

Summary of Salient Facts

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

#	Lessee
7	Johnson, Keith & Ardis
62	Beumer, Donald F.
64	Beumer, Jacqueline A.
128	Coffee Cattle Co.
129	Coffee Cattle Co.
130	Coffee Cattle Co.
131	Coffee Cattle Co.
132	Coffee Cattle Co.
233	Leidholt, Duane A.
276	Coston, John N.
286	Christensen, Janet & Robert
287	Christensen, Janet & Robert
288	Christensen, Janet & Robert
289	Christensen, Janet & Robert
290	Christensen, Janet & Robert
291	Christensen, Janet & Robert
292	Christensen, Janet & Robert

#	Location (road/air miles)
7	27/22 miles southwest of Miles City
62	32/22 miles east of Miles City
64	27/14 miles southeast-east of Miles City
128	46/35 miles south of Miles City
129	55/38 miles south of Miles City
130	41/32 miles south of Miles City
131	43/29 miles south of Miles City
132	13/10 miles northwest of Miles City
233	48/29 miles southwest of Miles City
276	24/18 miles southwest of Miles City
286	35/27 miles south of Miles City
287	41/27 miles south-southeast of Miles City
288	35/31 miles southeast of Miles City
289	42/28 miles south-southeast of Miles City
290	39/27 miles south-southeast of Miles City
291	38/27 miles south-southeast of Miles City
292	39/26 miles south-southeast of Miles City

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

Present Use: Grazing Operations

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 #7:

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

Tract #62:

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

Tract #64:

Land Type	Acreage
Rangeland	316.11
Roads, Waste	0.00
Total/Fee Acres	316.11

Tract #128:

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

Tract #129:

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

Tract #130:

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

Tract #131:

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

Tract #132:

Land Type	Acreage
Rangeland	629.48
Roads, Waste	0.00
Total/Fee Acres	629.48

Tract #233:

Land Type	Acreage
Rangeland	319.60
Roads, Waste	0.00
Total/Fee Acres	319.60

Tract #276:

Land Type	Acreage
Rangeland	320.00
Roads, Waste	0.00
Total/Fee Acres	320.00

Tract #286:

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

Tract #287:

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

Tract #288:

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

Tract #289:

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

Tract #290:

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

Tract #291:

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

Tract #292:

Land Type	Acreage
Rangeland	320.00
Roads, Waste	0.00
Total/Fee Acres	320.00

Structural Improvements

None

Date of Valuation:

January 30, 2006

Date of Inspection:

November, 2005 to January, 2006

Date of Photographs:

November, 2005 to January, 2006

Date of Report:

March 15, 2006

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #7	Tract #7
Sales Comparison Approach:	\$96,000	\$115,200
Market Value Estimate:	\$96,000	\$115,200
Value Estimates	Tract #62	Tract #62
Sales Comparison Approach:	\$83,200	\$89,600
Market Value Estimate:	\$83,200	\$89,600
Value Estimates	Tract #64	Tract #64
Sales Comparison Approach:	\$49,000	\$55,300
Market Value Estimate:	\$49,000	\$55,300
Value Estimates	Tract #128	Tract #128
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #129	Tract #129
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #130	Tract #130
Sales Comparison Approach:	\$89,600	\$102,400
Market Value Estimate:	\$89,600	\$102,400
Value Estimates	Tract #131	Tract #131
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #132	Tract #132
Sales Comparison Approach:	\$69,200	\$78,700
Market Value Estimate:	\$69,200	\$78,700

	<i>"As Is"</i>	<i>"Hypothetical Condition"</i>
Value Estimates	Tract #233	Tract #233
Sales Comparison Approach:	\$46,300	\$54,300
Market Value Estimate:	\$46,300	\$54,300
Value Estimates	Tract #276	Tract #276
Sales Comparison Approach:	\$44,800	\$52,800
Market Value Estimate:	\$44,800	\$52,800
Value Estimates	Tract #286	Tract #286
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #287	Tract #287
Sales Comparison Approach:	\$96,000	\$105,600
Market Value Estimate:	\$96,000	\$105,600
Value Estimates	Tract #288	Tract #288
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #289	Tract #289
Sales Comparison Approach:	\$96,000	\$112,000
Market Value Estimate:	\$96,000	\$112,000
Value Estimates	Tract #290	Tract #290
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #291	Tract #291
Sales Comparison Approach:	\$86,400	\$92,800
Market Value Estimate:	\$86,400	\$92,800
Value Estimates	Tract #292	Tract #292
Sales Comparison Approach:	\$43,200	\$46,400
Market Value Estimate:	\$43,200	\$46,400

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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 access trails/roads to the tract.

- | Tract # | |
|---------|---|
| 7 | An existing road/trail from the beginning of Moon Creek County Road in the NE of Section 6, T4N, R46E, thence through the E2 of said Section and the W2W2W2 of Section 5, T4N, R46E, in a southeasterly and southerly direction, thence in a southerly direction through the W2NW and a southeasterly direction through the S2NW, NESW and the N2SE of Section 8, T4N, R46E and thence southeasterly through the SW and SWSE Section 9 to the north boundary of the NENW of Section 16, T4N, R46E being said Tract #7. |
| 62 | An existing road/trail from the Strevell Creek Road (County Road #506) in the SW Section 9, T6N, R51E, thence in a northeasterly direction across the SWSE and NE of said Section 9, the SE of Section 4, and the NWSW and NW of Section 3, T6N, R51E, and the SESESW, W2SW, and NE Section 34, NWNW Section 35, and the S2 of Section 26, T7N, R51E, thence in a westerly and northwesterly direction across the W2NE and NW Section 26, the NENE of Section 27; the S2 Section 22 and the NESE and E2NE of Section 21, T7N, R51E to the south boundary of the SESE of said tract, being the SESE of Section 16, T7N, R51E boundary of said tract. |
| 64 | An existing road/trail from the Strevell Creek Road (County Road #506) beginning in the NW of Section 17, T7N, R50E, thence in a southerly direction through the NW, E2SW, and W2SE Section 17, W2E2 Section 20, E2 Section 29, and W2E2 Section 32, T7N, R50E, thence in a southerly direction through the E2E2W2 and W2W2E2 Section 5 and the W2E2 Section 8, thence in a southwesterly direction across the SWSE Section 8, NWNE and NW Section 17, and the S2SE Section 18, T6N, R50E, to the north boundary line of the N2SE of said tract, being the N2SE of Section 18, T6N, R50E. |
| 128 | An existing road/trail from the Foster Creek Road (#621) in the N2NE Section 20, T2N, R47E, thence in a southwesterly direction through the NW Section 20, S2 Section 19, thence in a southwesterly direction through the NW and the NWSW Section 30, T2N, R47E and the NESE and S2SE Section 25, T2N, R46E, to the north boundary of the N2NE of said tract, being the N2NE Section 36, T2N, R46E boundary of said tract. |

- 129 An existing road/trail from the Liscom Creek Road (County Road #605) in the NENENE Section 23, T1N, R45E, thence in an easterly direction across the NWNWNW Section 24, T1N, R45E and the S2S2SW Section 13, thence in a northeasterly and easterly direction through the SESW and SE of said Section 13, thence in a southeasterly direction through the SW of Section 18, T1N, R46E, thence easterly through the N2N2 of Section 19, thence northeasterly across the NENE Section 19 and NWNWNW Section 20 and thence easterly along the S2S2S2 Section 17, T1N, R46E to the southwest corner of said Tract 129 being the west link of the SWSWSW Section 16, T1N, R46E boundary of said tract.
- 130 An existing road/trail from the Foster Creek Road (County Road #621) in the SWNE Section 17, T2N, R47E, thence in a southeasterly direction through the SWNE and NWSE Section 17, thence in a northeasterly direction through the NESE and SENE Section 17 to the east boundary of the SENE of Section 17 to the west boundary of said tract.
- 131 An existing road/trail from the Foster Creek Road (County Road #621) in the S2NW Section 31, T3N, R47E, thence in an easterly direction through the S2NW and S2NE of said Section 31, N2S2 Section 32, and the N2SW and SENW Section 33, thence in a northeasterly direction through the NE of said Section 33 to the west boundary line of the NWNW of Section 34, thence in an easterly-southeasterly direction across the N2 of said Section 34 to the southeast corner of the NE of said section, thence in a southeasterly and easterly direction across the S2 of Section 35 to the west boundary line of the SWSW of said tract, being the SWSW of Section 36, T3N, R47E, M.P.M.
- 132 An existing road/trail from the Six Quarter Circle Road (County Road #160) from the NWSE Section 9, T8N, R45E, thence in a southerly and southeasterly direction through the W2SE of said Section 9 to the north boundary of the NWNE of said tract, being the NWNE of Section 16, T8N, R45E.
- 233 An existing road/trail from the Moon Creek Road in the SW Section 21, T3N, R45E, thence in a southerly direction through the NWNW of Section 28, thence in a southerly direction through the E2E2 of Section 29 and in a southwesterly and westerly direction through the S2 of Section 29 to said tract being the NENESE of Section 30, T3N, R45E.
- 276 An existing road/trail from the Moon Creek Road in the N2SE Section 26, T5N, R45E, thence in an easterly direction through the N2SE and S2NE of said Section 26 to the east boundary of the SENE or NESE of said tract.
- 286 An existing road/trail beginning at Montana Route 59 Highway
291 (Broadus Highway) in the SW of Section 23, T3N, R49E, thence in
292 a westerly and northwesterly direction through the N2NW of
290 Section 23, N2NE Section 22 and S2S2 Section 15 to the eastern
boundary of the SESE Section 16, T3N, R49E, being Tract #286,

thence in a westerly direction through the S2S2 of said Tract #286 to the west boundary of the SWSW of said Tract #286, thence in a southwesterly and westerly direction through the S2SE and SESW of Section 17, T3N, R49E, thence westerly through the SWSW of Section 17 and the S2S2SE of Section 18 thence in a northwesterly direction through the SW of Section 18 to the east boundary of the SENE of Section 13, T3N, R48E, being Tract #291, and thence northwesterly through the NE of said Section 13 to the SESW of Section 12, T3N, R48E, being Tract #292, thence westerly and southwesterly through the SESW of said Tract #292 to the north boundary of the NW Section 13 (Tract #291), thence southwesterly through the NW Section 13 to the east boundary of the NENW Section 14, T3N, R48E being Tract #290.

- 287 An existing road/trail beginning at the Ash Creek Road (Custer
289 County Road #664) in the SWSE Section 31, T3N, R49E, thence
in a northerly, northeasterly, and northwesterly direction through
the W2W2 of Section 31 to the northwest corner of said Section
31, thence northwesterly across the SWSWSW of Section 30,
T3N, R49E and the SE, NESW, and NW of Section 25, T3N, R48E
and the SWSW Section 24, T3N, R48E to the SESE of Section 23,
T3N, R48E, being said Tract #289, thence in a northwesterly
direction through the E2SE and E2NE of Tract #289, thence in a
westerly-southwesterly direction through said tract to the west
boundary in the SWNW, thence in a westerly to northwesterly
direction through the N2 Section 22, T3N, R48E, and the SWSW
Section 15, T3N, R48E to the east boundary of the SESE of
Section 16, T3N, R48E being Tract #287.
- 288 An existing road/trail from Montana Route 59 Highway (Broadus
Highway) in Section 23, T3N, R49E thence in a southeasterly and
southerly direction through the NENW and NWNE of Section 23,
W2SW Section 24, and the NW, SWNE, W2SE, and SESW of
Section 25, T3N, R49E, to the north boundary of the NENW
Section 36, T3N, R49E, being Tract #288.

LEASE INTERESTS: The tracts being valued in this appraisal are subjected to current leases that are under similar 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 seventeen separate tracts within Custer County that are located from 24 to 55 miles from Miles City with dirt trail access from either private or county gravel road and paved highway access. They all consist of rangeland with 9,585.19 deeded acres and are not structurally improved.

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

Tract #7	T4N, R46E, M.P.M., Section 16: All
Tract #62	T7N, R51E, M.P.M., Section 16: All
Tract #64	T6N, T50E, M.P.M., Section 18: Lots 3, 4, E2SW4, SE4
Tract #128	T2N, R46E, M.P.M., Section 36: All
Tract #129	T1N, R46E, M.P.M., Section 16: All
Tract #130	T2N, R47E, M.P.M., Section 16: All
Tract #131	T3N, R47E, M.P.M., Section 36: All
Tract #132	T8N, R45E, M.P.M., Section 16: Lots 1, 2, 3, 4, S2N2, S2
Tract #233	T3N, R45E, M.P.M., Section 30: Lots 3, 4, E2SW4, SE4
Tract #276	T5N, R45E, M.P.M., Section 26: W2
Tract #286	T3N, R49E, M.P.M., Section 16: All
Tract #287	T3N, R48E, M.P.M., Section 16: All
Tract #288	T3N, R49E, M.P.M., Section 36: All
Tract #289	T3N, R48E, M.P.M., Section 23: All
Tract #290	T3N, R48E, M.P.M., Section 14: All
Tract #291	T3N, R48E, M.P.M., Section 13: All
Tract #292	T3N, R48E, M.P.M., Section 12: W2

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 November and December, 2005 and early January, 2006 with Keith Johnson and Janet Christensen accompanying the appraiser on their respective tracts. No party accompanied the appraiser on the other tracts. Each tract was inspected by driving and walking through it with the exception of Tracts 62, 64, and 132 which had aerial inspections. Property data was gathered from the Custer County Courthouse, FSA office, BLM, DNRC, and DOR.

The region was searched for data and sales of isolated grass tracts and other smaller tracts 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.

The market data contained in this report is to remain confidential and is not to be disclosed or disseminated 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:	January 30, 2006
Date of Inspection:	November, 2005 to January, 2006
Date of Photographs:	November, 2005 to January, 2006
Date of Report:	March 15, 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.

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>
7	Johnson, Keith & Ardis	\$756.48	4 years remaining
62	Beumer, Donald F.	\$863.20	7 years remaining
64	Beumer, Jacqueline A.	\$391.76	7 years remaining
128	Coffee Cattle Co.	\$956.16	9 years remaining
129	Coffee Cattle Co.	\$874.68	4 years remaining
130	Coffee Cattle Co.	\$892.41	4 years remaining
131	Coffee Cattle Co.	\$732.84	4 years remaining
132	Coffee Cattle Co.	\$715.11	3 years remaining
233	Leidholt, Duane A.	\$900.00	9 years remaining
276	Coston, John N.	\$472.80	6 years remaining
286	Christensen, Janet & Robert	\$796.80	9 years remaining
287	Christensen, Janet & Robert	\$796.80	9 years remaining
288	Christensen, Janet & Robert	\$709.20	1 year remaining
289	Christensen, Janet & Robert	\$821.49	4 years remaining
290	Christensen, Janet & Robert	\$851.04	4 years remaining
291	Christensen, Janet & Robert	\$851.04	4 years remaining
292	Christensen, Janet & Robert	\$466.89	4 years remaining

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

Custer County

The market area for the subject property would be considered Custer County and western Rosebud County and northern Powder River County.

Social Factors

This area is predominantly rural with the major regional trade centers being Billings and Miles City, Montana. 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 Terry and Forsyth, along with Hysham. These towns offer limited to full medical services with Miles City and Billings having expanded services. 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 have seen declines of 1.4% to 19.0% in population from 1990 to 2000. Further estimates for population from 2000 to 2004 show declines of 2% to about 12%.

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. 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 Baker and Glendive, and electrical steam generating plants in Colstrip.

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 along the Yellowstone River, southern Custer, northern Powder River, and northeastern Rosebud Counties. There is a high dependence of ranches in portions of Rosebud, Powder River, and Custer Counties on public lands for grazing.

The Yellowstone Valley irrigated farms grow beets as a cash crop along with limited beans and/or peas. Beets from the Hysham and Forsyth area go to the Western Sugar factory in Billings. Beets grown in the Kinsey to Sidney area are transported and processed at the Holly Sugar factory in Sidney.

Markets for livestock are through public auction barns or order buyers. Public auctions are located at Miles City, Baker, 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 Richland, Dawson, Fallon, and Prairie Counties.

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 minerals and agricultural industries.

Governmental Factors

Government programs contribute to the local operations through the USDA farm programs. Custer County and some of the surrounding counties have shown the following agricultural cash receipts along with government payments from 2001 to 2003.

County/Year	Livestock	Crops	Sub Total	Govt. Pmts	Total Cash	% Pmts	% Lvstk	% Crop
Rosebud 2001	32,396	6,970	39,366	6208	45574	14%	82%	18%
2002	28,972	6,569	35,541	4027	39568	10%	82%	18%
2003	33,289	6,931	40,220	4789	45009	11%	83%	17%
Custer 2001	31,992	7,162	39,154	5831	44985	13%	82%	18%
2002	27,798	6,149	33,947	3187	37134	9%	82%	18%
2003	34,827	6,972	41,799	3845	45644	8%	83%	17%
Garfield 2001	29,760	5,674	35,434	11505	46939	25%	84%	16%
2002	25,871	4,139	30,010	6576	36586	18%	86%	14%
2003	31,877	6,056	37,933	8256	46189	18%	84%	16%
Powder River 2001	27,924	2,561	30,485	6102	36587	17%	92%	8%
2002	24,508	1,878	26,386	2551	28937	9%	93%	7%
2003	27,423	2,893	30,316	4497	34813	13%	90%	10%

Environmental Factors

Predominant land use in the area is for livestock ranches with some areas of concentrated farming. The area is characterized by several drainages: The Powder River, Tongue River, Mizpah, and Rosebud, Armells, Sarpy, and Pumpkin Creeks south of the Yellowstone River; Custer, Porcupine, Horse, Sand, and Sunday Creeks north of the Yellowstone River and the Yellowstone River. Terrain runs from open and rolling to hilly with some areas of rougher breaks. Most stands of Ponderosa Pine are located south of the Yellowstone River in the areas with scoria outcropped hills.

Access to the area is via U.S. Highway 212 on the southern edge from Lame Deer and Ashland to Broadus through Alzada to Belle Fourche, South Dakota. Montana Route 59 and Secondary Road 323 provide north/south connections. I-94 provides service along the Yellowstone River valley. U.S. 12 provides service from Bowman, ND to Miles City via Baker, thence from Forsyth to Roundup. Several gravel and dirt county roads provide access and service throughout the area. Cities with airline service are Miles City and Billings, MT.

Trends

Areas along the Yellowstone River have seen increasing interest in the 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.

Demands and interest on properties have remained strong over the past two to three years. Buyers from out of state are primarily considering recreational uses along with some considering paleontology and water resources. Some are buying and holding the property with lease backs to the seller or leases with area operators. Buyer interest is still considered to be strong with the inventory of properties available being under past years. Prices being asked have retained their strength with most sales consummating slightly under the asking price and at the asking price. Demand for 175 to 250 head and 300 to 600 head ranches along with areas that border the major river drainages are still strong. Uses of tax deferred exchanges are prevalent on the market. Select areas have seen increases of 5% to over 20% from 2001 to 2004. The market has shown some strength in isolated areas over the past two to four years. The areas with heavier non-agricultural influences have gained the most in value. There have been several larger ranch sales that sold over the past year that show good strength in values holding steady to increasing.

Rental rates are holding steady over the past two to three years until late 2001 and into 2002 when prices climbed due to drought. 2002 to 2004 has seen an increase in the number of larger properties that have sold along with rental rates edging up slightly.

Larger properties, above \$2,500,000 to \$4,000,000, need a longer time to market or approximately 10 to 30 months. Other units have exposure time to the area market of 12 to 24 months. 2003 and 2004 maintained the length of the past exposure times in the area market. The general market has seen several larger ranches sell over the past year, some of which have had shorter exposure times of 12 months. The number of ranches listed is under the past numbers listed. Prices being asked have been increasing over the past year.

Energy development is limited to the area around Sidney and Baker with future projects being considered at Otter Creek, 80 miles to the south of Miles City, and Circle. Wind projects are not in place for the area and due to transmission limitations, they are being considered for only local use. There are several monitoring sites in place for wind energy possibilities in Dawson, McCone and Richland Counties.

The overall market has seen several transactions that have occurred over the past year. These include properties that were re-sales of properties that had sold to the grantor in the past three to eight years. The sales and re-sales of the properties indicate a range of fewer than 2% to over 15% compounded annually on time periods of 1.5 years to 8.0 years.

Indications are that the market has tightened up on the available properties with most realtors and other market participants noting that the market is short on listings of all property types. Listings of properties in the area show that the rate of increase is still supported out through the date of the report.

SUBJECT PROPERTY DESCRIPTION

Location and Access

The subject property is composed of seventeen (17) separate tracts from 316.11 to 640 acres in size from 28 miles southwest, 33 to 55 miles south, 10 miles northwest, and 40 miles east of Miles City, Montana with dirt trail access off of either county gravel or state paved highways.

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. The appraiser refers the reader to the Custer County Area Soil Survey dated 2003 for further information.

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 tracts, 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

The tracts are subject to all of the weather that occurs in the area. The climatic history for 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
Colstrip	14.53"	37.2"	110-130 days	50
Brandenberg	14.30"	41.7"	110-130 days	42
Miles City	12.99"-13.5"	23"-32.8"	130-150 days	90
Volborg	13.82"	29.2"	110-130 days	48

Tract #: **7**

Legal Description: T4N, R46E, Section 16: All

Total Acres: 640

Access: Two track dirt trail

Location: 27 road or 22 air miles southwest of Miles City

Terrain/Drainage: Terrain is sloping with one main rougher ridge running from the northwest to the southeast. The area to the north is in the Miles Creek drainage and to the south of the ridge Forest Creek drainage.

Soils: 901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes
341D: Tally-Vebar fine sandy loams, 2 to 12 percent slopes
734E: Cambert-Cherry-Cabba silt loams, 12 to 25 percent slopes
352D: Chinook-Twilight fine sandy loams, 2 to 12 percent slopes
574E: Lonna-Cambeth-Cabbart silt loams, 12 to 25 percent slopes
41C: Eapa loam, 2 to 6 percent slopes

Water: Reservoirs located in northeastern and NESE portion. Both are shallow due to silt and considered fair holding capacity. Lessee noted that reservoirs had been dry up and through 2004. There is a stockwater tank located in the NWNE right south of the larger reservoir. It is served by a pipeline from a well at the farmstead in Section 8.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 25062-00	Use	N/A	Miles Creek	4/15/1960	Stock	Dam
42C 25063-00	Use	N/A	Miles Creek	4/15/1960	Stock	Dam

Fences: Predominantly 4 strand barbed wire on steel and wood.

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

AUMs:	128	Acres Grazed:	635.00
Ac/AUM:	5.00	Other Acres:	5.00

Lessee: Keith & Ardis Johnson

Amount:	\$756.48	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.19
		\$/Gross Acre:	\$1.18

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about 2 miles to the west and north

Comments: This section is fenced in with the section to the north. Access is through lessee's property.

Tract #: **62**

Legal Description: T7N, R51E, Section 16:: All

Total Acres: 640

Access: Two track dirt trail

Location: 32 road or 22 air miles east of Miles City

Terrain/Drainage: Open and rolling with some rougher hills on the west and north sides.
Laney Creek flows through the central portion of the tract.

Soils: 50C: Kremlin loam, 2 to 8 percent slopes
385E: Delpoint-Yamacall-Cabbart loams, 15 to 25 percent slopes
297E: Cambeth, calcareous-Cabbart-Yawdim complex, 15 to 25 percent slopes
575C: Lonna-Cambeth silt loams, 2 to 8 percent slopes
488A: Havre silty clay loam, 0 to 2 percent slopes, occasionally flooded

Water: Reservoir in west and east sides of fair to low fair capacity.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42J 2490-00		N/A	Laney Creek	12/31/1966	Stock	Dam
42J 9464-00		N/A	Laney Creek	10/8/1944	Stock	Dam

Fences: North to south barbed wire fence through western central portion.

Land Description:

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

AUMs:	130	Acres Grazed:	640.00
Ac/AUM:	4.92	Other Acres:	0.00

Lessee: Donald F. Beumer

Amount:	\$863.20	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.35
		\$/Gross Acre:	\$1.35

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines to the south about 2-1/2 miles.

Comments: This tract is fenced in with two separate pastures.

Tract #: **64**

Legal Description: T6N, R50E, Section 18: Lots 3, 4, E2SW4, SE4

Total Acres: 316.11

Access: Two track dirt trail

Location: 27 road miles or 14 air miles southeast of Miles City

Terrain/Drainage: Timbered hills with open ridge tops on moderate slopes.

Soils: 342C: Tally-Shambo complex, 2 to 8 percent slopes
341D: Tally-Vebar fine sandy loams, 2 to 12 percent slopes
297E: Cambeth, calcareous-Cabbart-Yawdim complex, 15 to 25 percent slopes
802E: Shambo-Lisk-Dast complex, 8 to 25 percent slopes

Water: There is a small reservoir on the west side of the tract.

Water Right(s) There are no water rights filed with the DNRC.

Fences: Fence along west side, fence off south line about 1/8 mile, more or less.

Land Description:

Rangeland:	316.11 Acres
Roads, Waste:	0.00 Acres
Total:	316.11 Acres

AUMs:	59	Acres Grazed:	316.11
Ac/AUM:	5.36	Other Acres:	0.00

Lessee: Jacqueline A. Beumer

Amount:	\$391.76	\$/AUM:	\$6.64
Expiration:	2/28/2012	\$/ Net Acre:	\$1.24
		\$/Gross Acre:	\$1.24

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about 2-1/2 to 3-1/2 miles to the south.

Comments: Access to this property is through various landowners to the north and northeast. Fenced in with other lands owned by Beumers.

Tract #: **128**

Legal Description: T2N, R46E, Section 36: All

Total Acres: 640

Access: Two track dirt trail

Location: 46 road and 35 air miles south of Miles City

Terrain/Drainage: Open and rolling and sloping with a couple of hills and ridges in the northwest and southwest. One major drainage through central portion.

Soils: 562D: Cherry-Cambert-Cabba silt loams, 8 to 15 percent slopes
733E: Cambert-Cabba-Widen complex, 15 to 25 percent slopes
734E: Cambert-Cherry-Cabba silt loams, 12 to 25 percent slopes
982D: Macar-Doney-Cabba loams, 8 to 15 percent slopes
341D: Tally-Vebar fine sandy loams, 2 to 12 percent slopes
98C: Macar loam, 2 to 8 percent slopes

Water: Stockwater reservoir in central portion of section (SWSWNE) and undeveloped spring near reservoir.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 13524-00	Use	N/A	Foster Creek	4/15/1945	Stock	Dam
42C 13525-00	Use	N/A	Foster Creek	4/15/1945	Stock	Source

Fences: Fence with 4 and 5 strand barbed wire on steel and wood.

Land Description:

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

AUMs:	144	Acres Grazed:	640.00
Ac/AUM:	4.44	Other Acres:	0.00

Lessee: Coffee Cattle Co.

Amount:	\$956.16	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.49
		\$/Gross Acre:	\$1.49

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about ½ mile to the southeast to an old farmstead.

Comments: This tract is fenced in with other lands.

Tract #: **129**

Legal Description: T1N, R46E, Section 16: All

Total Acres: 640

Access: Two track dirt trail from Liscom Creek Road

Location: 55 road and 38 air miles southwest of Miles City

Terrain/Drainage: Open, rolling and sloping from ridge in south to north. Most of tract flows into Scott Creek to the north with a small portion to Mullins Coulee which cuts the southeast corner. Some steeper slopes to ash draws on north end.

Soils: 341D: Tally-Vebar fine sandy loams, 2 to 12 percent slopes
983E: Macar-Lisk-Cohagen complex, 8 to 25 percent slopes
982D: Macar-Doney-Cabba loams, 8 to 15 percent slopes
832E: Doney-Macar-Cabba loams, 15 to 25 percent slopes
971E: Lisk-Cohagen-Dast fine sandy loams, 8 to 25 percent slopes
831F: Doney-Cabba-Wayden complex, 25 to 70 percent slopes

Water: Undeveloped spring along Scott Creek. Pipeline from well in SWSE Section 17 appears to cross south end of SW of tract.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 137349-00	Use	N/A	Scott Creek	2/9/1914	Stock	Source

Fences: Fence along east boundary.

Land Description:

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

AUMs:	148	Acres Grazed:	640.00
Ac/AUM:	4.32	Other Acres:	0.00

Lessee: Coffee Cattle Co.

Amount:	\$874.68	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.37
		\$/Gross Acre:	\$1.37

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines along Liscom Creek Road 4 miles to the west with a TRECO line to well in the SWSE Section 17.

Comments: This tract is fenced in with other lands. There are prairie dogs in the southwestern corner.

Tract #: **130**

Legal Description: T2N, R47E, Section 16: All

Total Acres: 640

Access: Two track dirt trail

Location: 41 road or 32 air miles south of Miles City

Terrain/Drainage: Sloping with one dominant ridge through the central portion. Some isolated hills. Drainage is to the west towards Foster with two major ones.

Soils: 733E: Cambert-Cabba-Widen complex, 15 to 25 percent slopes
278E: Busby-Yetull complex, 2 to 15 percent slopes
832E: Doney-Macar-Cabba loams, 15 to 25 percent slopes
732D: Cambert-Widen complex, 8 to 15 percent slopes
296F: Cambeth-Cabbart-Rock outcrop complex, 8 to 45 percent slopes

Water: Reservoir in the northwest of Section 16 with well to northeast of reservoir about ¼ mile. Well is close to north boundary line. Reservoir is silted in with essentially no holding capacity.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 44567-00		10 GPM	Groundwater	4/30/1982	Stock	Well
42C-137051-00	Use	N/A	Foster Creek	08/26/1968	Stock	Dam

Fences: Four strand barbed wire fence cuts through northeast corner.

Land Description:

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

AUMs:	151	Acres Grazed:	640.00
Ac/AUM:	4.24	Other Acres:	0.00

Lessee: Coffee Cattle Co.

Amount:	\$892.41	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.39
		\$/Gross Acre:	\$1.39

Utilities Available: Tongue River Electric Co-op has line across section from southwest to northeasterly direction. This line supplies the well in the section.
Range Telephone has a line along the Foster Creek.

Comments: This tract is fenced in with 2-1/2 other sections.

Tract #: **131**

Legal Description: T3N, R47E, Section 36: All

Total Acres: 640

Access: Two track dirt trail

Location: 43 road or 29 air miles south of Miles City

Terrain/Drainage: Rougher hills and ridges with scattered pine and juniper. Two major drainages north and south of ridge that runs across northwest to southeast part of section.

Soils: 574E: Lonna-Cambeth-Cabbart silt loams, 12 to 25 percent slopes
296F: Cambeth-Cabbart-Rock outcrop complex, 8 to 45 percent slopes
297C: Cambeth, noncalcareous-Megonot complex, 2 to 8 percent slopes
892D: Yamacall-Delpoint-Cabbart loams, 4 to 15 percent slopes
3F: Cabbart-Rock outcrop-Yawdim complex, 15 to 70 percent slopes

Water: Reservoir located on north drainage in northwest area of section. Fair to low-fair capacity.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C-112181-00	Use		Haddow Creek	08/26/1968	Stock	Dam

Fences: Perimeter fenced on north and east sides.

Land Description:

Rangeland:	640.00 Acres
Roads, Waste:	.00 Acres
Total:	640.00 Acres

AUMs:	124	Acres Grazed:	611.00
Ac/AUM:	5.16	Other Acres:	29.00

Lessee: Coffee Cattle Co.

Amount:	\$732.84	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.20
		\$/Gross Acre:	\$1.15

Utilities Available: Tongue River Electric Co-op has a line about 1.5 miles to the west.
Range Telephone Co-op has a line about 3.0 miles to the southwest.

Comments: Fenced in with four other sections.

Tract #: **132**

Legal Description: T8N, R45E, Section 16: Lots 1, 2, 3, 4, S2N2, S2

Total Acres: 629.48

Access: Two track dirt trail

Location: 13 road or 10 air miles northwest of Miles City

Terrain/Drainage: Open and rolling, sloping with some hills on south end. Sage Creek is major drainage for all of tract.

Soils: 532C: Kobase-Gerdum silty clay loams, 2 to 8 percent slopes
297E: Cambeth, calcareous-Cabbart-Yawdim complex, 15 to 25 percent slopes
892D: Yamacall-Delpoint-Cabbart loams, 4 to 15 percent slopes
75C: Weingart-Ivanell clay loams, 2 to 8 percent slopes
30C: Yamacall-Havre, occasionally flooded, loams, 0 to 8 percent slopes
18E: Cabbart-Havre complex, 0 to 35 percent slopes

Water: Reservoir located in S2NE of average capacity.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42K-18124-00	Use	N/A	Sage Creek	04/15/1965	Stock	Dam

Fences: None

Land Description:

Rangeland:	629.48 Acres
Roads, Waste:	0.00 Acres
Total:	629.48 Acres

AUMs:	121	Acres Grazed:	604.48
Ac/AUM:	5.20	Other Acres:	25.00

Lessee: Coffee Cattle Co.

Amount:	\$715.11	\$/AUM:	\$5.91
Expiration:	2/28/2008	\$/ Net Acre:	\$1.18
		\$/Gross Acre:	\$1.14

Utilities Available: Tongue River Electric Co-op and Range Telephone have lines about .5 miles to the east.

Comments: This tract is fenced in with a larger pasture.

Tract #: **233**

Legal Description: T3N, R45E, Section 30: Lots 3, 4, E2SW4, SE4

Total Acres: 319.60

Access: Two track dirt trail

Location: 48 road and 29 air miles southwest of Miles City

Terrain/Drainage: This tract lies in the Ranch Creek drainage with one steeper ridge on the north side and the bottomland along Ranch Creek in the south.

Soils: 191C: Archin-Gerdrum loams, 2 to 8 percent slopes
844A: Havre, Harlake, and Glendive soils, channeled, 0 to 2 percent slopes
361E: Doney-Broadus-Cabba complex, 15 to 25 percent slopes
297E: Cambeth, calcareous-Cabbart-Yawdim complex, 15 to 25 percent slopes

Water: None. A stockwater pipeline crosses the property from the east side to west side with service from a well to the north.

Water Right(s) No water rights filed with DNRC.

Fences: Perimeter fenced on east, south, and west sides with 5 strand barbed wire.

Land Description:	Rangeland:	319.60 Acres
	Roads, Waste:	0.00 Acres
	Total:	319.60 Acres

AUMs:	72	Acres Grazed:	319.60
Ac/AUM:	4.44	Other Acres:	0.00

Lessee: Duane Leidholt

Amount:	\$900.00	\$/AUM:	\$12.50
Expiration:	2/28/2014	\$/ Net Acre:	\$2.82
		\$/Gross Acre:	\$2.82

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about 1/4 mile to the north.

Comments: This tract had been competitively bid between neighbors. This tract is fenced in with the north half of the section.

Tract #: **276**

Legal Description: T5N, R45E, Section 26: W2

Total Acres: 320

Access: Two track dirt trail

Location: 24 road or 18 air miles southwest of Miles City

Terrain/Drainage: Open and sloping with rolling ridge through most from northwest to southeast. Some sparse timber on north end. Ridge is drainage divide between Moon Creek and Graveyard Creek.

Soils: 352D: Chinook-Twilight fine sandy loams, 2 to 12 percent slopes
355C: Chinook-Twilight-Eapa complex, 2 to 8 percent slopes
93B: Brushton silt loam, 0 to 4 percent slopes
297C: Cambeth, noncalcareous-Megonot complex, 2 to 8 percent slopes
799E: Yamacall-Birney-Delpoint complex, 15 to 25 percent slopes

Water: Stock tank off of pipeline that goes through southern portion from well in east half of Section 26.

Water Right(s) No water rights filed with DNRC.

Fences: Perimeter fenced on south, west, and north sides with exception of portion of the east side of the southwest. Fences are 4 strand barbed wire on wood and steel. There is a cross fence in the SE that divides the tract into 2 pastures. The south end is fenced in with a portion of the SE of Section 26.

Land Description:

Rangeland:	320.00 Acres
Roads, Waste:	0.00 Acres
Total:	320.00 Acres

AUMs:	80	Acres Grazed:	320.00
Ac/AUM:	4.00	Other Acres:	0.00

Lessee: John N. Coston

Amount:	\$472.80	\$/AUM:	\$5.91
Expiration:	2/28/2011	\$/ Net Acre:	\$1.48
		\$/Gross Acre:	\$1.48

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines 1/4 mile to the east at the farmstead in the SWSENE Section 26.

Tract #: **286**

Legal Description: T3N, R49E, Section 16: All

Total Acres: 640

Access: Two track dirt trail

Location: 35 road or 27 air miles south-southeast of Miles City

Terrain/Drainage: Open and rolling to areas of badlands and rougher breaks. Most of section is drained by Maggie Creek through the center. A small portion of the south end drains into Chinnick Creek.

Soils: 732D: Cambert-Widen complex, 8 to 15 percent slopes
297D: Cambeth, noncalcareous-Megonot complex, 15 to 25 percent slopes
297E: Cambeth, calcareous-Cabbart-Yawdim complex, 15 to 25 percent slopes
901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes
18E: Cabbart-Havre complex, 0 to 35 percent slopes

Water: Reservoir located in center of section. Older dam (washed out) below current reservoir. Windmill and well located about ¼ mile south. This has not been used except for 1 time in 27 years.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 137054	Use		Maggie Creek	08/01/1955	Stock	Reservoir
42C 44568		3 GPM	Groundwater	04/30/1982	Stock	Well

Fences: None

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

AUMs:	120	Acres Grazed:	640.00
Ac/AUM:	5.33	Other Acres:	0.0

Lessee: Janet K. and Robert Christensen

Amount:	\$796.80	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.25
		\$/Gross Acre:	\$1.25

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op available over 5 miles

Comments: This section is fenced in with other lands in a larger parcel. There are no known easements across the property.

Tract #: **287**

Legal Description: T3N, R48E, Section 16: All

Total Acres: 640

Access: Two track dirt trail

Location: 41 road or 27 air miles south-southeast of Miles City

Terrain/Drainage: There are two major drainages that run to the east into Butte Creek. Terrain is sparse to some dense pine covered hills with rock outcroppings in rougher-break type country.

Soils: 732D: Cambert-Widen complex, 8 to 15 percent slopes
733E: Cambert-Cabba-Widen complex, 15 to 25 percent slopes
561C: Cherry-Cambert silt loams, 2 to 8 percent slopes
562D: Cherry-Cambert-Cabba silt loams, 8 to 15 percent slopes
30C: Yamacall-Havre, occasionally flooded, loams, 0 to 8 percent slopes
901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes

Water: There is a reservoir located in the N2NW along with a stock tank in the NWSE. The stock tank is supplied off of a pipeline that transverses the south half of the section from wells in Section 22.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 137053	Use		UT Butte Creek	08-01-1955	Stock	Dam
42C 41883-00		15 GPM	Groundwater	12-29-1981	Stock	Well
42C-41884-00		15 GPM	Groundwater	12-29-1981	Stock	Well
42C-54830-00		12 GPM	Groundwater	11-08-1983	Stock	Well

Fences: A four strand barbed wire on steel and wood runs at a slight angle west of the east boundary.

Land Description:

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

AUMs:	120	Acres Grazed:	640.00
Ac/AUM:	5.33	Other Acres:	0.0

Lessee: Janet K. and Robert Christensen

Amount:	\$796.80	\$/AUM:	\$6.64
Expiration:	2/28/2014	\$/ Net Acre:	\$1.13
		\$/Gross Acre:	\$1.13

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines located approximately 3 miles to the south.

Comments: This tract is fenced in with two larger pastures.

Tract #: **288**

Legal Description: T3N, R49E, Section 36: All

Total Acres: 640

Access: Two track dirt trail

Location: 35 road and 31 air miles southeast of Miles City

Terrain/Drainage: Open and rolling terrain interspersed with steeper sloping terrain with one ridge through central area to southeast and another along the west side. There are two major drainages to the north and one on the extreme west side.

Soils: 297C: Cambeth, noncalcareous-Megonot complex, 2 to 8 percent slopes
297D: Cambeth, noncalcareous-Megonot complex, 15 to 25 percent slopes

Water: One stockwater tank off of pipeline from west through southern portion. One reservoir in the NWNWNE. Another reservoir with dam structure located just north of section backs some water onto tract.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C-112185-00	Use		UT Pumpkin Creek	07/01/1960	Stock	Dam

Fences: Fence, four wire, on south end.

Land Description:

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

AUMs:	120	Acres Grazed:	640.00
Ac/AUM:	5.33	Other Acres:	0.0

Lessee: Janet K. and Robert Christensen

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

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about 1-1/2 miles to the northwest of the tract

Comments: This tract is fenced in with several other sections to the west, north, and east.

Tract #: **289**

Legal Description: T3N, R48E, Section 23: All

Total Acres: 640

Access: Two track dirt trail

Location: 42 road and 28 air miles south-southeast of Miles City

Terrain/Drainage: The northern and western portions are rougher timber hills with the southeast being sloping and open. This tract has one coulee that drains the south end with the north end draining into Butte Creek.

Soils: 734E: Cambert-Cherry-Cabba silt loams, 12 to 25 percent slopes
341D: Tally-Vebar fine sandy loams, 2 to 12 percent slopes
297D: Cambeth, noncalcareous-Megonot complex, 15 to 25 percent slopes
44C: Farnuf loam, 2 to 6 percent slopes

Water: There is an undeveloped spring in the NESE.

Water Right(s) No water rights are filed with the DNRC on this tract.

Fences: Perimeter fence on west and south sides of four strand barbed wire with cross fence of three strand barbed wire through north half in northerly direction.

Land Description:

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

AUMs:	139	Acres Grazed:	640.00
Ac/AUM:	4.60	Other Acres:	0.00

Lessee: Janet K. and Robert Christensen

Amount:	\$821.49	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.28
		\$/Gross Acre:	\$1.28

Utilities Available: Tongue River Electric Co-op and Range Telephone Co-op have lines about 1-1/2 miles to the south of the property.

Comments: This tract is fenced into two separate pastures. Part of this tract is fenced in with Tract 290 and a portion of Tract 291.

Tract #: **290**

Legal Description: T3N, R48E, Section 14: All

Total Acres: 640

Access: Two track dirt trail

Location: 39 road and 27 air miles to south-southeast of Miles City

Terrain/Drainage: This tract is drained by Butte Creek, which flows through the north end.

Soils: 901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes
297C: Cambeth, noncalcareous-Megonot complex, 2 to 8 percent slopes
421D: Gerdrum-Creed complex, 4 to 15 percent slopes, gullied
577D: Lonna-Cambeth-Cabbart silt loams, 4 to 12 percent slopes
481A: Havre loam, 0 to 2 percent slopes, occasionally flooded

Water: A reservoir is located in the northwestern portion on Butte Creek and a well with windmill in the northeastern portion. The well has been redone and is considered fair by the lessee. It is powered by a windmill.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C 135798	Use		Butte Creek	4/15/1966	Stock	Dam
42C 135799	Use	10 GPM	Groundwater	08/01/1917	Stock	Well
42C-112031	Use	15 GPM	Groundwater	11-13-2000	Stock	Well
42C-54830	Use	12 GPM	Groundwater	11-08-1983	Stock	Well
42C-41883	Use	15 GPM	Groundwater	12-29-1981	Stock	Well
42C-41884	Use	15 GPM	Groundwater	12-29-1981	Stock	Well

Fences: There are no fences on this tract.

Land Description:

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

AUMs:	144	Acres Grazed:	619.00
Ac/AUM:	4.44	Other Acres:	21.00

Lessee: Janet K. and Robert Christensen

Amount:	\$851.04	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.38
		\$/Gross Acre:	\$1.33

Utilities Available: Tongue River Electric Co-op has a line 1 mile to the southwest and Range Telephone Co-op has a line about 2-1/2 miles to the south.

Comments: This tract is fenced in with other private and state lands.

Tract #: **291**

Legal Description: T3N, R48E, Section 13: All

Total Acres: 640

Access: Two track dirt trail

Location: 38 road and 27 air miles south-southeast of Miles City

Terrain/Drainage: This tract goes from rougher hilly terrain in the southwest to more open and sloping terrain with isolated hills

Soils: 901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes
297D: Cambeth, noncalcareous-Megonot complex, 15 to 25 percent slopes
191C: Archin-Gerdrum loams, 2 to 8 percent slopes
481A: Havre loam, 0 to 2 percent slopes, occasionally flooded

Water: There are some small reservoirs along Ash Creek through the northeast area. A well is located right on/or near the Section line in the NWNWNE. There was an older well to the west of this well.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C-135795-00	Use		Ash Creek	07/01/1955	Stock	Dam
42C-135796-00	Use		Ash Creek	07/01/1955	Stock	Dam
42C-135797-00	Use	10 GPM	Groundwater	08/01/1960	Stock	Well

Fences:

Land Description:

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

AUMs:	144	Acres Grazed:	632.00
Ac/AUM:	4.44	Other Acres:	8.00

Lessee: Janet K. and Robert Christensen

Amount:	\$851.04	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.35
		\$/Gross Acre:	\$1.33

Utilities Available: Tongue River Electric Co-op has a line about 2 miles southwest and Range Telephone Co-op has a line about 2-1/2 miles south.

Comments: This tract is fenced in with about 1/3, along with Tracts 290 and 292 in one pasture and the remainder of the eastern 2/3^{ths} with another pasture.

There is a set of corrals of pipe and steel posts located in the NWNWNE and NENENW of this section. The lessee put them in place as working corrals for this part of the ranch.

Tract #: **292**

Legal Description: T3N, R48E, Section 12: All

Total Acres: 320

Access: Two track dirt trail

Location: 39 road and 26 air miles south-southeast of Miles City.

Terrain/Drainage: Ash Creek flows through this parcel in a northwesterly direction from the southeast corner.

Soils: 421D: Gerdrum-Creed complex, 4 to 15 percent slopes, gullied
901C: Sonnett-Sonnett, thin surface, complex, 2 to 8 percent slopes
577D: Lonna-Cambeth-Cabbart silt loams, 4 to 12 percent slopes
532C: Kobase-Gerdrum silty clay loams, 2 to 8 percent slopes

Water: A well with windmill is located in the SESW. This well was drilled in the early 1980's.

Water Right(s)

Number	Type	Rate	Source	Priority	Use	Means
42C-54875-00		15 GPM	Groundwater	12/23/1983	Stock	Well

Fences: Fence on north end with fences on east acting as alley to the corrals on Tract 291.

Land Description:

Rangeland:	320.00 Acres
Roads, Waste:	0.00 Acres
Total:	320.00 Acres

AUMs:	79	Acres Grazed:	320.00
Ac/AUM:	4.05	Other Acres:	0.00

Lessee: Janet K. and Robert Christensen

Amount:	\$466.89	\$/AUM:	\$5.91
Expiration:	2/28/2009	\$/ Net Acre:	\$1.46
		\$/Gross Acre:	\$1.46

Utilities Available: Tongue River Electric Co-op has a line 3 miles to the southwest.
Range Telephone Co-op has lines 3-1/2 miles to the south.

Comments: This parcel is fenced in with other private and state lands.

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
7	\$224 to \$288
62	\$301 to \$416
64	\$158 to \$180
128	\$256 to \$352
129	\$275 to \$352
130	\$294 to \$371
131	\$211 to \$256
132	\$271 to \$346
233	\$134 to \$176
276	\$128 to \$160
286	\$192 to \$275
287	\$198 to \$250
288	\$186 to \$256
289	\$256 to \$307
290	\$256 to \$307
291	\$256 to \$307
292	\$128 to \$154
	\$3,948 to \$4,753

Hazards and Determents

The property is subject to all the anomalies that occur or are located in this area.

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.

Custer County has no zoning. The City of Miles City and those properties within a two mile boundary measured from the city limits of Miles City are subject to zoning regulations. 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 the dirt trails. None of the tracts have defined legal access.

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 one case, a portion, as a sorting/working area with a set of corrals. 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.

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, 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 Rosebud, Custer, and Powder River Counties that have occurred since 2000.

Adjustment Process

As discussed previously, the adjustment method utilized is the unit value method 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 (6) 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.

Time trends can be determined from pairings and from the re-sale of previously sold property. The sale and re-sales indicate the following.

Sales-Re-sales

8	17.6%	Compounded annually	3.3 years
9	5.9%	Compounded annually	1.8 years
12	9.4%	Compounded annually	10 years *
13	9.4%	Compounded annually	2.4 years
16	13.7%	Compounded annually	10 years
A)	13.6%	Compounded annually	2.4 years
B)	9.5%	Compounded annually	2.4 years

*Sale 12 would be at 16.2% compounded annually based on the fact that prices started to rise over a six year period.

The sales show rates from 5.9% to 17.6% with the more recent ones at 5.9% to 9.5%. There is support in the market for a continued 9.0% for the area to the south of the Yellowstone River for the smaller isolated tracts with a rate from 9.5% to 14% for contiguous ranches and smaller tracts with good access.

Rangeland Acre					
Date	#	\$/Acre	\$/Acre *	Access	Comments
10/04	1	\$282	\$305	Cty. Gravel	PTF
10/04	2	\$282	\$305	Dirt Road	Bordered
9/01	3	\$132	\$190	Dirt Trail	Bordered access
6/01	4	\$150	\$220	Cty. Gravel	
5/02	5	\$225	\$305	Cty. Gravel	
7/00	6	\$114	\$180	Dirt Trail	Easement in place, grass tract
6/01	7	\$130	\$190	Cty. Gravel	50% Non-fee grazing
7/02	8	\$265	\$360	Cty. Gravel	Recreational
5/04	9	\$150	\$170	Cty. Gravel	Private road through, grass tract
5/04	10	\$180	\$205	Cty. Gravel	
4/04	11	\$160	\$186	Priv. Gravel	Easement in place
6/01	12	\$148	\$220	Priv./Cty. Gravel	
3/05	13	\$110	\$120	Cty. Gravel	Most rangeland, trapped grass
9/03	14	\$118	\$145	Dirt Trail	Limited potential buyers, grass tract
9/02	15	\$142	\$190	Cty. Gravel	Large Ranch
5/05	16	\$178	\$190	Paved Highway	Large Ranch
3/05	17	\$182	\$194	Paved Highway	Large Ranch

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

Sale 14 borders Sale 15 on the north end. Sale 15 is a larger ranch and Sale 14 is a grass tract with access being limited. The overall difference is 20%. Some of this is due to other factors besides access. Access would account for at least one-half to two-thirds of the overall difference or approximately 10 to 15 percent. Sale 15 has a lot of river bottom lands that 14 does not. Sale 9 in comparison with Sale 14 would indicate about a 17% overall difference. Sale 9 had a higher impact from public access to a subdivision. Access would be under that percentage or 10% to 15% range.

Sale 6 in comparison with Sale 7 shows about a 6% difference or \$10 per acre, it is all deeded and has an easement in place. Sale 6 has some influence from the timber and recreational aspects. In comparison with Sale 14 it is above due to location and area by \$35 per acre or 23%.

In consideration for size, Sales 1, 2, 5, and 8 (\$305, \$305, \$305, and \$360 per acre and 664, 800, 319, and 640 acres in size) are influenced by being a rural residential/part time unit, headquarters, or heavy recreational influences. Sale 12 (\$220 per acre and 4468 acres) is located by Sales 1 and 2 and within 8 miles of Sale 8. Sale 10 (\$205 per acre and 640 acres) is located to the west of Sales 1, 2 and 8. Sales 9 (\$170 per acre and 3148 acres) and 11 (\$185 per acre and 1653 acres) are located within one mile of each other. Sale 9 had some impacts from the private road to the subdivision through the property. Sale 11 had better location on the creek and a private access easement. Sale 12 has lesser influence from an area subdivision along with hardly any timber on it. Thus, the size relationship is less than the physical amenities and locational influences. The larger ranches are all in the \$190 to \$194 per acre range. Thus, the size differential is harder to determine, but is supported at least at \$10 to \$25 per acre on some of the sales. The larger impact is in use, area, physical characteristics, and access.

Sale 12 in comparison with Sale 14, accounting for access at \$22 per acre, would indicate 12 at a better location and area versus 14.

There is a discount for access, although some tracts could have competition from a neighbor. The market indicates a range of 10% to approximately 15%. Sale 6 best sets the value, of which Tract 64 is slightly under, for some of the tracts. Tract 62 would be under in comparison to Tract 64 given its physical features and characteristics. Tract 64 is indicated at \$155 per acre. Tract 62, based on Sales 6, 7 and 13 would be at \$130 per acre. Considering the access in place under the hypothetical condition, Tract 64 is still limited and would be at \$175 per acre and Tract 62 is at \$140 per acre.

Tracts 288, 286, 190, 291, and 292 are similar in physical characteristics while Tracts 287 and 289 have more timber. Sale 4 (\$220/acre) exhibits both, but is influenced by the timbered central to east portions. Sale 5 is a part-time farm that is above the subject tracts. The larger ranches establish \$180 to \$200 per acre. This would set the upper end at \$150 to \$170 per acre. Sale 6 shows a discount and the subject tracts have no access. Sale 14 is the best indication with an adjustment of \$10 per acre for the contiguity or \$135 per acre for Tracts 288, 286, 290, 291, and 292. These tracts are supported at \$145 per acre in the hypothetical condition. Tracts 287 and 289 have a higher influence from the timber. They are supported at \$150 per acre in the "as-is". On the hypothetical basis, the access is precluded as legal along existing trails. The access is not equivalent to a county road or state highway and cannot be represented in the market as such. Sales 6 and 14 show about a \$35 per acre difference, of which 6 had legal access and 14 did not. This would indicate a percentage difference of 23%. Some of the difference can be with location and area along with physical characteristics. The difference between no legal access and a private easement would be still supported in the range of 10% to 15%. Thus, for Sale 6 the remainder difference would be attributable to the location to the buyer, timber, recreational uses, and some size. The smaller tracts with county road access demonstrate a range of \$220 to over \$300 per acre. The mentioned tracts would be under the \$220 to \$300 per acre range. The best support is the impact of an easement versus no easement. Tract 289 would be above Tract 287 for the access type and route. Tract 289 is indicated at \$175 per acre and Tract 287 is at \$165 per acre.

Tract 131 has similarities to Tracts 287 and 289, but with access being physically being more limited. It is indicated at \$135 per acre and \$145 per acre. Tracts 128, 129 and 130 are similar in most aspects with Tract 130 being closest to a county road. Utilizing previous analysis, Tracts 128 and 129 are represented at \$135 per acre while Tract 130 is at \$140 per acre. As with access considered Tracts 128 and 129 are at \$145 per acre and Tract 130 is at \$160 per acre.

Tract 233 would be similar to some of the timbered tracts as to physical characteristics. It is supported at \$145 per acre "as-is" and at \$165 per acre under the hypothetical condition. Tracts 7 and 276 are located in areas with higher recreational and subdivision influences. The prices, as adjusted for time, are from \$205 to \$360 per acre. Tract 7 borders of the \$300, as adjusted, sale, but is still isolated. The indicated value is at \$150 per acre "as-is" and with the hypothetical it is indicated at \$175 per acre. Tract 276 has locational advantages in the hypothetical, but no timber that the other sales have. It would be supported at \$140 per acre on an "as-is" basis and \$160 per acre based on the hypothetical condition.

Tract 132 is the only tract located to the north of the Yellowstone River. Values on ranch units have been from \$115 to \$169 per rangeland acre with most from \$115 to \$150 per acre. This tract would be best supported at \$98 to \$128 per acre based on the access and being an in-holding. The tract is supported at \$110 per acre with it being at \$125 per acre under the hypothetical condition.

Tract 233 is located to the south of the influence on Tracts 7 and 276. It is best supported by Sale 14 at \$145 per acre and \$170 per acre on the hypothetical. Tract 7 is supported at \$150 per acre based on the sales to the south and east. It is supported at \$180 per acre under the hypothetical. Tract 276 has no timber on it, but is close to a county road. It is supported at \$140 per acre and \$165 per acre.

Sales Comparison Approach Summary "As Is"

Tract # 7					
640.00	deeded (fee acres)	x	\$150	/acre	= \$96,000
Tract # 62					
640.00	deeded (fee acres)	x	\$130	/acre	= \$83,200
Tract # 64					
316.11	deeded (fee acres)	x	\$155	/acre	= \$48,997
	Round to				\$49,000
Tract #128					
640.00	deeded (fee acres)	x	\$135	/acre	= \$86,400
Tract #129					
640.00	deeded (fee acres)	x	\$135	/acre	= \$86,400
Tract #130					
640.00	deeded (fee acres)	x	\$140	/acre	= \$89,600
Tract #131					
640.00	deeded (fee acres)	x	\$135	/acre	= \$86,400
Tract #132					
629.48	deeded (fee acres)	x	\$110	/acre	= \$69,243
	Round to:				\$69,200

Tract # 233						
319.60	deeded (fee acres)	x	\$145	/acre	=	\$46,342
	Round to					\$46,300
Tract # 276						
320.00	deeded (fee acres)	x	\$140	/acre	=	\$44,800
Tract # 286						
640.00	deeded (fee acres)	x	\$135	/acre	=	\$86,400
Tract # 287						
640.00	deeded (fee acres)	x	\$150	/acre	=	\$96,000
Tract # 288						
640.00	deeded (fee acres)	x	\$135	/acre	=	\$86,400
Tract # 289						
640.00	deeded (fee acres)	x	\$150	/acre	=	\$96,000
Tract # 290						
640.00	deeded (fee acres)	x	\$135	/acre	=	\$86,400
Tract # 291						
640.00	deeded (fee acres)	x	\$135	/acre	=	\$86,400
Tract # 292						
320.00	deeded (fee acres)	x	\$135	/acre	=	\$43,200

Sales Comparison Approach Summary "Hypothetical Condition: Legal Access"

Tract # 7						
640.00	deeded (fee acres)	x	\$180	/acre	=	\$115,200
Tract # 62						
640.00	deeded (fee acres)	x	\$140	/acre	=	\$ 89,600
Tract # 64						
316.11	deeded (fee acres)	x	\$175	/acre	=	\$ 55,319
	Round to					\$ 55,300
Tract #128						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract #129						

640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract #130						
640.00	deeded (fee acres)	x	\$160	/acre	=	\$102,400
Tract #131						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract #132						
629.48	deeded (fee acres)	x	\$125	/acre	=	\$ 78,685
	Round to					\$ 78,700
Tract # 233						
319.60	deeded (fee acres)	x	\$170	/acre	=	\$ 54,332
	Round to					\$ 54,300
Tract # 276						
320.00	deeded (fee acres)	x	\$165	/acre	=	\$ 52,800
Tract # 286						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract # 287						
640.00	deeded (fee acres)	x	\$165	/acre	=	\$105,600
Tract # 288						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract # 289						
640.00	deeded (fee acres)	x	\$175	/acre	=	\$112,000
Tract # 290						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract # 291						
640.00	deeded (fee acres)	x	\$145	/acre	=	\$ 92,800
Tract # 292						
320.00	deeded (fee acres)	x	\$145	/acre	=	\$ 46,400

Reconciliation of Approaches to Value

The valuation approach used in this appraisal has produced the following indications of market value:

	<u>"As Is"</u>	<u>"Hypothetically"</u>
Sales Comparison Approach: # 7	\$ 96,000	\$115,200
Sales Comparison Approach: # 62	\$ 83,200	\$ 89,600
Sales Comparison Approach: # 64	\$ 49,000	\$ 55,300
Sales Comparison Approach: # 128	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 129	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 130	\$ 89,600	\$102,400
Sales Comparison Approach: # 131	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 132	\$ 69,200	\$ 78,800
Sales Comparison Approach: # 233	\$ 46,300	\$ 54,300
Sales Comparison Approach: # 276	\$ 44,800	\$ 52,800
Sales Comparison Approach: # 286	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 287	\$ 96,000	\$105,600
Sales Comparison Approach: # 288	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 289	\$ 96,000	\$112,000
Sales Comparison Approach: # 290	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 291	\$ 86,400	\$ 92,800
Sales Comparison Approach: # 292	\$ 43,200	\$ 46,400

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 \$115 to \$150/acre with the most similar sales from \$130 to \$160 per acre on sixteen tracts and \$98 to \$127 per acre for one tract. This approach was able to further isolate land and improvement differences along with 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 January 30, 2006 at:

Tract #	Estimated Market Value: "As Is"	Estimated Market Value: "Hypothetically"
7	\$96,000	\$115,200
62	\$83,200	\$ 89,600
64	\$49,000	\$ 55,300
128	\$86,400	\$ 92,800
129	\$86,400	\$ 92,800
130	\$89,600	\$102,400
131	\$86,400	\$ 92,800
132	\$69,200	\$ 78,700
233	\$46,300	\$ 54,300
276	\$44,800	\$ 52,800
286	\$86,400	\$ 92,800
287	\$96,000	\$105,600
288	\$86,400	\$ 92,800
289	\$96,000	\$112,000
290	\$86,400	\$ 92,800
291	\$86,400	\$ 92,800
292	\$43,200	\$ 46,400

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 #188RAG.

The market value, "As Is", on the State of Montana lands, as of January 30, 2006 is:

Tract #7

*****Ninety-Six Thousand Dollars****

(\$96,000.00)

Tract #62

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

(\$83,200.00)

Tract #64

***** Forty-Nine Thousand Dollars****

(\$49,000.00)

Tract #128

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #129

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #130

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

(\$89,600.00)

Tract #131

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #132

***** Sixty-Nine Thousand Two Hundred Dollars****

(\$69,200.00)

Tract #233

***** Forty-Six Thousand Three Hundred Dollars****

(\$46,300.00)

Tract #276

***** Forty-Four Thousand Eight Hundred Dollars****

(\$44,800.00)

Tract #286

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #287

***** Ninety-Six Thousand Dollars****

(\$96,000.00)

Tract #288

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #289

***** Ninety-Six Thousand Dollars****

(\$96,000.00)

Tract #290

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #291

***** Eighty-Six Thousand Four Hundred Dollars****

(\$86,400.00)

Tract #292

***** Forty-Three Thousand Two Hundred Dollars****

(\$43,200.00)

The market value, "Hypothetical Condition of Legal Access" on the State of Montana lands,
as of January 30, 2006 is:

Tract # 7

***** One Hundred Fifteen Thousand Two Hundred Dollars ***

(\$115,200.00)

Tract # 62

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

(\$89,600.00)

Tract # 64

***** Fifty-Five Thousand Three Hundred Dollars ***

(\$55,300.00)

Tract # 128

***** Ninety-Two Thousand Eight Hundred Dollars ***

(\$92,800.00)

Tract # 129

***** Ninety-Two Thousand Eight Hundred Dollars ***

(\$92,800.00)

Tract # 130

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

(\$102,400.00)

Tract # 131

******* Ninety-Two Thousand Eight Hundred Dollars *****

(\$92,800.00)

Tract # 132

******* Seventy-eight Thousand Seven Hundred Dollars *****

(\$78,700.00)

Tract # 233

******* Fifty-Four Thousand Three Hundred Dollars *****

(\$54,300.00)

Tract # 276

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

(\$52,800.00)

Tract # 286

******* Ninety-Two Thousand Eight Hundred Dollars *****

(\$92,800.00)

Tract # 287

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

(\$105,600.00)

Tract # 288

******* Ninety-Two Thousand Eight Hundred Dollars *****

(\$92,800.00)

Tract # 289

******* One Hundred Twelve Thousand Dollars *****

(\$112,000.00)

Tract # 290

******* Ninety-Two Thousand Eight Hundred Dollars *****

(\$92,800.00)

Tract # 291

******* Ninety-Two Thousand Eight Hundred Dollars *****

(\$92,800.00)

Tract # 292

******* Forty-Six Thousand Four Hundred Dollars *****

(\$46,400.00)

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