north boundary of the said tract, being the NWNW of Section 16, T17N, R33E
- Tract #140 An existing road/trail from the Squaw Creek County Road beginning in the NW of Section 15, T20N, R32E, thence in a westerly direction along an existing trail in the NW of Section 15 to the east boundary of said tract being the NE of Section 16, T20N, R32E

LEASE INTERESTS: The tracts being valued in this appraisal are subjected to current leases that are under to slightly under other area market leases. The appraisal does not take into account the affect of the leases on the property since it considers the surface estate to be transferred not subject to the lease terms and conditions.

20. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY THE CLIENT(S), OR ANY THIRD PARTY, CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

Property Identification and Legal Description

The property is located in thirty-two separate tracts within Garfield County that are located from 4 to 36 air miles from Jordan with dirt trail access from either private or county gravel road and paved highway access. They all consist of rangeland with 9,600 acres and are not structurally improved.

The legal description of the subject property is defined as follows:

Tract #109	T20N, R40E, Section 36: All
Tract #110	T20N, R39E, Section 36: NENW
Tract #111	T19N, R40E, Section 16: All
Tract #113	T19N, R40E, Section 36: SESE
Tract #164-1	T20N, R40E, Section 13: E2NE
Tract #164-2	T20N, R40E, Section 13: E2SW
Tract #166	T20N, R40E, Section 11: N2NW
Tract #177	T20N, R40E, Section 2: S2SW, SWSE
Tract #180	T21N, R38E, Section 36: All
Tract #182	T21N, R39E, Section 36: All
Tract #186	T20N, R38E, Section 36: All
Tract #192	T20N, R40E, Section 16: W2, W2NE, SE
Tract #174	T18N, R38E, Section 36: All
Tract #133	T15N, R42E, Section 16: All
Tract #176	T18N, R37E, Section 16: NW, W2NE
Tract #178	T18N, R37E, Section 16: SWSW
Tract #187	T20N, R35E, Section 16: E2SE
Tract #188	T20N, R35E, Section 16: N2NE, NENW
Tract #189	T20N, R35E, Section 16: SWNW, W2SW
Tract #181	T19N, R35E, Section 16: NENW, W2NW, SW
Tract #185	T19N, R35E, Section 16: NENE
Tract #81	T17N, R34E, Section 4: SWNW, NWSW
Tract #82	T17N, R34E, Section 5: S2NE, SE
Tract #83	T17N, R34E, Section 22: NWNW
Tract #84	T17N, R34E, Section 15: NENW, S2NW, SW
Tract #87	T17N, R34E, Section 16: All
Tract #88	T17N, R34E, Section 22: S2NW, N2SW
Tract #89	T17N, R34E, Section 21: SENW, NESW, N2SE
Tract #90	T17N, R34E, Section 28: E2NW, W2NE, NWSE, NESW
Tract #91	T17N, R34E, Section 21: SWSE, SESW
Tract #92	T17N, R33E, Section 16: All
Tract #140	T20N, R32E, Section 16: All

Purpose and Function of Appraisal

The purpose of this appraisal is to estimate the **MARKET VALUE** of the subject property in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). It is my understanding that this appraisal is to be issued for possible sale under the State of Montana Land Banking Program for the owner of the property. The property was inspected on various dates in December, 2005 to March, 2006 with Jack Murnion, Virginia Murnion, Lee Murnion, K.L. Bliss, and John Hillenbrand accompanying the appraiser. Tracts were inspected by driving, walking, and/or aerial inspections. Property data was gathered from the Garfield County Courthouse, FSA office, BLM, DNRC, and DOR.

The region was searched for data and sales of grass tracts with and without access with emphasis on units with similar amenities as the subject. The sales data are documented in the Addenda. The appraiser has inspected, photographed, and verified the data with the principals or

their agents. In most cases, financial data or operating data are estimates based on interviews. Tracts were inspected by driving or walking through them.

The market data contained in this report is to remain confidential and is not to be disclosed, disseminated, and/or utilized outside of this report by any means of communication.

The authority for conducting the appraisal was given by Montana Department of Natural Resources and Conservation (DNRC), Attn: Candace Durran, Real Estate Section Supervisor, 1625 Eleventh Avenue, P. O. Box 201601, Helena, MT 59620-1601. The client for this appraisal is the Montana Department of Natural Resources and Conservation (DNRC). The intended users of this appraisal report include the above named agency, along with the State of Montana Land Board.

This appraisal is a complete appraisal (departure provision of USPAP was not invoked) and is being reported in a summary report format.

USPAP includes a competency provision that states:

"Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively:

1. disclose the lack of knowledge and/or experience to the client before accepting the assignment; and
2. take all steps necessary or appropriate to complete the assignment competently; and
3. describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

Mr. Luther has been appraising real estate in Montana, Idaho, Wyoming, and North and South Dakota since 1984, and is familiar with the geographical area in which the property is located. The appraiser also believes that he possesses the knowledge and experience to complete this assignment competently.

Appraisal Dates

Date of Value:	March 31, 2006
Date of Inspection:	January-March, 2006
Date of Photographs:	January-March, 2006
Date of Report:	April 14, 2006

Property Rights Appraised

The property rights appraised encompass the surface estate subject to encumbrances, easements, conveyances, restrictions, and/or reservations of record. *It is noted that the appraiser is not a title specialist, that a complete search of the title was not completed by the appraiser or any associate of the appraiser, and that there can be items contained of record or not of record that the appraiser was not made aware of or has no knowledge of.* There are no known easements or encroachments that detrimentally affect the value of the property. This report will be generally confined to a discussion of the surface rights and will not include a separate value indication for aerial or subsurface interests. The State of Montana will retain all sub-surface interests; including oil, gas, coal, and other minerals, thus only the surface estate is being considered.

Definition of Value

Market value as defined within M.C.A. is:

Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors.

1. The highest and best reasonably available use and its value for such use, provided current use may not be presumed to be the highest and best use;
2. The machinery, equipment, and fixtures forming part of the real estate taken; and
3. Any other relevant factors as to which evidence is offered.

The definition of market value is in terms of cash or on financing terms equivalent to cash.

Present Ownership

Ownership history has been in the State of Montana for several decades.

The subject is not currently listed. The subject property is currently leased to the following individuals or entities:

<u>Tract #</u>	<u>Lessee</u>	<u>Amount</u>	<u>Term Remaining</u>
109	John Hillenbrand	\$ 783.52	6 years
110	John Hillenbrand	\$ 66.40	6 years
111	John Hillenbrand	\$ 956.16	6 years
113	John Hillenbrand	\$ 66.40	6 years
164-1	John Hillenbrand	\$ 99.60	8 years
164-2	John Hillenbrand	\$ 99.60	8 years
166	John Hillenbrand	\$ 106.24	8 years
177	John Hillenbrand	\$ 185.92	8 years
180	John Hillenbrand	\$ 732.84	2 years
182	John Hillenbrand	\$ 916.05	3 years
186	John Hillenbrand	\$ 851.04	4 years
192	John Hillenbrand	\$ 786.03	4 years
174	Virginia & Lee Murnion	\$ 709.20	2006
133	Ray Jerrel, Inc.	\$ 981.66	2 years
176	Virginia & Lee Murnion	\$ 285.52	6 years
178	Virginia & Lee Murnion	\$ 46.48	6 years
187	Jack & Charlotte Murnion	\$ 82.74	2006
188	Jack & Charlotte Murnion	\$ 141.84	2006
189	Jack & Charlotte Murnion	\$ 135.93	2006
181	Jack & Charlotte Murnion	\$ 408.53	2 years
185	Jack & Charlotte Murnion	\$ 59.10	2 years
81	Matthew Bliss	\$ 183.20	2 years
82	Matthew Bliss	\$ 378.24	2 years
83	Matthew Bliss	\$ 41.37	2 years
84	Matthew Bliss	\$ 413.70	2 years
87	Matthew Bliss	\$ 956.16	9 years
88	Matthew Bliss	\$ 224.58	3 years
89	Matthew Bliss	\$ 543.72	3 years
90	Matthew Bliss	\$ 411.68	9 years
91	Matthew Bliss	\$ 159.36	9 years
92	Matthew Bliss	\$1,665.66	2006
140	Mike Pierson	\$ 703.29	2006

Exposure Time Verses Marketing Time

Current professional appraisal standards require an appraiser to estimate the typical marketing and exposure time for the property appraised. "Exposure time" is the estimated length of time the property interest 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 appraisal. Alternatively, "marketing time" is a consulting term which relates to that amount of time that would be required to sell the property interest at the estimated market value during the period **after** the effective date of the appraisal. An estimate of marketing is not intended to be a predication of a date of sale. It is inappropriate to assume the value as of the effective date of appraisal remains stable during a marketing period.

In applying the market value definition to this appraisal, a reasonable exposure time of 8-16 months has been estimated for the subject. Additionally, the appraiser has considered market factors external to this appraisal report and has concluded that a reasonable marketing time for the subject is 8-16 months.

AREA/REGIONAL ANALYSIS

The market area for the subject property would be considered Garfield and extreme Northern Rosebud Counties. The expanded service and trade area is Rosebud, Custer, McCone, Dawson, Prairie, and Petroleum Counties.

Social Factors

This area is predominantly rural with the major regional trade centers being Billings and Miles City, Montana. Lewistown is a sub-regional center for the far west end of Garfield County. Miles City offers retail outlets, college, and medical facilities. Billings is the largest city in the region, with a population base of over 100,000 in the urban area, and offers a large medical community, secondary education, and a variety of retail and trade services.

Schools and basic services are available in smaller towns in the area, such as Winnett and Jordan, along with Miles City. These towns offer limited to full medical services with Miles City and Billings having expanded services. Garfield had an estimated 2000 population of 1,279 and Jordan, the county seat at 364. Current population (2004) estimates the county at 1,218. Miles City, seat of Custer County, has an estimated population of 8,487 (2000) and the county is estimated at 11,696 (2000). Rosebud County has an estimated population of 9,383 (2000) with Forsyth the county seat at 1,944. Custer and Rosebud Counties have had an estimated 0.0% increase and 10.71% decrease, respectively, in population since the 1990 census compared to the 2000 census. Most bordering counties saw declines of 1.4% to 19.0% in population from 1990 to 2000.

Economic Factors

This area is primarily driven by an agricultural economy with several off farm employment opportunities available at local businesses and agencies in Miles City. Off-farm employment is more limited in Garfield County. Miles City provides most of the area's opportunities being a sub-regional trade center. Further employment in the area is with the energy industry, i.e. coal mines at Colstrip, oil and gas fields in Sidney, Baker, and Glendive areas and electrical steam generating plants in Colstrip or Sidney.

Operations in the general area consist of cattle ranches and dry crop and irrigated farms. Most ranches have an adequate feed base with some limited farming of small grains for cash crops and/or livestock feed. Northern Custer and Rosebud Counties along with southern Garfield County have larger grass ranches that have limited or no feed base. Farms located in the area are concentrated in northeastern Rosebud, and northwestern and central Garfield Counties. There is a high dependence of ranches in portions of Garfield and Rosebud Counties on public lands for grazing.

Markets for livestock are through public auction barns or order buyers. Public auctions are located at Miles City, Glasgow, Lewistown, Sidney, and Billings, MT; Belle Fourche and St. Onge, SD; and Bowman, ND. On-farm feed lots are prevalent in area irrigation projects for back grounding feeding and some limited finishing feeding.

Mineral activity in the general area is limited to oil, gas, and coal. Coal mines are located at Colstrip and Decker with other developable deposits located near Miles City, Broadus, Ashland, Circle, and Glendive. The principal oil and gas activity is located in the Cabin Creek, Corral Creek, and associated fields in Dawson, Fallon, and Prairie Counties. Stripper fields are located in northwestern Rosebud, east central Petroleum, and west central Garfield Counties. There is very limited mineral activity in the specific market area. There are the old established Cat Creek and Mosby oil fields in the eastern portion and southwestern portions of Petroleum and Garfield Counties, respectively. These fields have seen declining production in the past with most of the recoverable reserves having been taken out.

Recreational use of the Fort Peck Lake and surrounding area for hunting and fishing provides some more economic stimulus to the general area. Big game hunting for elk attracts many hunters. Several fishing tournaments are held on Fort Peck Lake during the summer months. Over the past ten plus years, through the Governor's Cup Walleye and other tournaments, the fishery on the Fort Peck Lake has seen increased use and national exposure. Marinas located at Rock Creek, Fort Peck, Hell Creek (being rebuilt), Crooked Creek, and The Pines provide access for boaters. There are other boat ramps located in various areas around the lake. Hunting pressure for big game has also seen a steady increase in the general area. The Refuge and especially Fort Peck Lake have seen a steady increase in recreational use by more out of area people.

Recreational uses of the area are especially prevalent for hunting and fishing. This provides an economic stimulus during the fall hunting season. Tourism provides a limited economic impact in the area with it lagging behind the agricultural and minerals industries.

Governmental Factors

Government programs contribute to local operation through the FSA farm programs. During 2003 (latest available estimates) Garfield County had estimated cash receipts of \$46,189,000 (17.8% being in government payments), Rosebud County at \$45,009,000 (10.6% government payments), and Custer County at \$45,644,000 (8.4% being in government payments).

Garfield County, along with Petroleum, McCone, Valley, and Phillips Counties also contain portions of the Charles M. Russell National Wildlife Refuge that is administered by the U.S. Fish and Wildlife Service. The Refuge has an estimated 39,000 to 40,000 acres of private land inholdings within the boundary of the refuge. This refuge is about 1,100,000 acres in size which encompasses the 245,000 acre Fort Peck Lake at normal pool. Fort Peck Lake is 134 miles long at normal operating level with an estimated 1,520 miles of shoreline. The Lake, dam, and associated lands/structures/recreation areas are administered by the US Army Corps of Engineers. There has been some impacts on ranches that run livestock on the refuge from cuts during the mid to late 1980's and the increasing of prices per AUM. With transfer of title, the environmental assessment process will keep cattle off for at least one year and if determined the grazing permit can be revoked for ten or more years or have a reduction in numbers. This has resulted in some loss of agriculture cash receipts from the area along with economic viability of some smaller operations. The predominant issues are with road access being further restricted or attempts at restricting it further in certain areas, grazing deferment, and predator management. For this area, there will be continued issues involving multiple uses on public lands and access.

There are several areas within and outside of the CMRNWR that are identified as Wilderness Study Areas or Proposed Wilderness Areas (WSA / PWA). Portions of vehicular access have been closed over the years with the most recent being roads in and around proposed wilderness areas (PWA's).

Environmental Factors

The specific area predominant land use in the area is for livestock ranches with some areas of concentrated farming. The area is characterized by several drainages. The Missouri River being Ft. Peck Lake on the north side, Musselshell River, Big and Little Dry Creeks, along with Wall Creek, Sand Creek, Woody Creek on the eastern portion and Lodgepole, Seven Blackfoot, Squaw, Devils, and Sage Hen Creeks on the western side of the county. Terrain runs from open and rolling to hilly with some areas of rougher breaks along the Musselshell River and Ft. Peck Lake. Most stands of Ponderosa Pine and juniper are located along the Musselshell River and Ft. Peck Lake in the breaks.

Access to the area is via Montana Highway 200 through the central portion from Sidney and Circle through Jordan onto Winnett and Lewistown. Montana 59 provides service from Miles City. Montana 24 on the extreme east edge provides service to Glasgow. Several gravel and dirt county roads provide access and service throughout the area. Cities with airline service are Miles City, Lewistown, Glendive, Glasgow, and Billings, MT.

Trends

Areas along the Missouri and Yellowstone Rivers have seen increasing interest in hunting and recreational opportunities. Most of the upward trend in value and interest lies in the brush and treed river bottomland. This trend in the market has been gradually shifting down river over the past five to six years. Most buyers consider the irrigated land as a further offset to the cost of ownership.

Sales of dry land farms in the area have been slow with not many sales of the larger dry land farms having occurred in the area. There have been sales in other areas outside of this specific market that have occurred. The sale of smaller tracts and inholdings has been minimal over the past two to four years in the specific market area. Most of the sales have been of larger tracts and operating ranches.

The largest recreational influences are along and in the breaks along Ft. Peck Lake. The open and rolling country that comprises a majority of Garfield County has lesser recreational and other non-agricultural influences. In addition there has been some rural developments completed or in the planning process in the general market area. Most of these are located to the west of Hell Creek and north of Snow Creek and along the lower end of the Musselshell River.

Demand and interest on properties remain strong. Buyer interest has been steady for the area. The ranches with CMR grazing have been slower to market due to the policy in place of not transferring rights pending a suspension of grazing to allow a habitat unit grazing study. Prices being asked have retained their strength with most sales consummating at or slightly under the asking price. Demand for 175 to 250 head and 300 to 600 head ranches and recreational tracts are strong. Use of tax deferred exchanges is prevalent on the market. The areas with heavier non-agricultural influences have gained in value. There have been several larger ranch sales in the general market area that sold over the past year that show good strength in values holding steady to increasing slightly. Grass tracts with timber have shown the largest increases and are at the upper end. Some areas have seen lesser amounts of increased values over the same time period. Increases in areas without heavy non-agricultural influences have been modest over the past two to three years.

The general area market indicated an upward trend in prices paid through early 2006. 2002 and into early 2005 has seen an increase in the number of larger properties that have sold. An analysis of sales and resales of properties in the area is presented in the sales comparison approach section of the report.

Larger properties, above \$1,500,000 to \$2,000,000, have needed a longer time to market or approximately 12 to 24 months. Other units have exposure time to the area market of 6 to 18

months. Properties along and inholdings in the CMR have had a longer marketing time. Those properties with more access or location issues have seen the longest periods of marketing time. Over the past year to year and a half there have been a few properties on or within the refuge that have been on the market for an extended period that sold. Interest continues to be strong for these properties, but issues of access and in some cases utilities temper the available buyer interest.

The increase in activity along the refuge has been for the most part in Garfield and Petroleum Counties. These counties by far have the largest amount of private lands along and in the refuge. They are closer to the major airports and population centers in the state. The area on the south side of the Lake has rougher breaks that go further back from the valley than the north side does. It also has more timbered hills and breaks than the north side and thus has more appeal to the recreational minded buyer. There are more chances for a recreational buyer to control some or all of the access to portions of the refuge on the south side than on the north side of the Lake.

Recreational tracts that have sold have had good to poor access with and without any available utilities. There are areas that have power and telephone within a mile and those that are over five to ten miles from a utility source.

Any development of the subject would hinge upon the possibility of granting of road and utility easements by the USFWS, BLM, and/or State of Montana. If the historical perspective is considered, it is very unlikely that the Fish and Wildlife Service would grant such easements. The direction of the refuge has been to further limit access to motorized vehicles, easements, and uses that have been labeled "non-compatible" with wildlife.

SUBJECT PROPERTY DESCRIPTION

Location and Access

The subject property is located various directions from Jordan, Montana. Eleven parcels are located 9 to 21 air miles northeast, three parcels are located 4 to 29 air miles southeast of Jordan, one parcel is located 16 air miles east, two parcels are located 4.5 air miles west, six parcels located 16 to 36 air miles northwest, and nine parcels 19 to 23 air miles southwest of Jordan. Access is via dirt trails off of county gravel roads or paved highway access to the property.

Data on each tract is presented separately. Some of the tracts have acreage classified as unsuitable for grazing due to rock outcroppings, terrain, roads and/or waste areas. This acreage is noted in "Other Acres" on the current leases. From the market perspective, this acreage is considered as rangeland use. It contains the physical characteristics that most market participants are looking for. Total acreage is used to calculate Acre per AUM and Dollars per Acre.

Terrain and Soils

Terrain and soils are noted on each of the tract description sheets.

Taxes and Assessments

Since the tracts are State owned they are not currently taxed. Based on adjoining sections, real estate taxes have been estimated as:

Tract #	Estimated Amount
Tract #109	\$ 250 to \$ 288
Tract #110	\$ 20 to \$ 21
Tract #111	\$ 301 to \$ 314
Tract #113	\$ 20 to \$ 22
Tract #164-1	\$ 34 to \$ 40
Tract #164-2	\$ 34 to \$ 40
Tract #166	\$ 41 to \$ 44
Tract #177	\$ 61 to \$ 66
Tract #180	\$ 256 to \$ 307
Tract #182	\$ 269 to \$ 352
Tract #186	\$ 346 to \$ 365
Tract #192	\$ 218 to \$ 246
Tract #174	\$ 307 to \$ 384
Tract #133	\$ 307 to \$ 385
Tract #176	\$ 130 to \$ 158
Tract #178	\$ 22 to \$ 26
Tract #187	\$ 48 to \$ 54
Tract #188	\$ 72 to \$ 80
Tract #189	\$ 72 to \$ 80
Tract #181	\$ 165 to \$ 190
Tract #185	\$ 24 to \$ 27
Tract #81	\$ 36 to \$ 39
Tract #82	\$ 108 to \$ 118
Tract #83	\$ 21 to \$ 23
Tract #84	\$ 126 to \$ 154
Tract #87	\$ 288 to \$ 352
Tract #88	\$ 83 to \$ 93
Tract #89	\$ 72 to \$ 83
Tract #90	\$ 84 to \$ 108
Tract #91	\$ 28 to \$ 36
Tract #92	\$ 224 to \$ 288
Tract #140	\$ 256 to \$ 269
Total:	\$4,323 to \$5,052

Hazards and Determents

Each of the tracts is subject to all the anomalies that occur or are located in this area.

Tract #: 109
 Legal Description: T20N, R40E, Section 36: All
 Total Acres: 640
 Access: Dirt trail, then foot
 Location: 35 road or 18 air miles northeast of Jordan
 Terrain/Drainage: Rougher badlands – breaks in southeast with one major drainage to the north.
 Water: None
 Water Right(s): None
 Fences: None

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	118	Acres Grazed:	560
Ac/AUM:	5.4	Other Acres:	80

Lessee: John Hillenbrand (#2404)

Amount:	\$783.52	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.40
		\$/Gross Acre:	\$1.23

Utilities Available: No utilities on tract. McCone Electric Co-op and Mid-Rivers Telephone Co-op lines at least 5 miles away.

Comments: Fenced in with other lands in one large pasture. No trail to tract.

Tract #: 110

Legal Description: T20N, R39E, Section 36: NENW

Total Acres: 40

Access: Dirt trail

Location: 18 road or 13 air miles northeast of Jordan

Terrain/Drainage: Sloping from ridge top in north-northeast downhill to southwest. Tract lies between Maban Coulee and Bateman Coulee drainages.

Water: None

Water Right(s): None

Fences: None

Land Description:

Rangeland:	40.00 Acres
Roads, Waste:	0.00 Acres
Total:	40.00 Acres

AUMs:	10	Acres Grazed:	40.00
Ac/AUM:	4.0	Other Acres:	0.00

Lessee: John Hillenbrand (#1739)

Amount:	\$66.40	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.66
		\$/Gross Acre:	\$1.66

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op lines are located at least 3.5 miles to the west

Comments: This tract is fenced into a larger pasture.

Tract #: 111
 Legal Description: T19N, R40E, Section 16: All
 Total Acres: 640
 Access: Dirt trail
 Location: 23 road or 13 air miles northeast of Jordan
 Terrain/Drainage: Sloping to steeper ridges in central and northeast portions.
 Water: None
 Water Right(s): None
 Fences: Fence on north and west end.

Land Description:	Rangeland: 640.00 Acres
	Roads, Waste: 0.00 Acres
	Total: 640.00 Acres

AUMs:	144	Acres Grazed:	640.00
Ac/AUM:	4.5	Other Acres:	0.00

Lessee: John Hillenbrand (#1739)

Amount:	\$956.16	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.50
		\$/Gross Acre:	\$1.50

Utilities Available: McCone Electric Co-op
Mid-Rivers Telephone Co-op

Comments: This tract is fenced in with other lands.

Tract #: 113
Legal Description: T19N, R40E, Section 36: SESE
Total Acres: 40
Access: Dirt trail
Location: 19 road or 16 air miles east of Jordan
Terrain/Drainage: Undulating along creek bottom with slight slope. Big Dry Creek flows through tract.
Water: Big Dry Creek, pot hole water

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 135983-00	Use		Big Dry Creek	4/15/1916	Stock	Source

Fences: Cross fence through southwestern portion, no perimeter fences.

Land Description:

Rangeland:	40.00 Acres
Roads, Waste:	0.00 Acres
Total:	40.00 Acres

AUMs:	10	Acres Grazed:	40.00
Ac/AUM:	4.0	Other Acres:	0.00

Lessee: John Hillenbrand (#9165)

Amount:	\$66.40	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.66
		\$/Gross Acre:	\$1.66

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op about ½ mile

Comments: This tract is split by Big Dry Creek. This tract is subject to an in-stream water right (40D-300174-07) reservation by Montana FWP under the Upper Missouri Reservation for Big Dry Creek. Water right 40D-3563-00 under John Hillenbrand is for irrigation purposes for 30 acres in the SE of Section 36 along with 630 acres on other lands. It is assumed that this water right is off of the tract.

Tract #: 164-1
Legal Description: T20N, R40E, Section 13: E2NE
Total Acres: 80
Access: Dirt trail
Location: 30 road or 21 air miles northeast of Jordan
Terrain/Drainage: Rougher with hills on south end and slopes along drainage in central portion.
Water: None
Water Right(s): None
Fences: None

Land Description:

Rangeland:	80.00 Acres
Roads, Waste:	0.00 Acres
Total:	80.00 Acres

AUMs:	15	Acres Grazed:	80.00
Ac/AUM:	5.34	Other Acres:	0.00

Lessee: John Hillenbrand (#4395)

Amount:	\$99.60	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.25
		\$/Gross Acre:	\$1.25

Utilities Available: None on site or within 3 miles.

Comments: There is a prairie dog town on the west end. Fenced in with other private and state land in one large pasture.

Tract #: 164-2
Legal Description: T20N, R40E, Section 13: E2SW
Total Acres: 80
Access: Dirt trail
Location: 32 road or 21 air miles northeast of Jordan
Terrain/Drainage: Sloping off ridge along east and south sides with drainage down the middle.
Water: None
Water Right(s): None
Fences: None

Land Description:

Rangeland:	80.00 Acres
Roads, Waste:	0.00 Acres
Total:	80.00 Acres

AUMs:	15	Acres Grazed:	80.00
Ac/AUM:	5.34	Other Acres:	0.00

Lessee: John Hillenbrand (#4395)

Amount:	\$99.60	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.25
		\$/Gross Acre:	\$1.25

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op are within 4 to 5 miles minimum

Comments: There is a prairie dog town on the west end. Fenced in with other private and state land in one large pasture.

Tract #: 166

Legal Description: T20N, R40E, Section 11: N2NW

Total Acres: 80

Access: Dirt trail

Location: 28 road or 20 air miles northeast of Jordan

Terrain/Drainage: Sloping towards Redbank Coulee from hill in northwest portion. Badlands on western end with remainder open rangeland.

Water: None

Water Right(s): None

Fences: None

Land Description:

Rangeland:	80.00 Acres
Roads, Waste:	0.00 Acres
Total:	80.00 Acres

AUMs:	16	Acres Grazed:	80.00
Ac/AUM:	5.00	Other Acres:	0.00

Lessee: John Hillenbrand (#4395)

Amount:	\$106.24	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.33
		\$/Gross Acre:	\$1.33

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op are approximately 3 miles.

Comments: This tract borders the south side of Tract #177. There is a prairie dog town on the west end. This tract is fenced in with other private and state land in one large pasture.

Tract #: 177

Legal Description: T20N, R40E, Section 2: S2SW, SWSE

Total Acres: 120

Access: Dirt trail, thence foot access

Location: 29 road or 20 air miles northeast of Jordan

Terrain/Drainage: Tract is located in area with three hills, from steeper slopes to sloping.

Water: None

Water Right(s): None

Fences: None, one just north

Land Description:	Rangeland: 120.00 Acres
	Roads, Waste: 0.00 Acres
	Total: 120.00 Acres

AUMs:	28	Acres Grazed:	120.00
Ac/AUM:	4.29	Other Acres:	0.00

Lessee: John Hillenbrand (#4395)

Amount:	\$185.92	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.55
		\$/Gross Acre:	\$1.55

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op are approximately 3 miles.

Comments: Borders north boundary of Tract #166. There is a prairie dog town on the west end. Fenced in with other private and state land in one large pasture.

Tract #: 180

Legal Description: T21N, R38E, Section 36: All

Total Acres: 640

Access: Dirt trail/foot

Location: 20 road or 15 air miles northeast of Jordan

Terrain/Drainage: Rolling with some rougher coulees. Drainage to south-southeast into South Fork Woody Creek.

Water: Reservoir just off SE quarter line to east.

Water Right(s): None

Fences: Fence through northwest corner, fenced in with other lands.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	124	Acres Grazed:	640.00
Ac/AUM:	5.17	Other Acres:	0.00

Lessee: John Hillenbrand (#2801)

Amount:	\$732.84	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.15
		\$/Gross Acre:	\$1.15

Utilities Available: McCone Electric Co-op line to north.
Mid-Rivers Telephone Co-op to east about 3 miles.

Comments:

Tract #: 182

Legal Description: T21N, R39E, Section 36: All

Total Acres: 640

Access: Dirt trail

Location: 22 road or 17 air miles northeast of Jordan

Terrain/Drainage: This tract lies along the South Fork of Woody Creek with most of it being undulating to gently sloping. The south end and a small portion of the east central area have isolated badland hills and smaller ridges.

Water: Dam in southwest area that is washed out.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 215468-00	Use		North Fork Woody Creek	6/30/1973	Irrigation	Dike

Fences: None, fenced in with other lands.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	155	Acres Grazed:	580.00
Ac/AUM:	4.1	Other Acres:	60.00

Lessee: John Hillenbrand (#6560)

Amount:	\$916.05	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.58
		\$/Gross Acre:	\$1.44

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op located ½ to 1.5 miles off of tract.

Comments: 60 acres unsuitable noted as a prairie dog town. Prairie dog town north of South Fork Woody Creek. Some Canada Thistle on tract. Water right on old diked lands.

Tract #: 186

Legal Description: T20N, R38E, Section 36: All

Total Acres: 640

Access: Dirt trail

Location: 15 road or 9 air miles northeast of Jordan

Terrain/Drainage: Open and rolling to some areas of rougher badlands on south and east sides

Water: Small pit south central area.

Water Right(s): None

Fences: Perimeter fences on west, south and east sides, not fenced on north side

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	144	Acres Grazed:	640.00
Ac/AUM:	4.4	Other Acres:	0.00

Lessee: John Hillenbrand (#7165)

Amount:	\$851.04	\$/AUM:	\$5.91
Expiration:	2/28/2010	\$/ Net Acre:	\$1.33
		\$/Gross Acre:	\$1.33

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op have lines about four miles east, more or less

Comments: This tract is fenced in with other lands to the north

Tract #: 192

Legal Description: T20N, R40E, Section 16: W2, W2NE, SE

Total Acres: 560

Access: Dirt trail

Location: 26 road or 16 air miles northeast of Jordan

Terrain/Drainage: Undulating to gently rolling-sloping along coulee, remainder steeper with ridge on west central area. Redbank Coulee flows the south to northeast.

Water: Reservoir on south and older one on north end. Both in poor condition due to silting in.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 215467-00	Use		Redbank Coulee	6/30/1973	Irrigation	Dam

Fences: None, fenced in with other lands in one large pasture.

Land Description:	Rangeland: 560.00 Acres
	Roads, Waste: 0.00 Acres
	Total: 560.00 Acres

AUMs:	133	Acres Grazed:	560.00
Ac/AUM:	4.2	Other Acres:	0.00

Lessee: John Hillenbrand (#7166)

Amount:	\$786.03	\$/AUM:	\$5.91
Expiration:	2/28/2010	\$/ Net Acre:	\$1.41
		\$/Gross Acre:	\$1.41

Utilities Available: No utilities on tract or within 4 to 6 miles.

Comments: Water right POD is a reservoir located off of tract to west. Right is for old flood irrigation system that has not been used for several decades.

Tract #: 174

Legal Description: T18N, R38E, Section 36: All

Total Acres: 640

Access: Gravel road (private)

Location: 5 road or 4 air miles southeast of Jordan

Terrain/Drainage: Sloping to south with drainage to southeast, open and rolling with ridge to northwest and northeast.

Water: None

Water Right(s): None

Fences: Fence on north and west sides. Fenced in with other lands in a larger pasture.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	120	Acres Grazed:	640.00
Ac/AUM:	5.3	Other Acres:	0.00

Lessee: Virginia & Lee Murnion (#5267)

Amount:	\$709.20	\$/AUM:	\$5.91
Expiration:	2/28/2006	\$/ Net Acre:	\$1.11
		\$/Gross Acre:	\$1.11

Utilities Available: McCone Electric Co-op line to the west.
Mid-Rivers Telephone Co-op line through south end.

Comments: Tract has good physical access.

Tract #: 133

Legal Description: T15N, R42E, Section 16: All

Total Acres: 640

Access: Gravel road and dirt trail

Location: 30 road or 29 air miles southeast of Jordan

Terrain/Drainage: The northern end of this tract lies along Little Dry Creek and Thompson Creek on undulating to slightly sloping terrain. The remainder is open and rolling with two smaller hills on the east and south central areas.

Water: Little Dry Creek, winterized tank off of stockwater pipeline (well off tract) in northwest corner

Water Right(s): None in State of Montana

Number	Type	Rate	Source	Priority	Use	Means
40D 135987-00	Use		Little Dry Creek	1/1/1922	Stock	Source

Fences: Perimeter fenced except part of north end, fenced lot in northwest, and cross fence on west side.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	151	Acres Grazed:	628.10
Ac/AUM:	4.2	Other Acres:	11.90

Lessee: Ray Jerrell, Inc. (#4147)

Amount:	\$981.66	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.57
		\$/Gross Acre:	\$1.54

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op to north of tract.

Comments: "Other acres" is a sacrifice area that is leased for a total of \$89.25, (\$7.50/acre) on 11.9 acres. Gravel road put in place by surrounding property owner. Water right is in name of Ray Jerrell, Inc.

Tract #: 176

Legal Description: T18N, R37E, Section 16: NW, W2NE

Total Acres: 240

Access: Dirt trail through the Murnion farmstead

Location: 5 road or 2.5 air miles west of Jordan

Terrain/Drainage: Big Dry Creek flows through the northern portion of the tract. Terrain runs from undulating to slightly rolling with all being open.

Water: Seasonal water in Big Dry Creek

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 135982-00*	Use		Big Dry Creek	4/15/1906	Stock	Source
40D 136005-00*	Use		Big Dry Creek	4/15/1906	Stock	Source
40D 119681-00	Use		Big Dry Creek	10/7/1936	Stock	Dam
40D 119679-00	Use		Big Dry Creek	10/7/1936	Stock	Dam
40D 3458-00	Use	10,000 GPM	Big Dry Creek	8/26/1974	Irrigation	Pump

Fences: Cross fence through west end, perimeter fence on most of south and east sides. Fence on and off of north side.

Land Description:

Rangeland:	240.00 Acres
Roads, Waste:	0.00 Acres
Total:	240.00 Acres

AUMs:	43	Acres Grazed:	240.00
Ac/AUM:	5.6	Other Acres:	0.00

Lessee: Lee and Virginia Murnion (#1736)

Amount:	\$285.52	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.19
		\$/Gross Acre:	\$1.19

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op on the north side ¼ mile, m/l.

Comments: *Water rights 135982 and 136005 are under the State of Montana. The other three water rights, 119681, 119679, and 3458 are under Lee and Virginia Murnion.

Tract #: 178

Legal Description: T18N, R37E, Section 16: SWSW

Total Acres: 40

Access: Dirt trail through the Murnion farmstead

Location: 5 road or 2.5 air miles west of Jordan

Terrain/Drainage: Open and sloping with larger and steeper hill on north end just northwest of reservoir.

Water: Part of reservoir on property, limited capacity.

Water Right(s): None in State of Montana. Both rights are in Virginia & Lee Murnion's name.

Number	Type	Rate	Source	Priority	Use	Means
40D 152769-00	Use		UT Big Dry Creek	12/31/1961	Irrigation	Dam
40D 152770-00	Use		UT Big Dry Creek	12/31/1961	Stock	Dam

Fences: None, fenced in with other lands.

Land Description:	Rangeland: 40.00 Acres
	Roads, Waste: 0.00 Acres
	Total: 40.00 Acres

AUMs:	7	Acres Grazed:	40.00
Ac/AUM:	5.6	Other Acres:	0.00

Lessee: Virginia & Lee Murnion (#1736)

Amount:	\$46.48	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.17
		\$/Gross Acre:	\$1.17

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op have lines about 1 mile to the north-northwest, m/l.

Comments: Lies ¼ mile south of Tract #176.

Tract #: 187
 Legal Description: T20N, R35E, Section 16: E2SE
 Total Acres: 80
 Access: Dirt trail
 Location: 25 road or 18 air miles northwest of Jordan
 Terrain/Drainage: Open, rolling with some sloping, one coulee through NESE, ridge in southeastern area.
 Water: None
 Water Right(s): None under the State of Montana
 Fences: None

Land Description:

Rangeland:	80.00 Acres
Roads, Waste:	0.00 Acres
Total:	80.00 Acres

AUMs:	14	Acres Grazed:	80.00
Ac/AUM:	5.30	Other Acres:	0.00

Lessee: Jack and Charlotte Murnion (#5055)

Amount:	\$82.74	\$/AUM:	\$5.91
Expiration:	2/28/2006	\$/ Net Acre:	\$1.03
		\$/Gross Acre:	\$1.03

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op about 1-1.5 miles.

Comments: Tract #188 located ¼ mile north and Tract #189 located ½ mile west.
 AUMs calculated based on 5.33 Ac/AUM under 320 acres, 60 AUMs on lease.

Tract #: 188
Legal Description: T20N, R35E, Section 16: N2NE, NENW
Total Acres: 120
Access: Dirt trail
Location: 26 road or 18 air miles northwest of Jordan
Terrain/Drainage: Sloping and open with ridge from southeast to northwest.
Water: None
Water Right(s): None
Fences: Fence along west boundary, remainder unfenced.

Land Description:

Rangeland:	120.00 Acres
Roads, Waste:	0.00 Acres
Total:	120.00 Acres

AUMs:	24	Acres Grazed:	120.00
Ac/AUM:	5.0	Other Acres:	0.00

Lessee: Jack & Charlotte Murnion (#5055)

Amount:	\$141.84	\$/AUM:	\$5.91
Expiration:	2/28/2006	\$/ Net Acre:	\$1.19
		\$/Gross Acre:	\$1.19

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op about 1-1.5 miles.

Comments: Tract #189 lies diagonally to the southwest and Tract #187 lies ¼ mile to the south. AUMs calculated based on 5.33 Ac/AUM under 320 acres, 60 AUMs on lease.

Tract #: 189

Legal Description: T20N, R35E, Section 16: SWNW, W2SW

Total Acres: 120

Access: Dirt trail

Location: 25 road or 18 air miles northwest of Jordan

Terrain/Drainage: Ridge through center with moderate sloping to east and south. Smokey Butte Creek cuts through the far end of the southwest corner.

Water: None, located off of tract.

Water Right(s): None

Fences: Perimeter fence on the north, west, and south sides.

Land Description:

Rangeland:	120.00 Acres
Roads, Waste:	0.00 Acres
Total:	120.00 Acres

AUMs:	23	Acres Grazed:	120.00
Ac/AUM:	5.0	Other Acres:	0.00

Lessee: Jack & Charlotte Murnion (#5055)

Amount:	\$135.93	\$/AUM:	\$5.91
Expiration:	2/28/2006	\$/ Net Acre:	\$1.14
		\$/Gross Acre:	\$1.14

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op about 1-1.5 miles.

Comments: Tract #188 is to the northeast diagonally and Tract #187 is ½ mile to the east. AUMs calculated based on 5.33 Ac/AUM under 320 acres, 60 AUMs on lease.

Tract #: 181

Legal Description: T19N, R35E, Section 16: NENW, W2NW, SW

Total Acres: 280

Access: Dirt trail

Location: 19.5 road or 16 air miles northwest of Jordan

Terrain/Drainage: Most of tract lies on or along a ridge with two major drainages on the south and north sides. There is an estimated 3.8 acres in the northeast portion of the NESW that is old Crested Wheatgrass with some sagebrush present.

Water: None

Water Right(s): None

Fences: Barbed wire fence across S2SW diagonally, not perimeter fenced

Land Description:

Rangeland:	280.00 Acres
Roads, Waste:	0.00 Acres
Total:	280.00 Acres

AUMs:	69	Acres Grazed:	280.00
Ac/AUM:	4.05	Other Acres:	0.00

Lessee: Jack & Charlotte Murnion (#2795)

Amount:	\$408.53	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.46
		\$/Gross Acre:	\$1.46

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op within 1 mile

Comments: Tract #185 located ¼ mile to the east.

Tract #: 185
Legal Description: T19N, R35E, Section 16: NENE
Total Acres: 40
Access: Dirt trail off of Brusett County Road
Location: 19 road or 16 air miles northwest of Jordan
Terrain/Drainage: Open with land slightly sloping to south.
Water: None
Water Right(s): None under the State of Montana
Fences: None

Land Description:

Rangeland:	40.00 Acres
Roads, Waste:	0.00 Acres
Total:	40.00 Acres

AUMs:	10	Acres Grazed:	40.00
Ac/AUM:	4.05	Other Acres:	0.00

Lessee: Jack & Charlotte Murnion (#2795)

Amount:	\$59.10	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.48
		\$/Gross Acre:	\$1.48

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op within ½ to 1 mile of tract

Comments: Tract #181 lies ¼ mile to the west of this tract. This tract has a place of use for 2.5 acres under water right #40D-167723-00 (Charlotte and Jack Murnion) for irrigation purposes. The point of diversion is located off of the property.

Tract #: 81
Legal Description: T17N, R34E, Section 4: SWNW, NWSW
Total Acres: 80
Access: Dirt trail
Location: 36 road or 20 air miles southeast of Jordan
Terrain/Drainage: Sloping to south-southeast.
Water: None
Water Right(s): None
Fences: North side and east side (part)

Land Description:

Rangeland:	80.00 Acres
Roads, Waste:	0.00 Acres
Total:	80.00 Acres

AUMs:	31	Acres Grazed:	80.00
Ac/AUM:	2.59	Other Acres:	0.00

Lessee: Matthew Bliss (#4230)

Amount:	\$183.20	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$2.29
		\$/Gross Acre:	\$2.29

Utilities Available: McCone Electric Co-op & Mid-Rivers Telephone Co-op have lines within ½ to one mile.

Comments: This tract is bordered on the west side by Tract #82. There is old crested wheatgrass on a portion of this tract.

Tract #: 82
 Legal Description: T17N, R34E, Section 5; S2NE, SE
 Total Acres: 240
 Access: Dirt trail
 Location: 36 road or 20 air miles southwest of Jordan
 Terrain/Drainage: Sloping to south-southeast towards creek at south end.
 Water: None
 Water Right(s): None under State of Montana
 Fences: North side and fence on and off south side.

Land Description:

Rangeland:	240.00 Acres
Roads, Waste:	0.00 Acres
Total:	240.00 Acres

AUMs:	64	Acres Grazed:	240.00
Ac/AUM:	3.8	Other Acres:	0.00

Lessee: Matthew Bliss (#4230)

Amount:	\$378.24	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.58
		\$/Gross Acre:	\$1.58

Utilities Available: McCone Electric Co-op has power line about ½ mile north.
 Mid-Rivers Telephone Co-op has line about 1 mile north.

Comments: This tract is bordered on the east by Tract #81.

Tract #: 83
Legal Description: T17N, R34E, Section 22: NWNW
Total Acres: 40
Access: Dirt trail
Location: 33 road or 19 air miles southwest of Jordan
Terrain/Drainage: Terrain slopes to north into Meckel Coulee drainage.
Water: None
Water Right(s): None
Fences: Small portion has fence in southwest, remainder fenced in with other lands

Land Description:

Rangeland:	40.00 Acres
Roads, Waste:	0.00 Acres
Total:	40.00 Acres

AUMs:	7.0	Acres Grazed:	40.0
Ac/AUM:	5.7	Other Acres:	0.0

Lessee: Matthew Bliss (#4231)

Amount:	\$41.37	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.03
		\$/Gross Acre:	\$1.03

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op about 1 mile to the west

Comments: Joins Tract #84 on tract's north boundary and Tract #88 on this tract's south boundary.

Tract #: 84

Legal Description: T17N, R34E, Section 15: NENW, S2NW, SW

Total Acres: 280

Access: Dirt trail

Location: 33 road or 19 air miles southwest of Jordan

Terrain/Drainage: Meckel Coulee flows through the southern to east central portion of the tract. Terrain is sloping to the east and open-rolling.

Water: Limited, none developed

Water Right(s): Stock water

Number	Type	Rate	Source	Priority	Use	Means
40D 135972-00	Use		Meckel Coulee	4/15/1911	Stock	Source

Fences:

Land Description:

Rangeland:	280.00 Acres
Roads, Waste:	0.00 Acres
Total:	280.00 Acres

AUMs:	70	Acres Grazed:	280.00
Ac/AUM:	4.0	Other Acres:	0.00

Lessee: Matthew Bliss (#4231)

Amount:	\$413.70	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.48
		\$/Gross Acre:	\$1.48

Utilities Available: McCone Electric Co-op about two miles
Mid-Rivers Telephone Co-op about two miles

Comments: Tract #83 lies on the south boundary of the SWSW of this tract, while Tract #84 is located on the west side of the tract.

Tract #: 87

Legal Description: T17N, R34E, Section 16: All

Total Acres: 640

Access: Dirt trail

Location: 32 road or 20 air miles southwest of Jordan

Terrain/Drainage: Open and rolling with slope towards east and southeast to Bobcat Coulee and Meckel Coulee. Some minor steeper slopes.

Water: Pot hole water in spring along Meckel Coulee.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 135978-00	Use		Meckel Coulee	4/15/1911	Stock	Source

Fences: Fence runs diagonally across central portion from southeast to northwest.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	144	Acres Grazed:	640.00
Ac/AUM:	4.45	Other Acres:	0.00

Lessee: Matthew Bliss (#6477)

Amount:	\$956.16	\$/AUM:	\$6.64
Expiration:	2/28/2015	\$/ Net Acre:	\$1.49
		\$/Gross Acre:	\$1.49

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op have lines to the south about one-half mile.

Comments: Tract #84 borders this tract on the east side and Tract #83 is diagonally to the southeast.

Tract #: 88

Legal Description: T17N, R34E, Section 22: S2NW, N2SW

Total Acres: 160

Access: Dirt trail

Location: 33 road or 19 air miles southwest of Jordan

Terrain/Drainage: Open and rolling with hill in northeast and drainage through central portion. Small ridge on north to north central area.

Water: Well just off property, old dam.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 30006468	Use	10.00 GPM	Groundwater	6/6/2003	Stock	Well

Fences: North side-no fence, remainder with fence. Fenced in with other private and state lands.

Land Description:

Rangeland:	160.00 Acres
Roads, Waste:	0.00 Acres
Total:	160.00 Acres

AUMs:	38	Acres Grazed:	160.00
Ac/AUM:	4.21	Other Acres:	0.00

Lessee: Matthew Bliss (#6470)

Amount:	\$224.58	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.41
		\$/Gross Acre:	\$1.41

Utilities Available: McCone Electric Co-op to west side
Mid-Rivers Telephone Co-op within one mile

Comments: Tract #83 borders on north and Tract #89 on west side.

Tract #: 89

Legal Description: T17N, R34E, Section 21: SENW, NESW, N2SE

Total Acres: 160

Access: Dirt trail

Location: 32 road or 20 air miles southwest of Jordan

Terrain/Drainage: Sloping with drainages towards north and Meckel Coulee through north end of SENW

Water: Reservoir on south end. Fenced into adjoining pasture. Off-site water to tract.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 47628-00	Use		UT Meckel Coulee	10/1/1960	Irrigation	Dam
40D 47629-00	Use	6.00 GPM	Groundwater	6/29/1973	Stock	Well
40D 103708-00	Use	10.00 GPM	Groundwater	1/2/1998	Stock	Well
40D 47630-00	Use		UT Meckel Coulee	10/1/1960	Stock	Dam

Fences: Some on perimeter or close on west, south, and east sides. Cross fence through central portion.

Land Description:

Rangeland:	160.00 Acres
Roads, Waste:	0.00 Acres
Total:	160.00 Acres

AUMs:	92	Acres Grazed:	160.00
Ac/AUM:	1.74	Other Acres:	0.00

Lessee: Matthew Bliss (#6478)

Amount:	\$543.72	\$/AUM:	\$5.91
Expiration:	2/2/2009	\$/ Net Acre:	\$3.40
		\$/Gross Acre:	\$3.40

Utilities Available: McCone Electric Co-op through tract.
Mid-Rivers Telephone Co-op within ¼ mile.

Comments: Joins Tract #91 on south end and Tract #88 on east end. Water Rights 40D-167747 (dam and irrigation) and 40D-167746 (dam and irrigation) have either diversion or some use on the State lands. 167746 has same POD as 47628 (State ownership).

Tract #: 90
Legal Description: T17N, R34E, Section 28: E2NW, W2NE, NWSE, NESW
Total Acres: 240
Access: Dirt trail
Location: 32 road or 20 air miles southwest of Jordan
Terrain/Drainage: Sloping to north with drainage to north. Ridge on extreme south end.
Water: Old spring in southwest corner.

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40D 211700-00	Use	15.00 GPM	UT Meckel Coulee	6/28/1973	Stock	Spring

Fences: Fences to east of coulee along west boundary, fenced in with other private and state lands.

Land Description:

Rangeland:	240.00 Acres
Roads, Waste:	0.00 Acres
Total:	240.00 Acres

AUMs:	62	Acres Grazed:	240.00
Ac/AUM:	3.87	Other Acres:	0.00

Lessee: Matthew Bliss (#7782)

Amount:	\$411.68	\$/AUM:	\$6.64
Expiration:	2/28/2015	\$/ Net Acre:	\$1.72
		\$/Gross Acre:	\$1.72

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op lines are within ½ to 1 mile

Comments: Tract #91 joins on the north boundary of the NENW. Water Right 40D 167746-00 is under K. L. Bliss with the diversion.

Tract #: 91
Legal Description: T17N, R34E, Section 21: SWSE, SESW
Total Acres: 80
Access: Dirt trail
Location: 31 road or 20 air miles southwest of Jordan
Terrain/Drainage: Open, rolling with gentle slopes and drainage through eastern portion.
Water: Reservoir backs on to tract from dam in SWNWSE.
Water Right(s): None

Fences: Fenced on west boundary and portion of north side along with fence through SESW. In with other state and private lands.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	24	Acres Grazed:	80.00
Ac/AUM:	3.34	Other Acres:	0.00

Lessee: Matthew Bliss (#7782)

Amount:	\$159.36	\$/AUM:	\$6.64
Expiration:	2/28/2015	\$/ Net Acre:	\$2.00
		\$/Gross Acre:	\$2.00

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op have lines ¼ to ½ mile distance.

Comments: Tract 90 joins on the south boundary of the SESW and Tract 89 borders for ½ mile on north.

Tract #: 92

Legal Description: T17N, R33E, Section 16: All

Total Acres: 640

Access: Dirt trail

Location: 39 road or 23 air miles southwest of Jordan

Terrain/Drainage: Sloping with some steeper areas. Main drainage to north towards Union Creek.

Water: Stockwater pipeline from off of tract with one stockwater tank in the central portion (NWSE).

Water Right(s): None

Fences: Perimeter fenced. Fence on north end on and off of boundary.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	138	Acres Grazed:	640.00
Ac/AUM:	4.7	Other Acres:	0.00

Lessee: Matthew Bliss (#10201)

Amount:	\$1,665.66	\$/AUM:	\$12.07
Expiration:	2/28/2006	\$/ Net Acre:	\$ 2.06
		\$/Gross Acre:	\$ 2.06

Utilities Available: McCone Electric Co-op and Mid-Rivers Telephone Co-op lines about 1 mile north-northwest.

Comments: Tract competitively bid.

Tract #: 140
Legal Description: T20N, R32E, Section 16: All
Total Acres: 640
Access: Dirt trail
Location: 46 road or 36 air miles, m/l, northwest of Jordan
Terrain/Drainage: Timbered Pine Savannah on ridges on northern and southern acres with drainage through central portion.
Water: Reservoir

Water Right(s):

Number	Type	Rate	Source	Priority	Use	Means
40E 24894-00	Use	--	UT Hay Coulee	10-1-1935	Stock	Dan

Fences: Perimeter fenced on north and west, part of east fenced, some cross fence in northeast.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	0.00 Acres
Total:	640.00 Acres

AUMs:	119	Acres Grazed:	640.00
Ac/AUM:	5.4	Other Acres:	0.00

Lessee: Mike Pierson (#5054)

Amount:	\$703.29	\$/AUM:	\$5.91
Expiration:	2/28/2006	\$/ Net Acre:	\$1.10
		\$/Gross Acre:	\$1.10

Utilities Available: McCone Electric Co-op through tract
Mid-Rivers Telephone Co-op to east of tract

Comments: This parcel has timber on it with open areas.

Mineral Rights

A detailed search was not undertaken to ascertain the exact status of the mineral estate on the subject property. Minerals have traditionally been transferred in partial interest, ($\frac{1}{4}$ to $\frac{1}{2}$ of the existing rights to seller) when a property's surface rights are sold. If it is in area of production or activity thence most parties will retain all of the existing interest. In the case of the subject, all rights to the subsurface oil, gas, coal, and other mineral interests are being retained by the State of Montana.

Environmental Considerations

There has been no apparent fuel storage on any of the properties. There was no garbage dumps noted on the tracts in the areas that were inspected. The property is not listed on the State National Priority List or the Federal Superfund List or on the EPA's website as of date of valuation. The appraiser has made no investigation of any environmental or hazardous material considerations on the subject, nor is qualified to complete such an investigation.

Climatic Conditions

These parcels are subject to all of the weather that occurs in the area. The climatic history for the property and the surrounding areas based upon National Weather Service records are noted in the following table.

Station	Avg. Total Precipitation	Avg. Snowfall	Avg. Growing Season	# of Years
Jordan	11.8"	12.5"	90-120 days	1905-2002
Brusett 3W	13.1"	44.9"	90-110 days	1948-2002
Haxby 18SW	13.4"	40.0"	90-110 days	1950-1991
Jordan 23 ENE	12.6"	24.2"	90-110 days	1988-1999
Jordan 22 E	11.3"	41.1"	90-110 days	1965-1986
Miles City	12.99"-13.5"	23"-32.8"	130-150 days	90

Highest and Best Use

Highest and best use is defined as, "that use which will yield the greatest net return to the land in the foreseeable future, or that legal use which will yield to the land the highest present value".

The 12th Edition of The Appraisal of Real Estate defines highest and best use as:

"the reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported and financially feasible and that results in the highest value."

The definition forms the essence of the highest and best use analysis. The property's use must be:

- (1) legally permissible
- (2) physically possible
- (3) financially feasible
- (4) maximally productive

Consideration is given to trends based upon recent land sales, economic factors, and strength of the local market. An analysis of the Highest and Best use of the property forms the basis of valuation for the subject. Highest and Best Use serves as a guide in the selection of comparables to be used in the analysis of the subject property. In the case of agricultural valuations, the replacement cost new less physical depreciation of the building improvements is seldom fully recognized in the area market.

The definition above is applied specifically to the Highest and Best Use of the land. It is recognized 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 the land value in its highest and best use exceeds the total value of the property in its existing use.

Determination of Highest and Best Use results from the appraiser's judgment and analytical skills according to these definitions. The use determined from analysis represents an opinion, not a determination of fact. In this analysis consideration must be given to that range of uses which are appropriate for the subject property in order to support its highest value. Consideration must be given to alternative uses as well as existing use, the types of market available in the area and the surrounding land use types.

Garfield County has no zoning. There are very few limitations upon the legal use of the subject. Surrounding land use is an agricultural land use, i.e. livestock and small grain production, is the most typical land use of similar property located in the neighborhood.

"As if" Vacant Analysis:

In considering the use of various tracts of the subject, I have given consideration to their current use, as well as uses to which it is capable of being adapted. Consideration must be given to the uses recognizing the limitations imposed by governmental regulations, i.e. zoning regulations, and by attitudes of typical investors of properties of this type, in the location under study.

Legal Limitations:

There is no zoning on the subject tracts with the only regulatory oversight being the county planning board and county commissioners on subdividing land or surveying/selling individual parcels. The current use as a grazing land is not foreseen as being in conflict with the best use of the site as if vacant. Access to each tract is physically possible via dirt trails and in a few cases by foot. None of the tracts have defined legal access with the exception of one that is within 20 feet of a county road. Most of the tracts do not have defined legal access. Tract 91 is close to a county road, but the road is not defined in the county records.

Physically Possible Uses:

The uses considered for each tract must be physically possible. Each tract is being utilized for the grazing of livestock and in two cases, a portion, as a feeding area with fences creating a lot on and off of the tract. The current agricultural use for grazing meets one of several possible physical uses. The soils, terrain, or area do not physically limit many uses. Among these uses can be some limited crop production or more intensive use, such as a rural subdivision.

The market activity suggests a range of probable uses, i.e. dry cropland and/or hayland, or grazing, and the possible sale of some small tracts which are unlikely for any of the subject tracts, none of which seems to be physical conflict with the highest and best use "as if" vacant.

Financially Feasible Use:

The tracts have been utilized as part of a larger operating ranch or grazing operation for several decades. As stand alone tracts in the current market they would be considered principally as add-ons to a larger operation wishing to consolidate ownership. As a stand alone tract their use is limited to the agriculturally related production to produce income. The tracts in their current use support the concept that it is financially feasible to operate the tract as an integral part of a larger ranching or grazing operation. This use is consistent with other land uses in the immediate area.

Maximally Productive Use:

The property as to cash on and return of cash is producing within the acceptable ranges of the market for grass tract properties as inholdings or isolated tracts to be the maximally productive use of the subject property "as vacant".

The highest and best use of the property, as vacant, is as a grass tract with some limited non-agricultural influences all except Tract 140 which has moderate non-agricultural influences.

Highest and Best Use "as improved":

The area properties used for agricultural purposes are improved with dwelling(s), machinery and livestock work/storage buildings. The subject tracts have no building improvements. If they were improved with building improvements, it would likely be as an extension of existing closer buildings and/or for production improvements as a headquarters, or in some cases limited recreational or rural

Conclusion:

Due to location and access, the property, as in current use, would be considered an agricultural property, with limited non-agricultural influences with the exception of Tract 140 which has moderate non-agricultural influences, for limited dry cropland/hayland and predominantly grazing use either vacant or improved.

THE APPRAISAL PROCESS

The appraisal or valuation process is divided into seven steps to allow a systematic approach in valuation of the subject. The process includes:

Definition of the Problem

- A. Identification of real estate
- B. Identification of property rights to be valued
- C. Date of value estimate
- D. Use of appraisal
- E. Definition of value
- F. Other limiting conditions

Preliminary Analysis and Data Selection and Collection General

<i>General</i>	<i>Specific</i>
A. Social	A. Site and Improvements
B. Economic	B. Sales
C. Government	C. Cost
D. Environmental	D. Income/Expense

Highest and Best Use

- A. Land as though vacant
- B. Property as improved

Land Value Estimated

Application of the Three Approaches

- A. Cost Approach
- B. Income Capitalization Approach
- C. Sales Comparison Approach

Reconciliation of the Value Indications and Final Value Estimate

Report of Defined Value

When sufficient data and information is available, the final conclusion of value is estimated after careful correlation of values obtained from the three approaches to value. These include the cost, sales comparison, and income approaches. However, with some properties it is not possible or feasible to obtain adequate information and utilize all three approaches. The appraiser typically applies those which have adequate data to give a reliable value estimate.

All three of the traditionally acceptable approaches to value have been given consideration in this appraisal. In the final analysis, the appraisal process and its corresponding approaches to value are predicated largely on the principle of substitution which implies that a prudent or knowledgeable purchaser will not pay more for a property than he or she could purchase an equally desirable substitute property. On the other hand, a prudent or knowledgeable seller will sell for no less than what similar properties are selling for unless under undue duress. The appraiser has conducted a detailed research for similar market transactions and other related and relevant market information including an individual analysis of buyers' and sellers' activities and motivations.

In the **COST APPROACH** to value, the estimated depreciated reproduction cost of the buildings and on-site improvements are determined after taking physical depreciation (wear and tear), functional obsolescence (which is caused by a problem within the structure caused by poor design or obsolescence), and external obsolescence (loss of value due to factors outside of the property).

The **INCOME CAPITALIZATION APPROACH** estimates the anticipated gross income available to the landlord. From this figure, deductions are made for operating expenses to determine a net rental income. The anticipated net income is then capitalized into an indicated value from the demonstrated returns developed from comparable sales.

The **SALES COMPARISON APPROACH** assumes there are an adequate number of similar properties which have sold within a reasonable period of time. The appraiser uses the concept of comparing the subject property with actual market transactions to deduce the amount that the subject would likely bring if offered for sale on the open market.

Each sale is compared to the subject property for variation of features, and to ascertain market parameters and characteristics. The following characteristics were considered for potential elements of comparison: conditions of sale, financing terms, location, land quality and productivity, size, and other amenities or factors which may have an effect on value.

Use of the matching pairs concept helps to isolate and quantify certain elements of comparison. A dollar adjustment is then made to the comparable property to make it similar to the subject. If the comparable is inferior or less desirable in an element of comparison a positive adjustment is needed to bring the property up to the subject. Conversely, if the comparable is above the subject, a negative adjustment is needed to bring the property to a similar comparison to the subject.

The three approaches, if applied properly and when adequate data is available should indicate a reasonable range of value. After all of the factors are analyzed and weighed by the appraiser a reconciliation statement will be made to support and justify which approach is the most applicable in the valuation of this subject property. The cost and income approaches are not applicable or necessary in the valuation of the subject tracts given that they are vacant lands and inholdings.

SALES COMPARISON APPROACH

In the sales comparison approach to value, a "market-in-exchange" concept provides a basis upon which buyers weigh the benefits of ownership. Simply, a buyer will not pay more for a property when he or she can purchase an equally desirable substitute property. It is this concept which maintains a competitive market for real estate.

With the sales comparison approach the appraiser attempts to quantify individual property differences by comparing one property to another. The approach assumes there are property characteristics which are measurable and when compared to other sold properties, results in quantified and supported market adjustment. The subject property is then compared to properties which have sold. The comparable properties are then adjusted to the subject property and a range of value is determined. There are two accepted adjustment techniques. In the lump sum or macro approach, adjustments are made on the total sales price. The more accepted process is the unit value technique where adjustments are typically made on a per acre basis. The second approach is used in this appraisal.

The sales comparison approach employs four basic economic principles which the appraiser must consider in arriving at a value estimate. These principles are Supply and Demand, Balance, Substitution, and Externalities. The principles are interrelated and dependent upon one another.

The principle of substitution holds that a property will not sell for more than a comparable property with like utility. If there is a lack of comparable sales with characteristics similar to the subject property, the reliability of the sales comparison approach will be reduced. In our case, there have been an adequate number of comparable sales with features which are similar to the subject property.

The appraiser made a search of the market area for sales of similar properties to the subject. This search included sales in Garfield and Rosebud Counties that have occurred since 1999. Garfield County has not had many sales of smaller tracts of land that would be similar to the subject tracts in size. There have been some past sales, pre 2000, that were not considered. There are essentially two markets in the market area, one being those lands located on and along the CMR and Musselshell River in the timbered areas and the other being lands located in the open and rolling country that comprises most of the county.

Adjustment Process

As discussed previously, the adjustment method utilized is the unit value method based on a dollar per deeded acre based on the rangeland use.

Adjustments are derived for time, size, quality, location, and other factors through the concept of paired sales analysis. With pairing of comparable sales the parameters of valuation within the market are isolated. The other tracts have influence from the area to the south of the Yellowstone River being timbered with several rougher ridges. These physical attributes have a larger impact to the recreational and/or esthetic oriented buyer.

The client has requested that the parcels be valued with the hypothetical condition that each one has legal access in place. This is noted in a separate area of the report.

From the premise of isolated parcels the market has two distinct approaches to value or price on such parcels. The first is under the consolidation of ownership or expansion of an existing operation. In this case, the buyer is considering it part of the whole and prices it accordingly due

to its intrinsic value to the whole. Location to the operation and proximity to neighbors also influences prices considered and paid.

Some of the tracts (7) have a location that has at least one side that is not within the ranch boundaries or bordering other ownership. Thus, there is some possibility, however unlikely, that there could be some competition in the market. In the case of isolated inholdings, most are not offered to the area market, but only via the owner (seller) or buyer (in most cases, lessee) contacting each other. The pool of potential buyers for these property types is very limited.

Rangeland Acre					
Date	#	\$/Acre	\$/Acre *	Access	Comments
8/99	1	\$255	\$335	Dirt Trail	Add-on
1/02	2	\$300	\$395	Cty. Dirt Road	
9/00	3	\$500	\$655	Dirt Trail	Easement-Rec.
3/06	4	\$155/175	\$155/175	Cty. Dirt/Gravel	Ranch
9/05	5	\$165	\$165	Cty. Gravel	
3/00	6	\$200	\$235	Cty. Paved	Add-on
4/02	7	\$110	\$130	Paved Highway	
6/04	8	\$128	\$140	Cty. Gravel	
4/04	9	\$117	\$125	Cty. Gravel	
1/05	10	\$100	\$105	Cty. Dirt/Trail	Two Parcels
6/03	11	\$104	\$115	Cty. Gravel	Ranch
3/05	12	\$111	\$115	Cty. Gravel	Ranch
5/04	13	\$120	\$130	Cty. Gravel	Ranch
10/00	14	\$ 75	\$ 90	Cty. Paved	Farm with some trapped grass
3/02	15	\$125	\$145	Cty. Dirt	Ranch
4/02	16	\$100	\$120	Cty. Dirt	
9/05	17	\$190	\$190	Cty. Gravel	Large Ranch
10/05	18	\$125	\$125	Cty. Gravel	

*Time adjusted for increasing value trends, rounded to nearest \$5

Sale 14 indicated a compounded annual increase of 4.5% over a five year period. A larger ranch resold in Northern Rosebud County in January 2004. This sale indicated a compounded annual rate of 3.7% accounting for some improvements put in place. Another larger ranch resold in May 2002 in Northern Prairie County indicating a compounded annual increase of 7.2% for 1.4 years. The area is supported at the continued increase of 4% for at least four years with the remaining time being considered stable.

Sales 1, 2 and 3 are located along and near the CMR and Missouri Breaks in Garfield County. There have higher recreational and non-agricultural influences than other portions of the County. Sales 7 to 9 and 11 to 13 are located in the south central portion of the County while Sales 6, 10, 14, 17, and 18 are located in the central area. Sales 15 and 16 are located in the northeastern portion.

There are a total of 32 tracts in the county with 7 of those adjoining and two sets of two tracts that adjoin each other. The remaining 22 tracts do not join any other tracts. The 7 tracts that join are tracts 91, 90, 89, 88, 83, 84, and 87 under lease to Mathew Bliss. The appraisal considers each of the adjoining tracts in itself and not as a whole.

The market is not refined on the access issue, but there are indications that can be used from Custer and Rosebud Counties. In consideration, Custer County sales show at least 10% to 15% impact for lack of access. Rosebud County smaller tracts and inholdings indicate a maximum of 25% to 30% when compared to the larger ranches. In Garfield County the sales are adjusted at

20% to 25% on an overall basis for the access issue which can be offset by other items such as general area location, physical attributes, and property location.

Sales 1, 2, and 3 are the three best sales for Tract 140. Sale 3 had an easement in place with more recreational use. Sale 1 is the oldest sale with dirt trail access across BLM. Sale 2 has county road access. Sale 1 was an add-on. In comparing it with Sale 2, there is a \$60/acre difference or almost 18%. Most would be attributable in location. The subject tract is most similar to and slightly above Sale 1 at \$345/acre with the hypothetical access condition and at \$260/acre as is.

Sales 7, 8, 9, 11, 12, 13, and 18 indicate a range of \$115 to \$140 per acre with five sales from \$120 to \$130 per acre. Sale 16 is at \$120 per acre. This would represent from \$90 to \$100 per acre without access and being inholdings. Sale 15 is at \$145/acre which is from slightly stronger recreational influences.

Tract 133 would be slightly under Tract 174 due to location and area. Both these tracts would be slightly under the general values of the contiguous and smaller tracts. There appears to be a slight size adjustment in the market when comparing Sale 12 to the other sales (7, 8, 9, 13, 18, and 11). Sale 12 is a larger tract while all of the others are 2% to 20% of the size of Sale 12. The difference at the most is \$5 per acre. Tract 133 is best supported at \$105/acre as-is and \$115/acre as hypothetically defined. Tract 174 is influenced by area and location. The other sales considered are Sale 6 (\$235/acre) and Sale 14 (\$90/acre). Sale 14 is principally cropland while Sale 6 was an auction sale that had access with two active bidders. Tract 174 lacks the access, but might be subject to some competition. It is indicated at \$110/acre as-is and \$130 per acre hypothetically. Tracts 176 and 178 are within the range of \$100 to \$130 per acre with further support from Sales 5 (\$165/acre) and 17 (\$190/acre). Consideration of fences and water and access would indicate \$100 per acre on Tract 178 and \$105 per acre on Tract 176 as-is and \$115 per acre on Tract 178 and \$130 per acre on Tract 176 hypothetically.

Tracts 180, 182, 192, 109, 111, and 186 are all of similar size, while Tracts 166, 177, 164-1, 164-2, 110, and 113 are of similar size. These 12 tracts are all in the same area with some variance in water, fences, access, and in some instances, prairie dogs. The market is indicating from \$115 to \$130 per acre on whole unit rangeland. Tracts 110 and 109 have the most inferior access of all the tracts. The value range is at \$86 to \$98 per acre based on a 25% discount. These two are indicated at \$90 per acre as-is and \$110 per acre hypothetically. Tracts 166 and 177 are below the other tracts. As-is they are best supported at \$100 per acre and \$115 per acre hypothetically. Tracts 164-1 and 164-2 are similar and supported at the same values. Tracts 186, 111, 180, and 182 are of one section each. They have better location and access than the previous tracts. On an as-is basis they are above the previously valued six tracts. The as-is value per acre is at \$105/acre on the four tracts and the hypothetical is at \$125 per acre on Tracts 186, 111, and 182 and \$120 per acre on Tract 180. Tract 192 is supported at \$105/acre as-is and \$115/acre hypothetically. Tract 113 on Big Dry Creek is considered to have some of the impacts that Tract 176 has. It is indicated at \$115/acre as-is and \$130/acre hypothetically.

Tracts 181, 185, 187, 188, and 189 are similar to the central and eastern portion of the county. The most recent sales, 5 and 17, would indicate that this area is stronger than the area to the southeast, east, and northeast of Jordan where values are indicated from \$115 to \$140 per acre. Location would add about \$10 to \$20 per acre and size at \$5 per acre for a range of \$130 to \$165 per acre. Tracts 187 and 185 are the smaller tracts, 188 and 189 are of the same size, and 181 is the largest. The tracts are supported at \$100 to \$125 per acre "as-is" and at \$120 to \$145 per acre hypothetically. Tracts 185 and 187 are supported at \$120 per acre as is and \$140 per acre hypothetically. Tracts 188, 189, and 185 are supported at \$115 per acre as-is and \$135 per acre hypothetically.

Tracts 81 to 84, 87 to 91, and 92 lie between two differently influenced market areas as do Tracts 181, 185, and 187 to 189. Tracts 87 to 91 join but are valued independently from each other. Tracts 81 and 91 are 80 acres, while Tracts 88 and 89 are 160 acres, Tract 83 is 40 acres, Tracts 82 and 90 are 240 acres, Tract 84 is at 280 acres, and Tracts 87 and 92 are 640 acres. Size impact is relatively stable given that 8 out of the 10 are from 40 to 280 acres in size and have a highest and best use of agricultural with some limited recreational influences. With the exception of Tract 92, these tracts are supported in the range around the Brusett area (\$120 to \$145 per acre) hypothetically or \$100 to \$125 per acre as-is. Tracts 81 and 83 are the smaller tracts with slightly inferior access. These two tracts are at \$105 per acre as-is and \$115 per acre hypothetically. Tract 91 is 80 acres in size with better access. It indicated at \$120/acre as-is and \$140 per acre hypothetically. Tracts 88 and 90 are at \$110/acre as-is and \$120 per acre hypothetically based on being above the other two, but under Tract 91. Tract 89 has a well in place which adds to the marketability. It is indicated above Tracts 88 and 90 by \$10 to \$15/acre or \$120 and \$135 per acre.

Tract 84 is supported at \$110/acre as-is and \$120/acre hypothetically based on Tracts 88 and 90. Tract 82 is slightly above Tract 84 by at least \$5 per acre or at \$115 and \$125 per acre. Tract 87 is a 640 acre tract. It is supported at \$105 per acre as-is and at \$120 per acre hypothetically. Tract 92 has no timber on it, but is in the transition area between the markets. This tract is supported at \$120 per acre as-is and \$140 per acre hypothetically.

Sales Comparison Approach Summary "As Is"

Tract #109	640.00	deeded (fee acres)	x	\$ 90	/acre	=	\$ 57,600
Tract #110	40.00	deeded (fee acres)	x	\$ 90	/acre	=	\$ 3,600
Tract #111	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #113	40.00	deeded (fee acres)		\$115	/acre	=	\$ 4,600
Tract #164-1	80.00	deeded (fee acres)	x	\$100	/acre	=	\$ 8,000
Tract #164-2	80.00	deeded (fee acres)	x	\$100	/acre	=	\$ 8,000
Tract #166	80.00	deeded (fee acres)	x	\$100	/acre	=	\$ 8,000
Tract #177	120.00	deeded (fee acres)	x	\$100	/acre	=	\$ 12,000
Tract #180	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #182	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #186	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #192	560.00	deeded (fee acres)	x	\$105	/acre	=	\$ 58,800
Tract #174	640.00	deeded (fee acres)	x	\$110	/acre	=	\$ 70,400
Tract #133	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #176	240.00	deeded (fee acres)	x	\$105	/acre	=	\$ 25,200
Tract #178	40.00	deeded (fee acres)	x	\$100	/acre	=	\$ 4,000
Tract #187	80.00	deeded (fee acres)	x	\$120	/acre	=	\$ 9,600
Tract #188	120.00	deeded (fee acres)	x	\$115	/acre	=	\$ 13,800
Tract #189	120.00	deeded (fee acres)	x	\$115	/acre	=	\$ 13,800
Tract #181	280.00	deeded (fee acres)	x	\$115	/acre	=	\$ 32,200
Tract #185	40.00	deeded (fee acres)	x	\$120	/acre	=	\$ 4,800
Tract #81	80.00	deeded (fee acres)	x	\$105	/acre	=	\$ 8,400
Tract #82	240.00	deeded (fee acres)	x	\$115	/acre	=	\$ 27,600
Tract #83	40.00	deeded (fee acres)	x	\$105	/acre	=	\$ 4,200
Tract #84	280.00	deeded (fee acres)	x	\$110	/acre	=	\$ 30,800
Tract #87	640.00	deeded (fee acres)	x	\$105	/acre	=	\$ 67,200
Tract #88	160.00	deeded (fee acres)	x	\$110	/acre	=	\$ 17,600
Tract #89	160.00	deeded (fee acres)	x	\$120	/acre	=	\$ 19,200
Tract #90	240.00	deeded (fee acres)	x	\$110	/acre	=	\$ 26,400
Tract #91	80.00	deeded (fee acres)	x	\$120	/acre	=	\$ 9,600
Tract #92	640.00	deeded (fee acres)	x	\$120	/acre	=	\$ 76,800
Tract #140	640.00	deeded (fee acres)	x	\$260	/acre	=	\$166,400

Sales Comparison Approach Summary "Hypothetical Condition: Legal Access"

Tract #109	640.00	deeded (fee acres)	x	\$110	/acre	=	\$ 70,400
Tract #110	40.00	deeded (fee acres)	x	\$110	/acre	=	\$ 4,400
Tract #111	640.00	deeded (fee acres)	x	\$125	/acre	=	\$ 80,000
Tract #113	40.00	deeded (fee acres)	x	\$130	/acre	=	\$ 5,200
Tract #164-1	80.00	deeded (fee acres)	x	\$115	/acre	=	\$ 9,200
Tract #164-2	80.00	deeded (fee acres)	x	\$115	/acre	=	\$ 9,200
Tract #166	80.00	deeded (fee acres)	x	\$115	/acre	=	\$ 9,200
Tract #177	120.00	deeded (fee acres)	x	\$115	/acre	=	\$ 13,800
Tract #180	640.00	deeded (fee acres)	x	\$120	/acre	=	\$ 76,800
Tract #182	640.00	deeded (fee acres)	x	\$125	/acre	=	\$ 80,000
Tract #186	640.00	deeded (fee acres)	x	\$125	/acre	=	\$ 80,000
Tract #192	560.00	deeded (fee acres)	x	\$115	/acre	=	\$ 64,400
Tract #174	640.00	deeded (fee acres)	x	\$130	/acre	=	\$ 83,200
Tract #133	640.00	deeded (fee acres)	x	\$115	/acre	=	\$ 73,600
Tract #176	240.00	deeded (fee acres)	x	\$130	/acre	=	\$ 31,200
Tract #178	40.00	deeded (fee acres)	x	\$115	/acre	=	\$ 4,600
Tract #187	80.00	deeded (fee acres)	x	\$140	/acre	=	\$ 11,200
Tract #188	120.00	deeded (fee acres)	x	\$135	/acre	=	\$ 16,200
Tract #189	120.00	deeded (fee acres)	x	\$135	/acre	=	\$ 16,200
Tract #181	280.00	deeded (fee acres)	x	\$135	/acre	=	\$ 37,800
Tract #185	40.00	deeded (fee acres)	x	\$140	/acre	=	\$ 5,600
Tract #81	80.00	deeded (fee acres)	x	\$115	/acre	=	\$ 9,200
Tract #82	240.00	deeded (fee acres)	x	\$125	/acre	=	\$ 30,000
Tract #83	40.00	deeded (fee acres)	x	\$115	/acre	=	\$ 4,600
Tract #84	280.00	deeded (fee acres)	x	\$120	/acre	=	\$ 33,600
Tract #87	640.00	deeded (fee acres)	x	\$120	/acre	=	\$ 76,800
Tract #88	160.00	deeded (fee acres)	x	\$120	/acre	=	\$ 19,200
Tract #89	160.00	deeded (fee acres)	x	\$135	/acre	=	\$ 21,600
Tract #90	240.00	deeded (fee acres)	x	\$120	/acre	=	\$ 28,800
Tract #91	80.00	deeded (fee acres)	x	\$140	/acre	=	\$ 11,200
Tract #92	640.00	deeded (fee acres)	x	\$140	/acre	=	\$ 89,600
Tract #140	640.00	deeded (fee acres)	x	\$345	/acre	=	\$220,800

Reconciliation of Approaches to Value

The valuation approaches used in this appraisal have produced the following indications of market value:

	<u>"As Is"</u>	<u>"Hypothetically"</u>
Sales Comparison Approach: #109	\$ 57,600	\$ 70,400
Sales Comparison Approach: #110	\$ 3,600	\$ 4,400
Sales Comparison Approach: #111	\$ 67,200	\$ 80,000
Sales Comparison Approach: #113	\$ 4,600	\$ 5,200
Sales Comparison Approach: #164-1	\$ 8,000	\$ 9,200
Sales Comparison Approach: #162-2	\$ 8,000	\$ 9,200
Sales Comparison Approach: #166	\$ 8,000	\$ 9,200
Sales Comparison Approach: #177	\$ 12,000	\$ 13,800
Sales Comparison Approach: #180	\$ 67,200	\$ 76,800
Sales Comparison Approach: #182	\$ 67,200	\$ 80,000
Sales Comparison Approach: #186	\$ 67,200	\$ 80,000
Sales Comparison Approach: #192	\$ 58,800	\$ 64,400
Sales Comparison Approach: #174	\$ 70,400	\$ 83,200
Sales Comparison Approach: #133	\$ 67,200	\$ 73,600
Sales Comparison Approach: #176	\$ 25,200	\$ 31,200
Sales Comparison Approach: #178	\$ 4,000	\$ 4,600
Sales Comparison Approach: #187	\$ 9,600	\$ 11,200
Sales Comparison Approach: #188	\$ 13,800	\$ 16,200
Sales Comparison Approach: #189	\$ 13,800	\$ 16,200
Sales Comparison Approach: #181	\$ 32,200	\$ 37,800
Sales Comparison Approach: #185	\$ 4,800	\$ 5,600
Sales Comparison Approach: #81	\$ 8,400	\$ 9,200
Sales Comparison Approach: #82	\$ 27,600	\$ 30,000
Sales Comparison Approach: #83	\$ 4,200	\$ 4,600

	<u>"As Is"</u>	<u>"Hypothetically"</u>
Sales Comparison Approach: #84	\$ 30,800	\$ 33,600
Sales Comparison Approach: #87	\$ 67,200	\$ 76,800
Sales Comparison Approach: #88	\$ 17,600	\$ 19,200
Sales Comparison Approach: #89	\$ 19,200	\$ 21,600
Sales Comparison Approach: #90	\$ 26,400	\$ 28,800
Sales Comparison Approach: #91	\$ 9,600	\$ 11,200
Sales Comparison Approach: #92	\$ 76,800	\$ 89,600
Sales Comparison Approach: #140	\$166,400	\$220,800

Strengths and weaknesses of each approach must be redressed correlating the final estimate from the indicated values. In the case of the appraisal, the cost and income approaches were not necessary in the valuation of the property.

The sales comparison approach utilized sales that were the most similar to the subject property. The range of adjusted sales prices was from \$90 to \$120/acre with the most similar sales and on the hypothetical condition from \$110 to \$140 per acre on thirty-one tracts and \$260 per acre as is and \$345 per acre hypothetically on one tract. This approach was able to further isolate differences on some locational and land quality differences through pairing of sales data. In the case of the market data and the support and weaknesses of the sales comparison approach, the concluded values for each tract are considered to be the most reliable based on the area market and the analysis and support of the data. Therefore, I have estimated the market value of the subject property, as of March 31, 2006 at:

Tract #	Estimated Market Value "As Is"	"Hypothetically"
109	\$ 57,600	\$ 70,400
110	\$ 3,600	\$ 4,400
111	\$ 67,200	\$ 80,000
113	\$ 4,600	\$ 5,200
164-1	\$ 8,000	\$ 9,200
164-2	\$ 8,000	\$ 9,200
166	\$ 8,000	\$ 9,200
177	\$ 12,000	\$ 13,800
180	\$ 67,200	\$ 76,800
182	\$ 67,200	\$ 80,000
186	\$ 67,200	\$ 80,000
192	\$ 58,800	\$ 64,400
174	\$ 70,400	\$ 83,200
133	\$ 67,200	\$ 73,600
176	\$ 25,200	\$ 31,200
178	\$ 4,000	\$ 4,600
187	\$ 9,600	\$ 11,200
188	\$ 13,800	\$ 16,200
189	\$ 13,800	\$ 16,200
181	\$ 32,200	\$ 37,800

185	\$ 4,800	\$ 5,600
81	\$ 8,400	\$ 9,200
82	\$ 27,600	\$ 30,000
83	\$ 4,200	\$ 4,600
84	\$ 30,800	\$ 33,600
87	\$ 67,200	\$ 76,800
88	\$ 17,600	\$ 19,200
89	\$ 19,200	\$ 21,600
90	\$ 26,400	\$ 28,800
91	\$ 9,600	\$ 11,200
92	\$ 76,800	\$ 89,600
140	\$166,400	\$220,800

CERTIFICATION OF APPRAISER

I certify to 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 analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. (The "estimate of value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.)
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice, 2005 Edition*.
8. I have made a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the person signing this report.
10. This report has been made in conformity with and is subject to the Code of Professional Ethics and Standards of the American Society of Farm Managers and Rural Appraisers. To the best of my knowledge and belief, the statements of fact contained in this report upon which the analysis, opinions, and conclusions expressed are true and correct.
11. The American Society of Farm Managers and Rural Appraisers conduct voluntary programs of continuing education for their designated members. ARAs who meet the minimum standards of these programs are awarded periodic educational certification. As of the effective date of this report, Mr. Luther has completed the requirements of the continuing education program.
12. All contingent and limiting conditions are contained herein and no one other than the undersigned have prepared the analysis, or set forth conclusions and opinions concerning the real estate that is the subject of this appraisal assignment.
13. Mr. Luther is a General Certified Real Estate Appraiser, Montana Certificate #188.

The market value, "As Is", on the State of Montana lands, as of March 31, 2006 is:

Tract #109

*****Fifty-Seven Thousand Six Hundred Dollars*****

(\$57,600.00)

Tract #110

*****Three Thousand Six Hundred Dollars*****

(\$3,600.00)

Tract #111

*****Sixty-Seven Thousand Two Hundred Dollars *****

(\$67,200.00)

Tract #113

*****Four Thousand Six Hundred Dollars*****

(\$4,600.00)

Tract #164-1

*****Eight Thousand Dollars*****

(\$8,000.00)

Tract #164-2

*****Eight Thousand Dollars*****

(\$8,000.00)

Tract #166

*****Eight Thousand Dollars*****

(\$8,000.00)

Tract #177

*****Twelve Thousand Dollars*****

(\$12,000.00)

Tract #180

*****Sixty-Seven Thousand Two Hundred Dollars *****

(\$67,200.00)

Tract #182

*****Sixty-Seven Thousand Two Hundred Dollars *****

(\$67,200.00)

Tract #186

Sixty-Seven Thousand Two Hundred Dollars ***

(\$67,200.00)

Tract #192

*****Fifty-Eight Thousand Eight Hundred Dollars *****

(\$58,800.00)

Tract #174

*****Seventy Thousand Four Hundred Dollars*****

(\$70,400.00)

Tract #133

*****Sixty-Seven Thousand Two Hundred *****

(\$67,200.00)

Tract #176

*****Twenty-Five Thousand Two Hundred Dollars *****

(\$25,200.00)

Tract #178

*****Four Thousand Dollars *****

(\$4,000.00)

Tract #187

*****Nine Thousand Six Hundred Dollars *****

(\$9,600.00)

Tract #188

*****Thirteen Thousand Eight Hundred Dollars *****

(\$13,800.00)

Tract #189

*****Thirteen Thousand Eight Hundred Dollars *****

(\$13,800.00)

Tract #181

*****Thirty-Two Thousand Two Hundred Dollars *****

(\$32,200.00)

Tract #185

*****Four Thousand Eight Hundred Dollars *****

(\$4,800.00)

Tract #81

*****Eight Thousand Four Hundred Dollars *****

(\$8,400.00)

Tract #82

*****Twenty-Seven Thousand Six Hundred Dollars*****

(\$27,600.00)

Tract #83

*****Four Thousand Two Hundred Dollars*****

(\$4,200.00)

Tract #84

*****Thirty Thousand Eight Hundred Dollars *****

(\$30,800.00)

Tract #87

*****Sixty-Seven Thousand Two Hundred Dollars *****

(\$67,200.00)

Tract #88

*****Seventeen Thousand Six Hundred Dollars *****

(\$17,600.00)

Tract #89

*****Nineteen Thousand Two Hundred Dollars *****

(\$19,200.00)

Tract #90

*****Twenty-Six Thousand Four Hundred Dollars *****

(\$26,400.00)

Tract #91

*****Nine Thousand Six Hundred Dollars *****

(\$9,600.00)

Tract #92

*****Seventy-Six Thousand Eight Hundred Dollars *****

(\$76,800.00)

Tract #140

*****One Hundred Sixty-Six Thousand Four Hundred Dollars *****

(\$166,400.00)

The market value, "**Hypothetical Condition of Legal Access**" on the State of Montana lands,
as of March 31, 2006 is:

Tract #109

*****Seventy Thousand Four Hundred Dollars *****

(\$70,400.00)

Tract #110

*****Four Thousand Four Hundred Dollars *****

(\$4,400.00)

Tract #111

*****Eighty Thousand Dollars *****

(\$80,000.00)

Tract #113

*****Five Thousand Two Hundred Dollars *****

(\$5,200.00)

Tract #164-1

*****Nine Thousand Two Hundred Dollars *****

(\$9,200.00)

Tract #164-2

*****Nine Thousand Two Hundred Dollars *****

(\$9,200.00)

Tract #166

*****Nine Thousand Two Hundred Dollars *****

(\$9,200.00)

Tract #177

*****Thirteen Thousand Eight Hundred Dollars *****

(\$13,800.00)

Tract #180

*****Seventy-Six Thousand Eight Hundred Dollars*****

(\$76,800.00)

Tract #182

*****Eighty Thousand Dollars *****

(\$80,000.00)

Tract #186

*****Eighty Thousand Dollars *****

(\$80,000.00)

Tract #192

*****Sixty-Four Thousand Four Hundred Dollars*****

(\$64,400.00)

Tract #174

*****Eighty-Three Thousand Two Hundred Dollars*****

(\$83,200.00)

Tract #133

*****Seventy-Three Thousand Six Hundred Dollars*****

(\$73,600.00)

Tract #176

*****Thirty-One Thousand Two Hundred Dollars*****

(\$31,200.00)

Tract #178

*****Four Thousand Six Hundred Dollars*****

(\$4,600.00)

Tract #187

*****Eleven Thousand Two Hundred Dollars*****

(\$11,200.00)

Tract #188

*****Sixteen Thousand Two Hundred Dollars*****

(\$16,200.00)

Tract #189

*****Sixteen Thousand Two Hundred Dollars*****

(\$16,200.00)

Tract #181

*****Thirty-Seven Thousand Eight Hundred Dollars*****

(\$37,800.00)

Tract #185

*****Five Thousand Six Hundred Dollars*****

(\$5,600.00)

Tract #81

*****Nine Thousand Two Hundred Dollars*****

(\$9,200.00)

Tract #82

*****Thirty Thousand Dollars*****

(\$30,000.00)

Tract #83

*****Four Thousand Six Hundred Dollars*****

(\$4,600.00)

Tract #84

*****Thirty-Three Thousand Six Hundred Dollars*****

(\$33,600.00)

Tract #87

*****Seventy-Six Thousand Eight Hundred*****

(\$76,800.00)

Tract #88

*****Nineteen Thousand Two Hundred Dollars*****

(\$19,200.00)

Tract #89

*****Twenty-One Thousand Six Hundred Dollars*****

(\$21,600.00)

Tract #90

*****Twenty-Eight Thousand Eight Hundred Dollars*****

(\$28,800.00)

Tract #91

*****Eleven Thousand Two Hundred Dollars*****

(\$11,200.00)

Tract #92

*****Eighty-Nine Thousand Six Hundred Dollars*****

(\$89,600.00)

Tract #140

*****Two Hundred Twenty Thousand Eight Hundred Dollars*****

(\$220,800.00)

George Luther, Jr., ARA
Montana Certified General Real Estate Appraiser Certificate #188