

APPRAISAL REPORT

Montana DNRC
Lewis & Clark County, Montana

Prepared for: State of Montana, Montana Board of Land Commissioners
Department of Natural Resources and Conservation (DNRC)
Helena, Montana

Date of Valuation: May 8, 2008

*Norman H. Lee, Appraiser
Blue Star Ranch
Seeley Lake, Montana*

Tract A
DNRC
Lewis & Clark County, Montana

Blue Star Ranch

Right-of-Way Appraisal Real Property Valuations

June 5, 2008

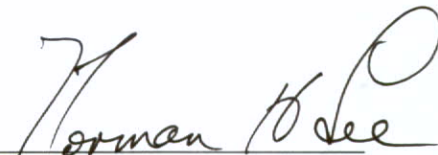
Montana DNRC
Tom Konency
P.O. Box 201601
Helena, MT 59620-1601

In accordance with our contract, I have prepared an appraisal report on property owned by the State of Montana. This property is located about three miles northeast of Wolf Creek, Montana. This report conforms to the Uniform Standards of Professional Appraisal Practice. The opinions stated in the report are based on my inspection of the appraised property and the comparable market data and information.

I have made a personal inspection of the appraised property, which is the subject of this report and all comparable sales used in developing the opinion of value. The last date of inspection was on May 8, 2008, and the method of inspection was on the ground as a personal inspection. In my opinion, as of May 8, 2008, the estimated market value of the subject property is:

With access:	\$600,000
Without access:	\$300,000

Respectfully submitted

By: 

Norman H. Lee
Appraiser, SR/WA, RW-AC
Montana State Certification: General RAG 323

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ADDENDA

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CERTIFICATION OF VALUE ESTIMATE AND APPRAISAL REPORT


I, the undersigned, do certify that to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- 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.
- the appraiser has no present, or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved.
- the compensation received by the appraiser for the appraisal is not contingent on the analysis, opinions, or conclusions reached or reported
- the appraisal was made and the appraisal report prepared, in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*
- the appraiser has made a personal inspection of the property appraised and that the property owner, or his/her designated representative, was given the opportunity to accompany the appraiser on the property inspection
- no one, other than Bill Wisner, has provided significant real property appraisal assistance to the appraiser. Mr. Wisner assisted in researching comparable sales data.

I have made a personal inspection of the appraised property, which is the subject of this report and all comparable sales used in developing the opinion of value. The last date of inspection was on May 8, 2008, and the method of inspection was on the ground as a personal inspection. In my opinion, as of May 8, 2008, the estimated market value of the subject property is:

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Appraised:

Surface rights of the State of Montana tract located about three miles northeast of Wolf Creek, Montana.

Owners:

State of Montana

Highest and Best Use; With and Without Legal Access:

Agricultural: Native grazing land with scattered trees

Total Area Appraised:

600.04 acres, more or less, acres

Improvements:

There are no improvements on this tract.

Date of Valuation:

May 8, 2008

Date of Report:

June 5, 2008

Final Value Estimate

Value with legal access	\$ 600,000
Value without legal access	\$ 300,000

PHOTOGRAPHS



Overall view of the subject property looking southerly from the north property line. Photo taken by Bill Wisner and Norm Lee. GPS 47°3'49"N 112°1'42"W



Overall view of the subject property looking southwesterly from the north property line. Photo taken by Bill Wisner and Norm Lee.
GPS 47°3'49"N 112°1'42"W



Overall view of the eastern portion of this tract looking westerly from the eastern property line. Photo taken by Bill Wisner and Norm Lee.
GPS 47°3'27"N 112°1'20"W



Photo of the access road crossing over the Dearborn Ranch property leading to the subject property. Photo looking easterly from the entrance gate along Highway 287. Photo taken by Bill Wisner and Norm Lee. GPS 47°3'35"N 112°2'28"W

LEGAL DESCRIPTION

T. 15 N., R. 3 W., PMM, Lewis & Clark County, Montana

Section 18: Lots 1, 2, 3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

PURPOSE AND SCOPE OF THE APPRAISAL

The purpose of this appraisal is to provide the clients with a credible opinion of current fair market value of the appraised subject property and is intended for use in the decision making process concerning the potential sale of said subject property. The estate appraised is fee simple subject to any outstanding rights or reservations. The scope of this appraisal is the evaluation of the fee simple ownership and property rights. The scope of the appraisal includes the investigation and analysis of comparable sales and other market information pertinent to the valuation of the subject and the rights of ownership.

This report is a **Summary Appraisal** format. It is in sufficient detail that the reader will be able to follow the appraiser reasoning. Additional data is within the appraiser's

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files.

Scope of Work

The appraiser will perform a narrative appraisal report that conforms to the Uniform Standards for Professional Appraisal Practice, 2008 (USPAP)

The appraiser has completed a field inspection of the subject property and all market evidence used in the appraisal. The appraisal will include a description of the comparable market data, including grantor, grantee, date of sale, sale price, terms, location, etc. The analysis will discuss the similarities and differences between the subject and the comparable market data along with the supporting criteria for any adjustments. Detailed inspections of the subject properties and relevant market data are performed as part of the appraisal assignment. The appraisal report is in a summary format. The fractional use of any portion of the report without proper consideration being given to the entire report is prohibited. No one, other than the intended user, may rely on any portion of this appraisal report.

INTENDED USE AND USER OF THE APPRAISAL

The client is limited to the State of Montana, Montana Board of Land Commissioners, and Department of Natural Resources Conservation (DNRC). They will use the appraisal in the sale of the subject property. The DNRC is the intended user of the appraisal. This appraisal may be made available to the property owners or others through the financing, legal or record keeping process. Although this report will be made available to others, they do not become intended users of the report by virtue of possession of the report.

DEFINITIONS

Unless otherwise stated, all definitions in this report are from the Dictionary of Real Estate Appraisal, Third Addition, 1993, Appraisal Institute, or from the Uniform Standards of Professional Appraisal Practice as published by the Appraisal Foundation.

Definition of Market Value

Current fair market value. (MCA 70-30-313) Current fair market value is the price that would be agreed to by 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.

Another market value concept considered is found in the Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference, 2000. It is as follows:

“Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”

The Uniform Standards of Professional Appraisal Practice (USPAP), published by the Appraisal Foundation defines market value as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is that consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Appraisal Institute defines market value as follows:

The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fundamental assumptions and conditions presumed in these definitions are:

1. Buyer and seller are motivated by self-interest.
2. Buyer and seller are well informed and are acting prudently.
3. The property is exposed for a reasonable time on the open market.
4. Payment is made in cash, its equivalent, or in specified financing terms.

Specified financing, if any, may be the financing actually in place or on terms generally available for the property. The effect, if any, on market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal.

These definitions of market value are essentially equivalent and together form the definition of market value used in this report.

It is the responsibility of the appraiser to assure that the client understands the difference between the technical definition and a lay person's common perception of the definition. The following aspects of market value are assumed.

Market value is an economic concept based on the notion of trading one thing for another according to an agreed-on element of exchange such as money, services, goods, or real estate.

Market value is not the same as either "price" or "cost".

Market value assumes that a marketplace exists in which privately owned properties can be traded and that government supports and encourages, but also regulates (and therefore contributes to), the private market and the ownership of property.

Market value is based on values established by transactions between independent parties, and is the equitable standard for determining value between such parties when voluntary negotiation is not possible.

The market determines market value, even when it is not possible to precisely define the nature or extent of that market.

Definition of Fee Simple Title

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.¹ The subject is currently rented. The estate appraised is assumed to be fee simple. The current landowner will reserve the mineral rights.

Definition of Easement

A right created by grant, reservation, agreement, prescription, or necessary implication, which one has in the land of another.²

Definition of the Larger Parcel

The larger parcel is defined as that tract, or tracts, of land which posses a unity of

¹ The Dictionary of Real Estate Appraisal, Second Edition, page 120

² The Real Estate Dictionary, Seventh Edition, page 70

ownership and have the same use, or an integrated, highest and best use. Elements that are considered are contiguity as it bears on the highest and best use of the property, unity of ownership, and the unity of highest and best use.³

The larger parcel is considered to be the described tract.

Definition of Extraordinary Assumption

An Extraordinary Assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion or conclusions.⁴

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Definition of Hypothetical Condition

A hypothetical condition is contrary to what exists but is supposed for the purpose of analysis.

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.⁵

A "hypothetical assumption" is made that legal access to the subject property is in place for the described area in the first portion of this analysis.

CONTINGENT AND LIMITING CONDITIONS

The appraiser made no surveys and all supplied measurements are believed to be reasonably correct. It is assumed that all of the subject property will be acquired as a part of this project.

The appraiser assumes no legal responsibility for title opinion.

The property has been appraised as if free and clear of encumbrances and is under responsible ownership and competent management.

³ Real Estate Valuation in Litigation, Second Edition, page 75

⁴ Uniform Standards of Professional Appraisal Practice, 2008-2009 Edition, page U-3

⁵ Uniform Standards of Professional Appraisal Practice, 2008-2009 Edition, page U-3

Information furnished by others has been checked for accuracy and is assumed to be correct.

The report has been prepared for a definitely defined purpose and is to be considered in its entirety. The distribution of value between various parcels of land, and improvements, applies to the stated program of utility, and is invalid if used in any other context.

For the purposes of this appraisal assignment only, the property being appraised may be in a "clean" condition as accepted by the general real estate market. I am not a hazardous material expert and a Phase One environmental inspection is suggested.

Possession of this report, or a copy, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser.

The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in appearance in court with reference to the property in question unless arrangements have been previously made.

Since the basis of this appraisal assumes that the subject property has legal access therefore a "hypothetical assumption" is made that legal access to the subject property is in place for the described area in the first portion of this analysis.

The liability of Blue Star Valuation Services and Norman H. Lee is limited to the client and to the fee collected. Further, there is no accountability, obligation, or liability to any third party. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies of any type present in the subject property; including physical, financial, and legal.

REFERENCES

Lewis & Clark County Records
Helena, Montana

Teton County Records
Choteau, Montana

Lewis & Clark County Extension Office
Helena, Montana

Teton County Extension Office
Choteau, Montana

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Stan & Pete Rasmussen
Rasmussen Realty
Choteau, Montana

Jim Bouma
Real Estate Sales
Choteau, Montana

Milford Colony/Elk Creek Colony
Wolf Creek, Montana

Glacier County Records
Cut Bank, Montana

Duane Paddock
Farmer/Rancher
Fairfield, Montana

Keith Harris
Farmer/Rancher
Fairfield, Montana

Frank Dellwo
Farm/Ranch manager
Augusta, Montana

Raymond Goff
Farmer/Rancher
Simms, Montana

Buyers and sellers of real estate.

AREA DATA

The subject is located in west central Montana, in Lewis & Clark County. The subject is located in the northern area of the county about three miles northeast of the small community of Wolf Creek. Wolf Creek is the closest community for local trade and service for the general area. All major services including air travel are located in Great Falls and Helena.

Local, state, and Federal roads and highways provide good access to the area. State Highway 287 provides the north-south access. All major services including air travel are located in Great Falls and Helena.

The area now known as Lewis & Clark County, located in west central Montana,

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attracted its first settlers with its rich placer gold deposits. The Sun River comprises the northern boundary of the county, and a chain of bodies of water, including a portion of the Missouri River, Holter Lake, Lake Helena, Hauser Lake, and part of Canyon Ferry Lake traverse the eastern section of the county from north to south. Portions of the Helena and Flathead National Forests blanket nearly half the county. The Continental Divide of the Rocky Mountains runs down the center of Lewis and Clark County.

Traditionally, agriculture has been the base for the area's economy. Lewis & Clark County has 3,498 square miles. There is a recreation influence that includes hunting, fishing, camping, snowmobiling, and water sports.

According to the Census of 2005 Lewis & Clark County has a population of 58,449 people. The 2000 census showed population of 55,716. The population increased 4.9 percent from 2000 to 2005. Both household and per capita income is above the statewide average.

In summary, agriculture, tourism, recreation, and the demand for scenic rural land fuel the economy of the area with esthetic amenities such as view and water frontage.

MARKET AREA DATA

The subject parcel is located in a primarily agricultural area with some limited recreational uses. This market includes various size tracts. The market area considered in this appraisal is west central Montana.

PROPERTY DESCRIPTION WITH LEGAL ACCESS

The subject property is located about located about three miles northeast of Wolf Creek, MT.

Diary of Work

Since April 1978, I have investigated and analyzed sales in Montana. From the fall of 1995 to the present, my transaction investigation was specifically targeted throughout Montana.

On May 8, 2008, I made an inspection of the property accompanied by D.J. Bakken, Helena Unit Manager, DNRC, and Bill Wisner, with Blue Star Valuation. Photographs were taken. This is the date of value.

Description of the Property

Size: The subject site contains 600.04 acres, more or less.

Location: This parcel is about three miles northeast of Wolf Creek, Montana.

Access: Access to this tract is by a trail type two-track road. It is less than one-tenth of a mile from Highway 287. There is a hypothetical assumption that this is legal access.

Topography: The topography is mostly rolling to sloping.

Vegetation: This tract is all native range land with some non-commercial timber.

Productivity: Based on the Montana GIS site this tract has an estimated carrying capacity of 3.3 acres per AUM for a total of 182 AUMs.

Soils: The soils on this tract are loams, stoney loam, complex type soils, and rock outcrop. These soils are suited to rangeland.

Water: There is a stock tank that is spring that fed. This spring supplies year round water.

Neighborhood: This is a rural agricultural neighborhood with some recreational influence for hunting.

Utilities: Utilities are available along the highway about one-quarter mile away.

Improvements: There are no improvements on this tract.

Amenities: The amenities include some recreational hunting and a good view of the Rocky Mountain Front to the west.

Zoning: None

Marketing Time

Marketing time is estimated to be six to nine months based on discussions with realtors and MLS data.

Rental History

Dearborn River Ranch LLC currently uses the subject property for grazing purposes. The terms of this usage provide an economic return to the owner. However, the value of the subject is for a mainly non-economic use.

Assessed Value and Annual Tax Load

The assessed value of the subject property is \$27,099. The estimated annual tax load of the subject property is not known.

Zoning, Outstanding Rights and Reservations

The County, along with the State agencies, does have regulatory control over the subject property for sanitary and environmental purposes.

A title status report was not provided to the appraiser. A search of the County records did not indicate any outstanding rights or reservations that would affect value. For the purpose of this appraisal assignment the subject property is considered free and clear and available for sale subject to normal easements.

Hazardous Materials

During the inspection of the subject property no hazardous materials were noted. For the purposes of this appraisal assignment only, the property is appraised as if in a "clean" condition as accepted by the general real estate market. I am not a hazardous material expert and a Phase One environmental inspection is suggested.

Sales History

The subject property has been under the control of the State of Montana DNRC Trust Land Management for over ten years. There are no options or contracts for purchase on the property. There are no other sales or listings that affect value.

HIGHEST AND BEST USE DISCUSSION WITH LEGAL ACCESS

The highest and best use is defined as:

The use of the ownership which may reasonably be expected to produce the greatest net return over a given period of time; the most profitable legal use to which a property can be put.

I analyzed both the subject property and the market data that reflects the interaction of buyers and sellers in the local real estate market. This data is now used to form a conclusion as to the subject's highest and best use. Highest and best use is pivotal in the valuation process because it focuses remaining analysis on a specific use.

The subject is not located within any city limits but is subject to county regulations.

The four considerations used in analyzing a site's highest and best use are:

- 1) Possible use - Those uses, which are physically possible.
- 2) Permissible uses - Those uses, which are legally permitted or not precluded by public or private restrictions. Also considered is existing and potential zoning changes.
- 3) Financially feasible - The possible and permissible uses that will produce a net return to the owner of the site.
- 4) Maximally productive - Among the financially feasible uses, which use will produce the highest net return or the highest present worth.

The subject property's location, access, physical features, amenities, size, shape, soils, and utilities are factors that are considered in making the highest and best use analysis. In most areas, the highest and best use of an ownership is determined by its physical characteristics and by its neighborhood. The subject property's neighborhood is a combination of recreational and agricultural. These uses are what support the area's land values. Economic considerations, as reflected by the demands of investors and

purchasers in the market, are also considered.

Highest and best use generally falls into one of the following broad categories: industrial, commercial, agricultural, residential, and recreational. All of these uses are considered to have **physically possible and legal** potential.

Commercial and industrial uses are not considered this property does not offer any outstanding amenity that supports a typical commercial or industrial use. An agricultural use is legal, physically possible and produces an economic return. Recreation and rural-residential uses are considered because they are legally possible and financially feasible.

The subject is located in an area of rural agricultural grazing land with recreational influence. This is the use that yields the highest value. A rural tract designation encompasses all of the uses and recognizes that a tract will not command a higher value than "competing" properties will sell for with a similar use potential. The **highest and best use** is a rural tract with agricultural use as grazing land with recreational influences. This is the use that is **maximally productive**.

APPRAISAL APPROACHES

Three approaches to value are normally used. These are the Sales Comparison Approach, Income Capitalization Approach, and the Cost Approach. Following is a short discussion of each approach and how they apply to this appraisal.

Sales Comparison Approach

The sales comparison method of estimating value consists of making comparisons between the subject property and other properties which have sold on the open market and which have similar characteristics. However, since no two properties are identical, adjustments are required to achieve comparability and to provide the best indications of value. This approach is used in determining the value.

Cost Approach

The cost approach to value is an estimate of the current reproduction cost new of the improvements, less the accrued depreciation, to which is added the comparative value of the underlying land.

The estimate of the reproduction cost is based on the current cost of labor and materials for construction of the subject improvements. From the cost new estimate, a deduction is made for all forms of depreciation. Depreciation includes physical deterioration, economic obsolescence, and functional obsolescence.

Physical deterioration is the adverse effect on value caused by deterioration as a result

of wear and tear and disintegration. Functional obsolescence is the adverse effect on value resulting from defects in design that impairs utility. It may also result from changes in the current standards of use. Economic obsolescence is loss in value from sources outside the property.

Because there are no improvements on this tract, the Cost Approach will not be used in this appraisal.

Income Capitalization Approach

The income capitalization approach entails a determination of a net income stream and capitalization into a value indication. Limited data could be derived from the market to permit using this approach. This approach is used in determining the value.

MARKET ANALYSIS

The purpose of the market analysis is to lay the basis for adjusting the price of comparable sales to an indication of subject value. Since the sales are not identical to the subject, differences that may affect value must be analyzed. In the investigation of this market area and during discussions with buyers, sellers, developers, and realtors, I determined that time, location, access, size, physical features, recreational amenities, and overall development potential have an effect on market value. Most of these characteristics cannot be isolated into separate increments of value. While all these characteristics influence value, it is their combined effect in the typical buyer's eyes that affect his decision to buy and help determine what price he will pay.

Also considered in any appraisal assignment are the real property rights conveyed, the financing terms, and the condition of sale or motivation.

The purpose of analyzing comparable data is to determine which elements of comparison affect value and to what extent. Adjustments account for individual differences between the subject and comparable sales. There is limited sales data in this area.

Property Rights Conveyed

The value of real estate varies according to the rights conveyed. For this reason adjustments are sometimes required. All of the comparable sales used in this analysis conveyed fee-simple title. An adjustment is made to the sales to arrive at a surface-use value where required. Any property rights that have already been transferred on the sales and subject are also analyzed. These are discussed on a case by case basis.

There is little or no value placed on the sub-surface rights. There does not appear to be any difference between sales with and without mineral rights. There is not enough data to quantify any difference. There is no economic mineral activity in this market area.

Financing Adjustment

The definition of market value used in this appraisal is based on a cash or cash equivalent transaction. Unusual financing may cause the reported price to be higher or lower than what would have occurred with a cash transaction. All of the comparable sales used in this report were for cash or on terms reasonably equivalent to cash. Any effect financing may have had on the sale price would be slight and is discussed with the analysis of the individual sale.

Condition of the Sale (Motivation)

This adjustment generally relates to the motivation of buyer and seller and its influence on the reported value. Transactions exhibiting extreme motivations of either party have been eliminated from consideration.

Time or Market Condition

Traditionally, time has had a significant affect on value. Real estate markets are dynamic. As a result of the changes in market demand, information from one time period may not be indicative of conditions in another. Over time, the market for specific properties will reflect these changes. Accordingly, adjustments to the comparable data may be necessary to accurately mirror the current market

Discussions with realtors, developers, and other appraisers indicate that there has been stable to a small appreciation in land values over the past two years. Additional data for a time adjustment was found in the Montana Agricultural Statistics. These statistics show a statewide appreciation in land values. These statistics show a substantial increase in values for all classes of agricultural over the past three years. However, these increases include changes in land use and influence from non-agricultural buyers. The same demand is not found in the eastern area of the state as is found in the western area because the demand is not the same. This is evidenced by the population decrease in eastern Montana and the population increase in the western area. Based on the above discussion, an overall rate of six percent per year will be used.

Location

Typically, the location adjustment refers to those elements outside of the subject property that have an affect on the subject's value. They include the distance to major population centers and the overall popularity of the area. Normally, properties closer to a large population center would have a higher value. All of the sales are in the same general area. There is not enough market data to specifically calculate any adjustment.

Access

Access is one of the important contributing, and limiting, factors to value. Good road

access contributes to value. Paved access is favored over gravel or dirt road access. Public maintained access would be favored over private access. Properties without legal access usually have a lower potential utility. Internal access is also considered. Any adjustment will be made on an individual basis.

Size

The typical real estate market recognizes that larger properties sell for less per unit than smaller sites. However, this adjustment is nominal in an agricultural market. There is an "economy of scale" that could favor larger tracts. This depends upon the market demand, the use of the property, and the location of the property

Physical Features (Topography, Vegetation, etc.)

Tracts with more gentle topography are easier to develop than sites with steeper slopes. Agricultural properties with higher productivity and better soils generally bring a higher price than land with lower productivity. The ratio of cropland to grassland also has an effect on value. Tracts with only small amounts of either cropland or grassland may exhibit a lower value for those components because they are not economic to utilize.

Zoning and Highest and Best Use

Zoning is both a limiting and stabilizing force. Effective zoning adds to the homogeneity of the area and supports property values. In this market area, zoning is not a factor because it is not zoned.

Amenities

The aesthetics of the surrounding area, including view, proximity to mountains, lakes, rivers, etc., also affect value. In this area recreational value for hunting and fishing has a market influence. This adjustment is made on a subjective basis.

Improvements

An attempt has been made to utilize only land sales. Comparable sales that include improvements have had the estimated value for the land alone abstracted from the sale price to arrive at an estimated value of these improvements. The abstracted value of the improvements has also been derived from interviews with the grantor and grantee, use of a cost manual and the estimated depreciation, and abstraction from other comparable sales.

Overall Adjustments

The typical real estate market usually provides an adequate database to quantify the above adjustments. Because of the paucity of data in these type properties, it is impossible to isolate the absolute magnitude of adjustments with paired sales analyses.

Therefore, adjustments made during the comparison of sales and subject is indicated on a plus or minus basis.

A comparative adjustment grid will be found at the end of the Land Valuation Comparison in the Cost Approach and the Sales Comparison Approach to Value. This method of analyzing sales data utilizes a subjective analytical process rather than a purely mathematical one. Presentation of the data in this manner should not be interpreted as being mathematically precise.

The Valuation Summary grid is used to display information on the comparable sales. This is a tool by which the appraiser applies knowledge gained from the available market data as well as an extensive background in appraising unique and unusual properties. The adjustment grid is useful to the reader when it is looked upon as a way of organizing thoughts and factual data which is used in the valuation process.

SALES COMPARISON APPROACH TO VALUE WITH LEGAL ACCESS

A search of the Glacier, Teton, and Lewis & Clark County records was conducted to find recent land transactions in the area of the subject property. Other reliable sources were also contacted for information on transactions. All transactions used were verified with the Grantor, Grantee, or agent who had knowledge of same as to the correct consideration in terms of cash and other items pertinent to the transactions. Transactions that did not appear to be "arms-length" transactions, or were not legitimate for other reasons, were disregarded.

Comparable Sales Discussion

Sale 1 GL-07-04

Date: June 2007 Size: 499.22 acres
Overall Sale Price: \$74,884; \$150 per acre

Time: Time favors the subject because this sale is about twelve months old. A plus six- percent adjustment is made.

Location: The sale is about thirteen-miles southwest of Cut Bank. The subject is favored because it is about three miles northeast of Wolf Creek and substantially closer to a large population base.

Access: Access to the sale is by dirt trail. Access to the subject is considered similar. No adjustment is made.

Topography: The sale has undulating to rolling topography. The subject is considered similar in utility.

Vegetation: This sale is all native rangeland. Overall, this is similar to the subject.

Productivity: This sale has an estimated grassland carrying capacity of 2.7 acres per AUM. The subject has an estimated grassland carrying capacity of 3.3 acres per AUM. The sale's grassland is eighteen percent more productive than the subject is. A small minus adjustment is made.

Soils: Soils on this sale are similar in utility to the subject.

Size: Size is considered similar in this market.

Water: There are two stock ponds on this sale. The subject is considered similar with a spring fed stock tank.

Neighborhood: This sale is an agricultural neighborhood. The subject is favored because it is in an agricultural/recreational neighborhood.

Utilities: Utilities are along the road adjacent to the sale. There are utilities along the roadway about one-tenth mile from the subject. No adjustment is made.

Improvements: There are no improvements on the sale. This is similar. No adjustment is made.

Amenities: The sale has limited amenities. The subject has some recreational hunting and a good view of the Rocky Mountain Front to the west. The subject is favored

Zoning: There is no zoning on this sale. This is similar to the subject.

Overall: The subject is superior to this sale because of time, location, neighborhood, and amenities. When considering each attribute amenities carry more weight. After a six- percent adjustment for time is made this sale indicates a subject value of more than \$159 per acre.

Sale 2 GL-07-03

Date: January 2007 Size: 311.4 acres

Overall Sale Price: \$115,000; \$369.30 per acre

Time: Time favors the subject because this sale is about sixteen months old. A plus eight- percent adjustment is made.

Location: The sale is about twenty three miles southeast of Browning. The subject is about three miles northeast of Wolf Creek. Location favors the subject because it is substantially closer to a large population base. A plus adjustment is made.

Access: Access to the sale is by dirt trail. The subject is considered to be similar.

Topography: The topography is undulating to rolling. The subject is similar in utility.

Vegetation: This sale has 48.23 acres of dry cropland (15%) and 263.17 acres of grassland. Land use favors the sale (15% vs. 0%). A minus adjustment is made.

Productivity: The sale has an estimated grassland carrying capacity of 2.3 acres per AUM. The subject has an estimated grassland carrying capacity of 3.3 acres per AUM. The grassland carrying capacity favors the sale because it is 30 percent more productive than the subject.

Soils: Soils on this sale are similar in utility to the subject.

Size: Size is considered similar to the subject in this market.

Water: Black Hill Creek runs through this sale. There is a spring fed stock tank on the subject. A minus adjustment is made.

Neighborhood: This sale is an agricultural neighborhood. The subject is favored because it is in an agricultural/recreational neighborhood.

Utilities: Utilities are available to this sale along the roadway. The subject is similar.

Improvements: There are no improvements on this sale. The subject is similar. No adjustment is made.

Amenities: The sale has limited amenities. The subject has a view of the Rocky

Mountain front and some recreational hunting. A plus adjustment is made.

Zoning: There is no zoning on this sale. This is similar to the subject.

Overall: Overall the subject is superior to this sale based on time, location, and amenities. When considering each attribute amenities carry more weight. After a time adjustment of plus eight percent is made, this sale indicates a subject value of more than \$399 per acre.

Sale 3 LC-06-02

Date: November 2006 Size: 868.95 acres

Sale Price: \$1,350,000; \$1,553.60 per acre

Time: The subject is favored because this sale is about eighteen months old. A plus nine- percent adjustment is made.

Location: This sale is about thirteen miles northwest of Helena, Montana and about 25 miles southwest of the subject. A minus adjustment is made.

Access: Access to the sale is by an unmaintained dirt road. The subject is similar. No adjustment is made.

Topography: The sale is mostly rolling. The subject is similar in utility.

Vegetation: This sale has 493.78 acres of timberland (57 %) and 375.17 acres of grassland. Land use favors the sale because it has commercial timber. No timber cruise is available but the inspection showed that there is some commercial timber along with enough timber to provide a variety for development purposes. A minus adjustment is made.

Productivity: The native grassland on this sale has an estimated carrying capacity of 3.1 acres per AUM. The subject is considered similar with an estimated 3.3 acres per AUM carrying capacity.

Soils: Soils on this sale similar in utility to the subject.

Size: Size is considered similar to the subject in this market.

Water: This sale has a year round creek and spring. The subject is considered slightly inferior with a spring fed stock tank.

Neighborhood: The sale is in an agricultural/recreational/residential neighborhood. Much of the neighboring area has been subdivided into 20-acre sites. The subject is in an agriculture/recreational neighborhood. A minus adjustment is made.

Utilities: This sale has utilities available along the roadway. The subject is similar.

Improvements: There are no improvements on this sale. The subject is similar.

Amenities: The sale has recreational hunting and a view of the Rocky Mountains.

Overall the subject is considered similar.

Zoning: There is no zoning on the sale. The subject is similar.

Overall: Overall the subject is inferior to this sale for location, land use water, and neighborhood. After a time adjustment of plus nine percent (\$140), this sale indicates a subject value of less than \$1,694 per acre.

Sale 4 TN-05-02

Date: November 2005 Size: 817.84 acres

Overall Sale Price: Bracketed between \$1,700,000 and \$1,650,000; \$2,042.84 per acre
 Abstracted dry cropland: \$2,500 per acre
 Abstracted grassland: \$2,000 per acre

All parties to this transaction signed a confidentiality contract. The price of this transaction was bracketed as per discussions with

purchased this property. This tract was not purchased for agriculture purposes.
 owns properties adjacent to this tract.

Time: Time favors the subject because this sale is about two and a half years old. A 15 percent adjustment is made.

Location: The sale is about fifteen and one-half miles west of Choteau, MT. The sale is about 50 miles northwest of the subject. Overall location is similar.

Access: Access to the sale is by county gravel road. Access favors the sale because the subject has dirt road access.

Topography: The sale is gently rolling. The sale is favored because it has more gentle slopes.

Vegetation: According to the FSA this sale has 70.10 acres of dry cropland and 747.74 acres of grassland. Land use favors the sale because it has cropland.

Productivity: The sale's dry cropland has an estimated 1.0 tons of hay per acre and an estimated grassland carrying capacity of 3.3 acres per AUM. The subject's grassland carrying capacity is estimated to be 3.3 acres per AUM. The grassland carrying capacity is similar.

Soils: Soils on this sale are Rothiemay clay loam, Rothiemay-Niart gravelly clay loams, Rothiemay-Delpoint gravelly loam, Cabbart-Delpoint loams, Delpoint-Cabbart-Rootel loams, Marmarth-Delpoint-Cabbart-Crago complex- these soil types are suited to dry crop, irrigated crop, and range. The subject is similar in utility.

Size: Size is considered similar to the subject in this market.

Water: The sale has small creek that flows year round through this tract. The sale is favored because it has a year stream while the subject has a more limited water supply.

Neighborhood: This sale is an agricultural and recreational neighborhood. The subject is similar.

Utilities: There are utilities that are readily available to this sale. The subject is similar.

Improvements: There are no improvements on this sale. No adjustment is made.

Amenities: The sale has recreational hunting amenities and a view of the Rocky Mountain Front. Also this sale is located next to the Nature Conservancy Preserve.

purchased this property. This tract was not purchased for agriculture purposes. owns properties adjacent to this tract and motivation was a significant factor in this purchase. The sale is favored because the sale's amenities and the buyer's motivation.

Zoning: There is no zoning on this sale. This is similar to the subject.

Overall: The sale is favored in access, land use, water, and amenities and motivation. The subject is superior to this sale based on time. This sale indicates a subject value of less than \$2,349 per acre.

Sale 5 LC-07-01

Date: September 2007 Size: 80 acres
 Sale Price: \$250,000; \$3,125 per acre
 Adjusted sale price per acre; \$3,038 per acre

Time: The subject is favored because this sale is about ten months old. A plus five-percent adjustment is made.

Location: This sale is about four miles northwest of Wolf Creek, Montana and about six miles west of the subject. Location is similar to the subject.

Access: Access is by an unmaintained dirt road. Access to the subject is similar.

Topography: The sale is rolling to sloping. The subject is similar in utility.

Vegetation: This sale has 79 acres of timbered grassland and one acre of building site. Land use is similar. No adjustment is made.

Productivity: The sale has an estimated grassland carrying capacity of 3.0 acres per AUM. The carrying capacity is considered similar.

Soils: Soils on this sale are similar in utility.

Size: The subject has 80 acres compared to the subject's 600.04 acres. A substantial minus adjustment is made because the sale is about one-eighth of the subject's size.

Water: There is a small creek that goes through this sale. There is a spring fed stock tank on the subject. A small minus adjustment is made.

Neighborhood: This sale is in a recreational/residential neighborhood. The subject is in a rural agriculture and recreational neighborhood. A minus adjustment is made.

Utilities: Utilities are available to this sale along the roadway. The subject is similar.

Improvements: The improvements on this sale have been abstracted out. The subject has no improvements. No adjustment is made.

Amenities: The amenities of this sale include a view of the Rocky Mountains and limited recreational hunting. The subject is similar. No adjustment is made.

Zoning: There is no zoning on the sale. The subject is similar.

Overall: Overall the subject is inferior to this sale based on size and neighborhood. After a time adjustment of plus five percent (\$152) is made this sale indicates a subject value of less than \$3,190 per acre.

Comparable Sales Conclusions

Five sales were used in the valuation of subject land. The Comparable Sales Summary on the facing page summarizes the adjustments. Sale 1 is considered to be inferior to the subject based on the adjustments for time, location, neighborhood, and amenities. Sale 2 is considered to be inferior to the subject based on time, location, neighborhood, and amenities. Sale 2 is superior in land use and productivity. Overall, Sale 3 is considered superior to the subject because of the location, land use, water, and neighborhood adjustments. Sale 4 is superior to the subject in access, land use, water, and amenities and motivation. Sale 5 is considered to be superior to the subject based on water, size, and neighborhood adjustments. Logically the subject's value is bracketed between Sale 2 (\$378 per acre) and Sale 3 (\$1,694 per acre). No one sale is

SALES COMPARISON VALUATION ADJUSTMENT SUMMARY WITH LEGAL ACCESS

Tract A

<i>Sale Number</i>	<i>Subject</i>	<i>Sale 1</i>	<i>Sale 2</i>	<i>Sale 3</i>	<i>Sale 4</i>	<i>Sale 5</i>
Sale Price per acre		\$150	\$369	\$1,554	\$2,043	\$3,038
<u>Qualitative Adjustments:</u>						
Time Adjustment	Current	June '06 + 6%	January '07 + 8%	November '06 + 9%	November '05 + 15%	September '07 + 5%
Location Adjustment	3 NE of Wolf Creek	80 mile N +	75 miles N +	25 mile SW -	50 miles NW 0	6 miles W 0
Access Adjustment	Dirt road	Dirt trail 0	Dirt trail 0	Dirt road 0	Gravel road -	Dirt road 0
Topography Adjustment	Rolling to sloping	Undulating to rolling 0	Undulating to rolling 0	Rolling 0	Gently rolling -	Rolling to sloping 0
Land Use Ratio Adjustment	100%	100% Grass 0	15% Crop -	57% Timber -	9% Crop -	100% Grass 0
Vegetation (Grassland Productivity) Adjustment	3.3 ac/AUM	2.7 ac/AUM -	2.3 ac/AUM -	3.1 ac/AUM 0	3.3 ac/AUM 0	3 ac/AUM 0
Water Adjustment	Spring	Stock ponds 0	Year round -	Year round -	Year round -	Creek -
Size Adjustment	600.04 acres	499.22 acres 0	311.4 acres 0	868.95 acres 0	817.24 acres 0	80.0 acres -
Utilities Adjustment	Along road	Along road 0	Along road 0	Along road 0	Along road 0	Along road 0
Neighborhood Adjustment	Ag/recreation	Agriculture +	Agriculture +	Ag/rec/res -	Ag/rec 0	Recreational/res -
Amenities Adjustment	View recreational hunting	Limited +	Limited +	View, rec hunting 0	View, rec hunting Motivation -	View recreational hunting 0
Overall		>\$159	>\$399	<\$1,694	<\$2,349	<\$3,190

Norman H. Lee, Appraiser
Blue Star Ranch
Seeley Lake, Montana

Tract A
DNRC
Lewis & Clark County, Montana

the most similar to the subject. However, somewhat more weight is placed on the upper end of the value range. Sales 1 and 2 are primarily agriculture while Sales 3, 4, and 5 are more recreational and residential. The subject is in a bracket between agriculture and the higher values that do represent a land based economic return. Based on the above analysis, the subject has the following indicated value, with legal access:

$$600.04 \text{ acres @ } \$1,000 \text{ per acre} = \$600,040$$

INCOME CAPITALIZATION APPROACH WITH LEGAL ACCESS

The income capitalization approach entails a determination of a net income stream and capitalization into a value indication. Limited income data could be derived from the market. This property offers an income stream attributable to dry crop farming and livestock grazing. Rental income data from the market is limited and there is a mixture of cash rents based on either acres or AUMs. The potential income is reflected in the sale price of properties of these types of properties.

Market Rent Data and Trends

All of the sales used in this appraisal are owner operated, which is predominant in this area. Therefore, no market rent data could be derived from the comparable sales. Current market rent information and trends were derived from interviews with local farmers, ranchers and real estate brokers. Irrigated crop, dry crop, and grassland utility are based on productivity from the Montana State GIS site. The estimated tax information is derived from the Montana GIS site taxable market value.

Rental data was derived from interviews with the following:

Duane Paddock, Farmer/Rancher, Fairfield, MT
 Keith Harris, Farmer/Rancher, Fairfield, MT
 Raymond Goff, Farmer/Rancher, Simms, MT
 Stan & Pete Rasmussen, Rasmussen Realty, Choteau, MT
 Frank Dellwo, Farm manager, Augusta, MT
 Teton County Extension Office, Choteau, MT
 Lewis & Clark County Extension Office, Helena, MT
 Glacier County Extension Office, Cut Bank, MT

Grazing Land Market Rent:

Most grazing land in this area is leased by the AUM, or animal unit month. The current market rent is estimated @ \$20 to \$24 per AUM. Lease rate per AUM in this area does not appear to vary with the quality of grassland.

Taxes:

Taxes for grazing land in Lewis & Clark County are about \$0.68 per acre.

The subject property is currently leased at \$2.29 per acre (3.43 ac per AUM). However, this is a long-standing lease and does not represent current market rents. The current market rent for native grassland is \$20 per AUM. According to the Montana GIS site the subject property has an estimated carrying capacity of 3.3 acres per AUM or 182 AUMs. Based on the current market rent the gross income is estimated to be \$3,640. Deductions are made for estimated taxes and management. The deduction for management is five percent of the income.

Gross Income:

182 AUMs @ \$20 per AUM =	\$ 3,640
Less management fees @ 5% =	182
Less taxes (estimated) =	<u>408</u>
Net income =	\$ 3,050

<i>Sale Number</i>	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Capitalization Rate	3.1	2.0%		0.01%	NA

The capitalization rates ranged from 0.01 to 3.1 percent. The most weight is placed on a capitalization rate of 0.05% based on the compilation of mixed-use agriculture lands. However, because of the paucity of data the selection of cap rates is the primary weakness of the Income Capitalization Approach.

The value is determined by dividing the net income by the capitalization rate.

\$3,050 divided by 0.05% cap rate = \$610,000

RECONCILIATION OF VALUES

Two methods were used to determine the value of the subject. The Sale Comparison Approach, and the Income Capitalization Approach are supported. The Sale Comparison Approach indicates a value of \$600,040. The Income Capitalization Approach indicates a value of \$610,000. Less weight is placed on the Income Capitalization Approach because it has more chance for error and it is not as well supported. A small error in determining the capitalization rate would result in a large error in the final value indication. Also some of these properties were purchased for their recreational amenities with little or no consideration for agriculture income. The most weight is placed on the Sale Comparison Approach because this is the best-supported value indication based on land use ratios and best reflects the current market. The Sales Comparison Approach and the Income Capitalization Approach supports the value conclusion. The indicated value with legal access is:

\$600,000

SALES COMPARISON APPROACH TO VALUE WITHOUT LEGAL ACCESS

A search of the Glacier, Teton, and Lewis & Clark County records was conducted to find recent land transactions in the area of the subject property. Other reliable sources were also contacted for information on transactions. All transactions used were verified with the Grantor, Grantee, or agent who had knowledge of same as to the correct consideration in terms of cash and other items pertinent to the transactions. Transactions that did not appear to be "arms-length" transactions, or were not legitimate for other reasons, were disregarded.

No transactions were found that did not have legal access and were directly comparable to the subject property. However, there are paired sales transactions that do represent the difference in value with and without legal access. The same sales used in determining the value with access are used as the basis for this valuation.

Eight sales in the Stemple Pass area were analyzed for the access adjustment. These sales are mining claims that all sold in a similar time span. The sales with legal and physical access sold for an average of \$931 per acre. The sales without legal and with limited physical access sold for an average of \$492 per acre. This indicates a value decrease of 47 percent for the lack of legal access.

Three sales north of Helena also document the access adjustment. Sales LC-96-01 and LC-96-02 each sold for \$3,317 and \$2,809 per acre. These sales had legal and physical access. Sale LC-94-01 did not have legal access and sold for \$803 per acre. These sales indicate a decrease of 74 percent for the lack of legal access.

Two sales east of Missoula in the Wallace Creek drainage include a January 1995 sale of a 21-acre tract that sold for \$2,379 per acre with access, fair timber cover, and creek frontage. A 17-acre sale in July 1993 sold for \$373 per acre without legal access or water frontage. The second sale was mostly cutover. This comparison represents an 84 percent reduction. However, some of this reduction has to be attributed to the water frontage difference.

Several sales in eastern Montana also illustrate the price/value differences associated with access differences for rangeland. Sale TR-97-04 borders Sale TR-97-05. The contributing value of the rangeland on Sale TR-97-05 is at \$93 per acre. This sale has legal access, good fencing, and good stock water. Sale TR-97-04 is \$58 per acre and has more limited access, inferior fencing, and the water source is not as good. The difference is \$35 per acre (\$93 vs. \$58 per acre). This represents a decrease of about 30 percent for the access, fence, and water issues on the property. Sale TR-97-05 is larger but no size adjustment is indicated in this area.

Sale TR-97-07 sold without access at \$100 per acre. The buyer has now listed the property for \$300 per acre with an access easement. This indicates a substantial difference for access. With legal access this tract offers potential as a recreational or part-time agricultural unit.

A 120-acre rangeland tract sold in December 2000 for \$30,000 cash. Access to this tract was over a trail without any legal access. Although the buyer felt the property was discounted due to lack of access, the sale price appears to be at or near the market value of \$250 per acre.

In September 2005 two rangeland parcels sold in Cascade County by the estate of Astrid Merrett. The 200-acre parcel that had access sold for a little over \$500 per acre. The 160-acre parcel without access sold for \$325. This indicates a loss of 35 percent.

It is reasonable to conclude that the tracts that are without access, or a significant reduction in access, would show a discount of about 50 to 60 percent when compared to a property with good access. The adjustment to the subject is estimated at 50 percent of the value with access.

Based on the above analysis, the subject has the following indicated value, without legal access:

$$600.04 \text{ acres @ } \$1,000 \text{ per acre} \times 50\% = \$300,020$$

Rounded to \$300,000

QUALIFICATIONS OF THE APPRAISER***NORMAN H. LEE***

SR/WA and R/W-AC

3716 Highway 83, Seeley Lake, MT 59868

Office (406) 677-3016Fax (406) 677-3687e-mail bluestar@blackfoot.net**Education:** University of Wisconsin, 1970, B. S. Degree**Special Real Estate and Appraisal Courses:**

University of Tennessee--

Real Estate Appraisal--1971

Real Estate Law--1971

American Society of Farm Managers and Rural Appraisers--

Rural Appraisal School--1971

Condemnation Appraisal School--1983

Ranch Appraisal School--1976

Minerals Appraisal School--1981

Advanced Ranch Appraisal School--1983

Review Appraisers School--1991

Mineral Appraisal Seminar--1992

American Institute of Real Estate Appraisers--

Course IA--1977

Review Appraiser Course--1978

Rural Appraisal Course--1979

Appraising Conservation Easements--1991

Litigation Valuation--1991

Capitalization of Income--1992

Small Residential Income Valuation--1995

Timber Valuation--1997

Uniform Appraisal Standards for Federal Land Acquisition -- 2003, 2006

Hypothetical Conditions and Extraordinary Assumptions - 2008

Society of Real Estate Appraisers--

Course 201--1980

National Highway Institute--

FHWA Appraisal and Appraisal Review--1993

International Right of Way Association--

Business Relocation--1991

Valuation of Contaminated Property--1994

Ethics of the Right-of-Way Profession--1996

Property Descriptions--1997

Uniform Standards of Professional Appraisal Practice--2000

Principles of Negotiations -- 2001

The Appraisal Foundation

Uniform Standards of Professional Appraisal Practice -- 2000, 2001, 2004, 2006, 2008

Experience:

September 1994 to Present--Owner and Senior Appraiser
Blue Star Valuation Services, Seeley Lake, Montana

May 1994 to September 1994--Litigation Consultant on Exxon Valdez Oil Spill,
MacSwain Associates, Anchorage, Alaska

April 1987 to May 1994--Chief Appraiser, Alaska Region
National Park Service, Anchorage, Alaska
(Concurrently; Review Appraiser, US Fish and Wildlife
Region 7 and Bureau of Land Management, Alaska)

April 1986 to April 1987--Review Appraiser, Omaha District
U. S. Army Corps of Engineers, Omaha, Nebraska

January 1986 to April 1986--District Appraiser, California Desert District
Bureau of Land Management, Riverside, California

June 1981 to January 1986--Zone Appraiser, Region 1,
U. S. Forest Service, Butte and Helena, Montana

April 1978 to June 1981--Chief Appraiser, Flathead Wild and Scenic River Project Region 1,
U. S. Forest Service, Kalispell, Montana

April 1975 to April 1978--Regional Supervisory Appraiser
Lower Missouri Region, Bureau of Reclamation, Denver, Colorado

July 1970 to April 1975--Appraiser, Upper Missouri Region
Bureau of Reclamation, North Dakota and South Dakota

Appraisal experience includes a wide variety of improved and unimproved properties. Appraisals have been completed for partial and total acquisitions and damage assessments from oil spills and fires. Partial acquisition appraisals have covered both fee and easement valuations. Easement valuations include electric transmission lines, conservation easements, buried pipelines, canals, irrigation ditches, and road rights-of-way. Appraisals have included commercial buildings, commercial historic buildings, urban lands, urban transitional, suburban, rural transitional, timberlands, mineral interests, cropland, grazing, recreational lands, and guest lodges. Researched data for, and testified in, Exxon Valdez litigation. Appraisal assignments in North Dakota, South Dakota, Iowa, Minnesota, Wisconsin, Illinois, Washington, Wyoming, Colorado, Nebraska, Montana, Idaho, California, Alaska, Utah, and Arkansas.

Professional Memberships:

International Right-of-Way Association

Past Region 7 Representative, IR/WA Professional Resources Committee
SR/WA and R/W-AC designations

Specialized Skills:

September 1981 to January 1984--Instructor, Real Estate Courses
Montana College of Mineral Science and Technology, Butte, Montana

October 1982 to Present--Instructor, Appraisal Real Estate, and Property Management Courses,
International Right-of-Way Association. (Taught courses in Montana, Washington, Alaska,
Colorado, Idaho, Wyoming, Oregon, Minnesota, Kentucky, and Wisconsin.)

Developer of IR/WA Course 401 - "The Appraisal of Partial Acquisitions"
Developer of IR/WA Course 400 - "Principles of Real Estate Appraisal"

Expert Witness--Federal District Court, Colorado
Expert Witness--Federal Bankruptcy Court, Alaska
Expert Witness--Alaska State Court
Expert Witness--Montana State District Court
Expert Witness--Alaska State Assessment Appeal Board

State Certification:

Certified General Appraiser – Montana, Wyoming, Alaska, Idaho, Washington, Missouri

Representative Clients:

Montana Department of Transportation
Montana Department of Fish, Wildlife and Parks
Montana Department of Environmental Quality

ConocoPhillips
Yellowstone Pipe Line
Pioneer Pipe Line
Drunkard Wash Coal

The Nature Conservancy

City of Billings
City of Bozeman
City of Missoula

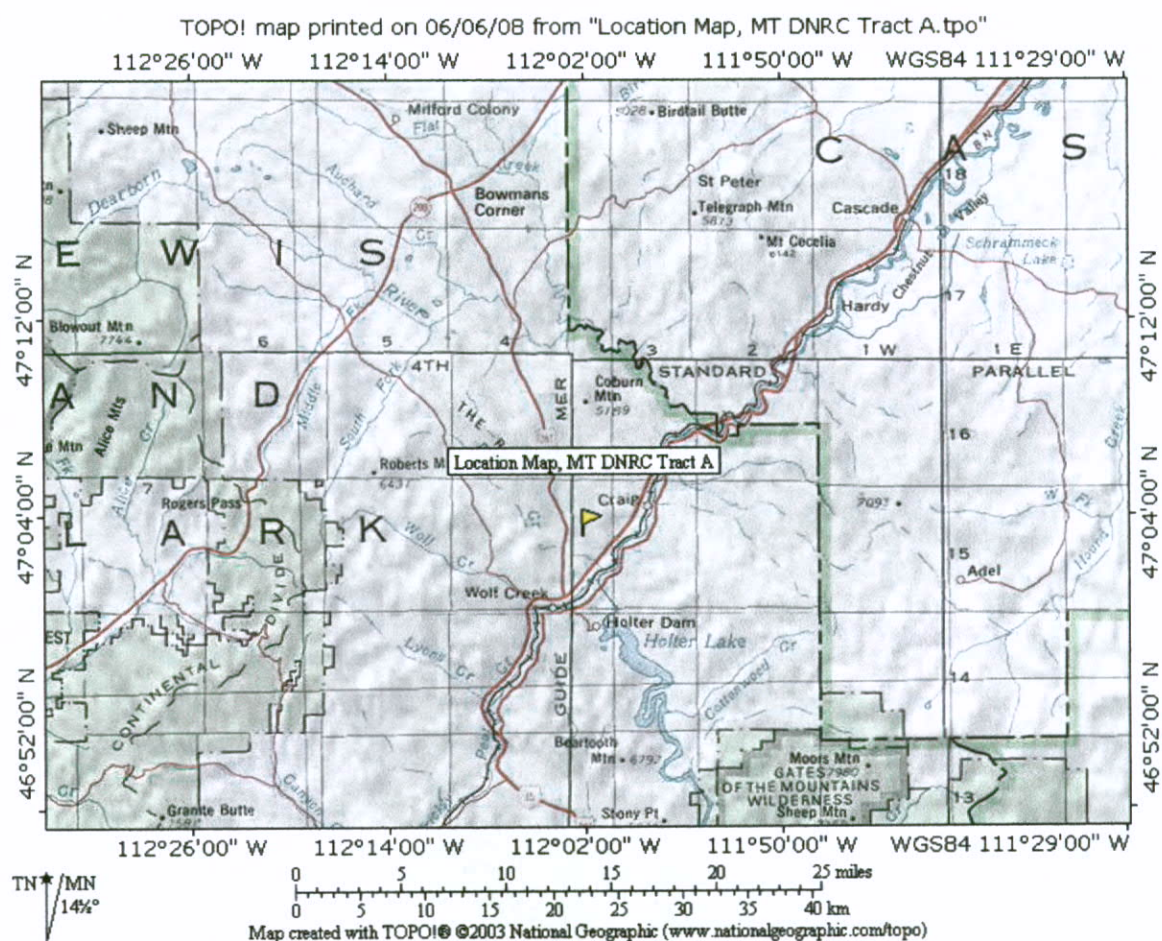
US Federal Aviation Administration
Big Sky Airport
Broadwater County Airport
Twin Bridges Airport
Ravalli County Airport
Poplar Airport
Glacier International Airport
Kalispell City Airport

US Bureau of Indian Affairs
Wind River Reservation
Fort Peck Indian Reservation
Blackfeet Indian Reservation
Northern Cheyenne Reservation
Nez Perce Reservation
Couer d'Alene Reservation
Puget Sound Reservations

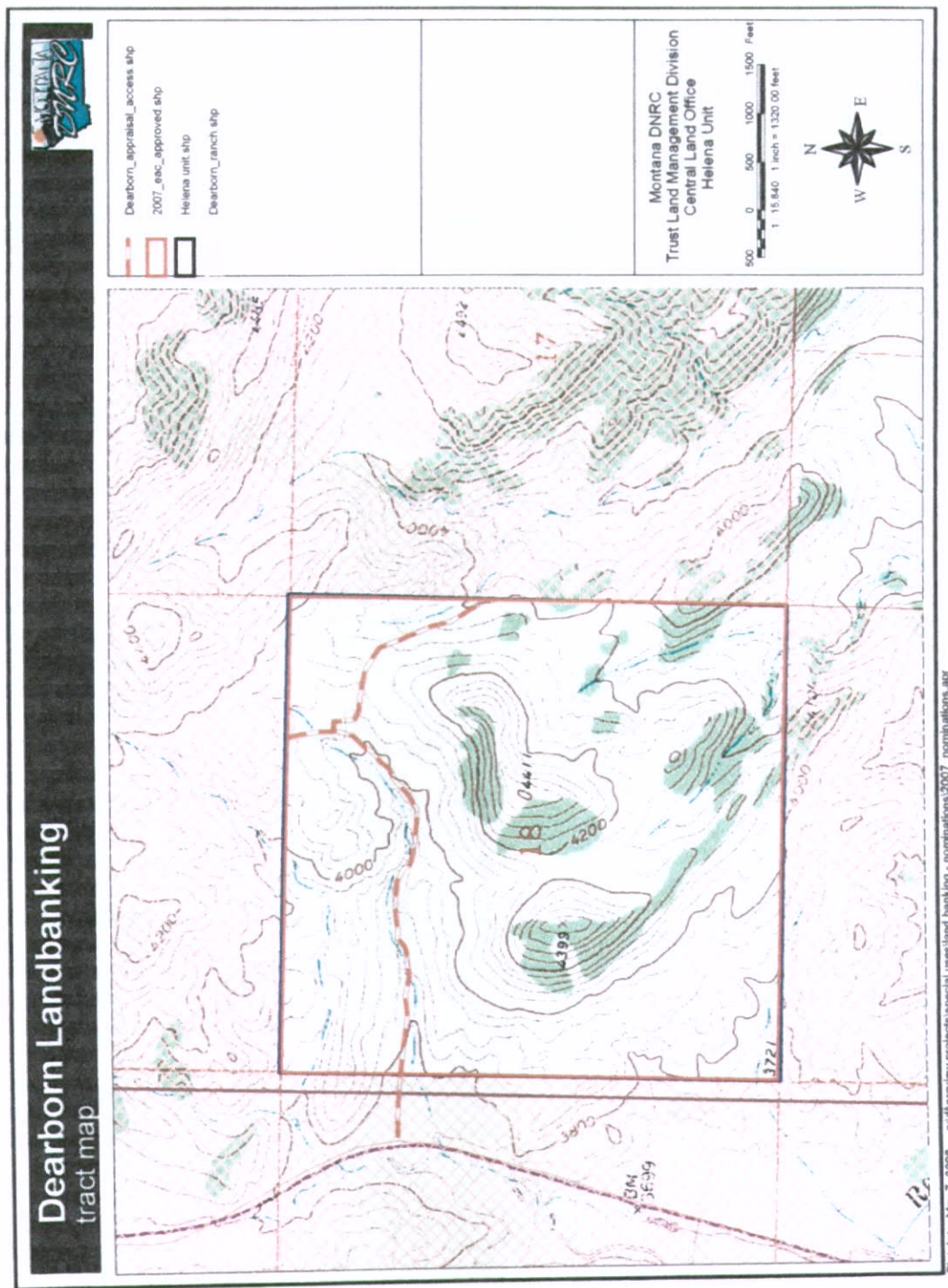
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ADDENDA

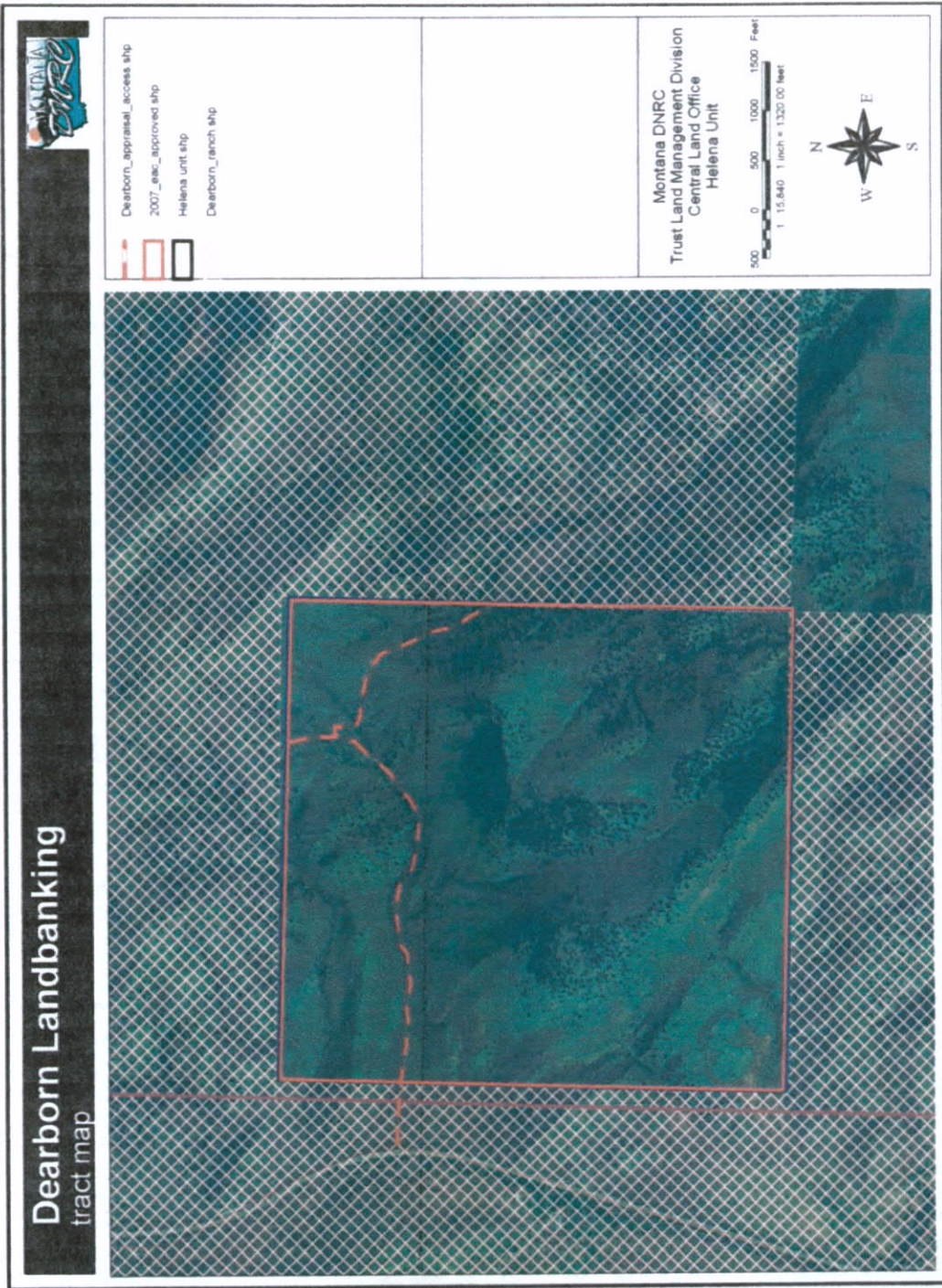
Location Map



Plat Map

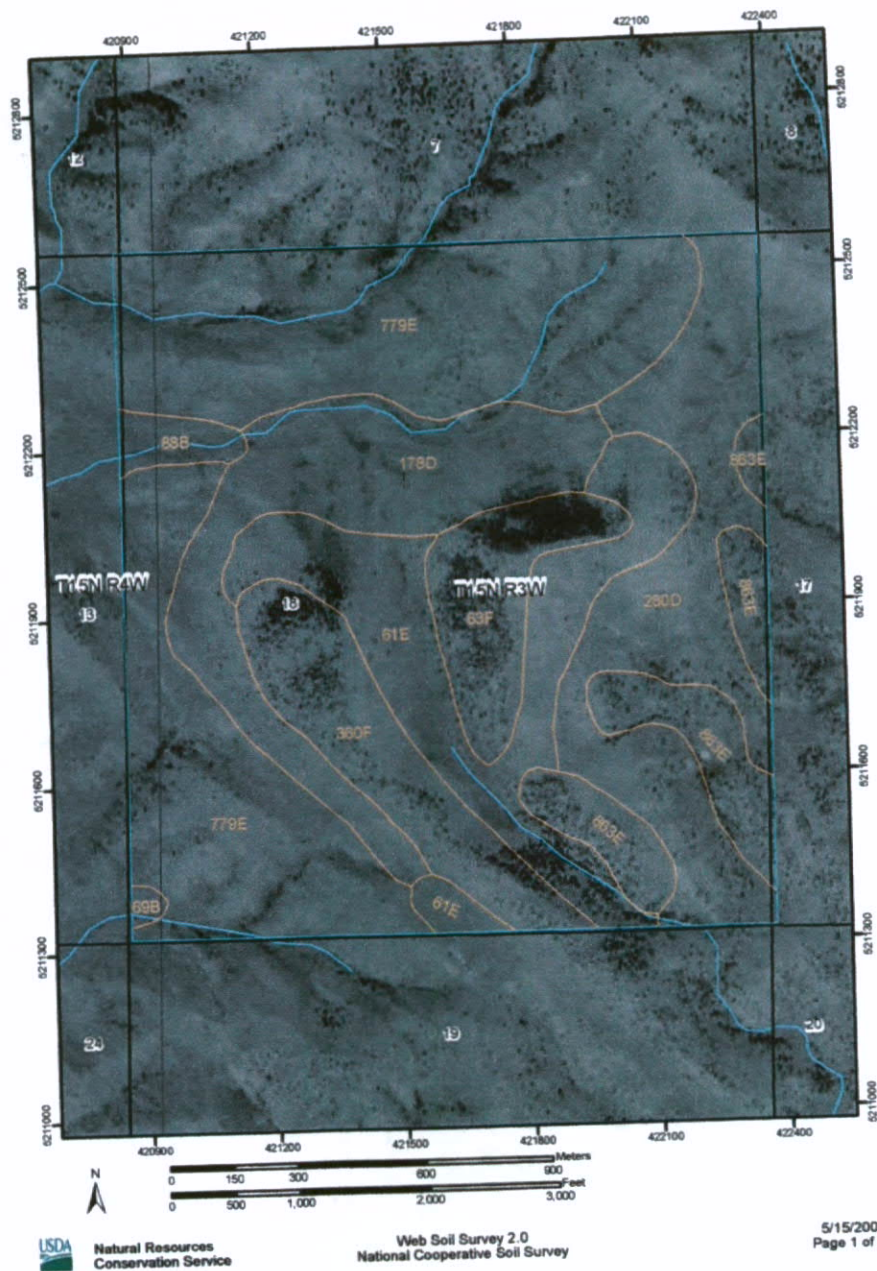


Aerial Photo



Soil Map

Soil Map—Lewis and Clark County Area, Montana
(Section 18)



Neighborhood Map

