

HELMBRECHT APPRAISING, LLC

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November 3, 2008

Mr. Tom Konency, Appraiser
Department of Natural Resources and Conservation
P.O. Box 201601
Helena, MT 59620-1601

Subject: State of Montana
Agricultural Property
Pondera/Teton County, MT

Dear Mr. Konency,

After inspection of the above property and based upon facts contained in the attached report it is the conclusion of the undersigned that the market value of the subject property, as of October 28, 2008 is indicated at:

Total \$ 349,200

Pondera County

Sale #25 = \$16,000

Sale #26 = \$16,000

Sale #58 = \$ 8,000

Sale #59 = \$21,200

Teton County

Sale #40 = \$150,000

Sale #39 = \$ 50,000

Sale #28 = \$ 48,000

Sale #526 = \$ 8,000

Sale #527 = \$ 8,000

Sale #60 = \$ 24,000

This Summary Appraisal Report is based upon the assumptions and limiting conditions within the report. Liens and encumbrances, if any, have been disregarded. I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct. Employment in and compensation for making this report are in no way contingent upon the value reported. Material pertinent to the process of valuation of this property is contained in the files of the appraiser.

I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property. Thank you for the privilege of serving you.

Sincerely,

John C. Helmbrecht
Montana Certified General Appraiser

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SUMMARY OF SALIENT FACTS

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	October 28, 2008
DATE OF REPORT:	November 3, 2008
APPRAISAL FORMAT:	Summary Appraisal Report
INTENDED USERS:	The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) only. No other intended users are identified by the appraiser.
INTENDED USE:	Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential sale of said subject property only. No other intended use is identified by the appraiser.
PROPERTY RIGHTS APPRAISED:	Property rights appraised are fee simple ownership rights, subject to outstanding reservation for rights-of-way or other recorded exclusions. Sub-surface mineral rights are not appraised nor has title to such rights been researched.
HIGHEST & BEST USE:	Highest and best use of the property is its current use as agriculture; native and tame pasture for the grazing of livestock and CRP.

SUMMARY OF SALIENT FACTS (continued)

LOCATION OF PROPERTY: The property consists of 10 separate non-contiguous parcels of native range pasture in Pondera and Teton County, Montana:

Pondera County;

Sale #25 is approximately 4.5 miles west of Valier, MT via paved Hwy #44, then approximately 2.5 miles southwest via paved Dupuyer Cutoff Road (also known as Treaty Road) then 1.5 miles west via dirt trail. Sale #25 is adjacent to sale #26.

Sale #26 is approximately 4.5 miles west of Valier, MT via paved Hwy #44, then approximately 2.5 miles southwest via paved Dupuyer Cutoff Road (also known as Treaty Road) then 1.0 miles west via dirt trail. Sale #26 is adjacent to sale #25.

Sale #58 is approximately 7 miles northwest of Conrad, MT via elevated dirt and gravel Dry Forks Road, then approximately ½ mile north via dirt trail.

Sale #59 is approximately 7 miles northwest of Valier, MT via paved Hwy #358(also known as the Cut Bank Highway) then approximately 1/2 mile south via dirt trail.

Teton County;

Sale #40 is approximately 16 miles west of Choteau, MT via elevated dirt and gravel Bellview Road, then 7 miles south via dirt and gravel road, then ¼ mile west via dirt trail. The dirt trail traverses this parcel.

Sale #39 is approximately 16 miles west of Choteau, MT via elevated dirt and gravel Bellview Road, then 8 miles south via dirt and gravel road, then ¾ mile west via dirt trail. The dirt trail traverses this parcel.

Sale #28 is approximately 9 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road, then ½ mile north via dirt and gravel road, then 1/2 mile east via dirt trail.

Sale #526 is approximately 9 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road. The road lies adjacent to the southern edge of this parcel.

Sale #527 is approximately 8.5 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road. The road lies adjacent to the southern edge of this parcel.

Sale #60 is approximately 6 miles east of Power, MT via elevated dirt and gravel road. The road lies adjacent to the western edge of this parcel.

Some of the parcels have legal access. Others do not. All are appraised with legal access by hypothetical condition due to the fact that no market data was available at the time of the appraisal to support any consideration of this issue. Accessibility to the parcels was considered in the valuation process when and if it was deemed necessary.

SUMMARY OF SALIENT FACTS (continued)

IMPROVEMENTS: Building improvements on the parcels include calving barn and corrals on Sale #60 and fencing to varying degrees on all parcels. No improvements are considered in the valuation process.

REAL ESTATE TAXES: Not Taxed

PROPERTY DESCRIPTION: The subject consists of parcels in Pondera and Teton Counties. Pondera parcels: Sale #25 is 80 acres of native pasture, Sale #26 is 80 acres of native pasture, Sale #58 is 40 acres of native pasture, Sale #59 is 106 acres in total, of which 8 acres are CRP, 8 acres are improved pasture and 90 acres of native pasture. Teton parcels: Sale #40 is 120 acres of native pasture, Sale #39 is 40 acres of native pasture, Sale #28 is 240 acres of native pasture, Sale #526 is 40 acres of native pasture, Sale #527 is 40 acres of native pasture and Sale #60 is 120 acres of native pasture.

OPINION OF VALUE: Comparable Sales Approach \$ 349,200
Income Approach. \$ 167,000
Cost Approach \$ 349,200

FINAL OPINION OF VALUE: **Total \$349,200**

Pondera County
Sale #25 = \$16,000
Sale #26 = \$16,000
Sale #58 = \$ 8,000
Sale #59 = \$21,200

Teton County
Sale #40 = \$150,000
Sale #39 = \$ 50,000
Sale #28 = \$ 48,000
Sale #526 = \$ 8,000
Sale #527 = \$ 8,000
Sale #60 = \$ 24,000

PURPOSE OF THE APPRAISAL AND SUMMATION OF THE APPRAISAL PROBLEMS

This appraisal is being made to estimate Market Value, as is, of the rights of fee simple interest of surface rights of the subject property, excluding mineral rights and subject to liens and encumbrances, of the above described property in its entirety, as it exists on the date of the appraisal.

Market Value Defined:

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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised and each acting in what he considers his own best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) 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 Problem Consists of:

1. Estimate Highest and Best Use
2. Estimate Market Value consistent with Highest and Best Use.

DISTRIBUTION OF MARKET VALUE

Value, as assigned in this report, applies to the real estate as described and is based on unencumbered value. It does not consider the value of growing crops or personal property. As noted herein, a separate contributory value analysis of any existing mineral rights, timber rights or water rights is not made. These property rights are considered as part of the overall values as assigned the real estate, and their values are reflected by the land values exhibited in the market. In other words, water rights and mineral rights, whether existing or not, are a part of the assigned land values overall.

Inherent in the land values assigned is basic land improvements such as roadways, fences, ditches, irrigation structures and field preparation. Irrigation equipment is considered appurtenant to the land. Structural improvements may be assigned specific contributory value within the cost approach as evidenced by the market; however, these values apply only under the existing highest and best use assigned, unless otherwise noted, and may be subject to market correction in the final reconciliation of value.

Current Fair Market Value. (MCA 70-30-313) Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking in to 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.

USPAP CERTIFICATION

I certify 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.
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*, .
8. I have made a personal inspection of the property that is the subject of this report.
9. Shelley A. Shelden, Montana Certified General Appraiser , made significant real property appraisal assistance to the person signing this report.

October 28, 2008

John C. Helmbrecht
Montana Certified General Appraiser

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereof.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are not hidden or non-apparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (continued)

7. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organization, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee is paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the District of Columbia without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising public relation, news, sales, or the media, without the written consent and approval of the Appraiser.
8. ENVIRONMENTAL DISCLAIMER: The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. It is possible that tests and environmental experts would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.
9. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
10. The appraiser reserves the right to revise this appraisal in view of changing market conditions and any other circumstances which would affect the Market Value. No change of any item in the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.
11. Employment in and compensation for making this report are in no way contingent upon the value reported. I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property.

HIGHEST AND BEST USE

Real Estate is appraised on the basis of its Highest and Best Use.

Following is a definition of Highest and Best Use from "Appraiser's Terminology and Handbook".

"HIGHEST AND BEST USE"

The most profitable likely use to which a property can be put. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. However, elements affecting value which depend upon events or a combination of occurrences which, while within the realm of possibility, are not fairly shown to be reasonably probable, should be excluded from consideration. Also, if the intended use is dependent on an uncertain act of another person, the intention cannot be considered.

That use of land which may reasonably be expected to produce the greatest net return to land over a given period of time. That legal use which will yield to land the highest present value. Sometimes called optimum use."

"Highest and Best Use" is further described as follows:

The determination of market value includes consideration of the highest and best use for which the appraised property is clearly adapted.

Highest and Best Use is the legal and probable use that supports the highest present value, as defined, of vacant land or improved property, as of the date of the appraisal.

It is that use found to be:

1. legally permissible
2. physically possible
3. financially feasible
4. maximally productive

HIGHEST AND BEST USE (continued)

Consideration is given to trends on recent land sales, economic factors, and strength of the local market. An analysis of the highest and best use of the property forms a basis for the valuation of the property. Highest and best use serves as a guide in the selection of comparable sales to be used in the analysis of the subject property.

The definition applies specifically to the highest and best use of land. It is to be recognized that 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 land value in its highest and best use exceeds the total value of the property in its existing use. These definitions imply a recognition of the contribution of existing specific uses to the community environment or to community development goals in addition to increasing the wealth of individual property owners.

The final determination of the highest and best use is a result of appraiser's judgement and analytical skills. The use determined from analysis represents an opinion, not a determination of fact. Consideration has to be given to that range of uses which fit the appraised property and to alternative uses, as well as existing use.

It is the opinion of the appraiser that the highest and best use of the subject property that is legal, possible, feasible and maximally productive is its current use as native pasture for the grazing of livestock. Sale #59 in Pondera County also includes 8 acres of CRP and 8 acres of improved pasture. Sales 39 and 40 are considered recreational rangeland due to the scenic location on the Rocky Mountain Front and Deep Creek.

Use of the subject property as agricultural land is legally permissible, as the property is classified as agricultural land and recreational rangeland. This use is also physically possible. The use is both financially feasible and maximally productive.

THE APPRAISAL PROCESS

There are three approaches that may be used by appraisers in the estimation of Market Value. The approaches provide data from the market for three different sources when all are available. These three approaches are the Comparable Sales Approach, or Market Data Approach; the Income Approach (investment property); and the Cost Approach.

The Market Data Approach has as its premise the comparison of the subject property with others of a similar design, utility and use that have sold in the recent past. To indicate a value for the property, adjustments are made to the comparable for differences with the subject.

The Income Approach, as used for investment properties, has as its premise the estimation of the amount of the net income, which, when capitalized in a manner that is commensurate with the risk and the life expectancy of the improvements, will indicate the present value of the income stream.

The Cost Approach has as its premise the valuation of the site by comparison with other sites in the area or comparable sites in competitive areas that have sold in the recent past, making adjustments for differences to indicate a site value estimate. To this tract the cost approach (summation) considers the contributory value of the land in individual uses.

Normally, these three approaches will each indicate a different value. After all the factors in each of the approaches have been carefully weighed, the indications of value derived from each of the approaches are correlated to arrive at a final value estimate.

When possible, the appraiser will normally utilize each approach.

SCOPE OF THE APPRAISAL

The property was inspected by John C. Helmbrecht on October 27 and 28, 2008. All accessible areas of the property were inspected. Photographs were taken at the time of inspection.

This appraisal, summary report is considered a summary report due to any unintended deletion of items that would make it fully self-contained. The Comparable Sales Approach, Income Approach and Cost Approach are completed.

Soils information has been considered and comparable qualities of land and other aspects of the property are a part of this appraisal report. All back up material pertaining to the final opinion of market value is contained in the files of Helmbrecht Appraising LLC.

Information has been gathered from State Cadastral website, DNRC offices, local realtors and appraisers.

This appraisal report is based on the hypothetical conditions that the property is deeded private land, no current leases are considered and that all parcels have legal access.

This electronic copy is intended to be accompanied by an addendum that includes maps, mix sheets, statement of work, etc. It differs from the printed copy only that these maps, etc. are not included and page numbers differ.

INTENDED USE OF THE APPRAISAL

Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential acquisition of the said subject property only.

INTENDED USER OF THE APPRAISAL

The intended users of this appraisal report are The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation only.

This electronic copy is not to be used by any other users or use than is stated above without written release by Helmbrecht Appraising LLC.

OWNERS OF RECORD AND LEGAL DESCRIPTION

OWNERS OF RECORD

State of Montana
P.O. Box 201601
Helena MT 59620-1601

LEGAL DESCRIPTION

Pondera County:

Sale #25

Township 29 North, Range 6 West, M.P.M.

Section 19: E $\frac{1}{2}$ NE $\frac{1}{4}$

Containing: 80 acres

Sale #26

Township 29 North, Range 6 West, M.P.M.

Section 20: W $\frac{1}{2}$ NW $\frac{1}{4}$

Containing: 80 acres

Sale #58

Township 29 North, Range 3 West, M.P.M.

Section 9: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

Sale #59

Township 30 North, Range 6 West, M.P.M.

Section 23: Lots 2, 3, 4, 5

Containing: 106 acres

Teton County:

Sale #40

Township 23 North, Range 8 West, M.P.M.

Section 26: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 120 acres

Sale #39

Township 23 North, Range 8 West, M.P.M.

Section 27: SE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

Sale #28

Township 26 North, Range 3 West, M.P.M.

Section 8: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

Containing: 240 acres

Sale #526

Township 26 North, Range 3 West, M.P.M.

Section 8: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

LEGAL DESCRIPTION (continued)

Sale #527

Township 26 North, Range 3 West, M.P.M.

Section 8: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

Sale #60

Township 23 North, Range 1 East, M.P.M.

Section 25: SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

Containing: 120 acres

Totaling 946 total deeded acres in Pondera and Teton County, Montana.

PONDERA COUNTY GENERAL AREA DATA

The subject property is located in Pondera and Teton County, MT. Both counties are located in the northwestern part of Montana, east of the Continental Divide along the Rocky Mountain Front. Interstate Highway 15 and US Highway 89 provide north-south access to the area. Many state highways provide east-west access across the county as well as numerous gravel county roads. Conrad, the county seat of Pondera County is located in the east-central part of the county. There are six towns in Pondera County: Brady, Conrad, Dupuyer, Heart Butte, Ledger and Valier, as well as several Hutterite colonies. Chouteau, the county seat of Teton County, is also located centrally in the county. Other towns include Brady, Dutton, Power and Fairfield.

Current day Pondera County was included in Chouteau County, with Fort Benton as the county seat at the time. In 1893 Chouteau County then split and Teton County was created (including present day Pondera County). Then, on April 1, 1919 an act of legislature created Pondera County and it began operating as a separate county from Chouteau and Teton counties.

The population of Pondera County and of Conrad, according to 2000 census data was 6,424 and 2,753, respectively. This was a decrease of 9 people in the county and 144 to Conrad. Population of Teton County and Choteau respectively was 6,445 and 1,781 with an increase of 174 to the county and 40 to Choteau.

The climate is well suited to agricultural use. Summers in the area are usually pleasant, with cool nights and a large percentage of sunny days. Winters are generally warmer than other parts of Montana due to warm chinook winds coming from the southwest. The area usually gets 10-12 inches of rainfall during the growing season, which accounts for about 70% of the average annual precipitation.

Agriculture and agricultural related equipment and services play a large part in the local economy, as well as the petroleum industry. The average size of a farm in Pondera County is 1,731 acres. The average value of agricultural products per farm sold is \$92,657. Approximately 23% of the land in agricultural use in Pondera County is irrigated cropland. The average size of a farm in Teton County is 1,758 acres. The average value of agricultural products per farm sold is \$103,579. Approximately 35.59% of the land in agricultural use in Teton County is irrigated cropland and 26.09% in dry cropland. Crops in the area include wheat, oats, barley, alfalfa and cattle production. Most soils in this area are well suited to use as farmland.

PROPERTY DESCRIPTION

LOCATION OF PROPERTY: The property consists of 10 separate, mostly non-contiguous parcels of native range pasture in Pondera and Teton County, Montana:

Pondera County;

Sale #25 is approximately 4.5 miles west of Valier, MT via paved Hwy #44, then approximately 2.5 miles southwest via paved Dupuyer Cutoff Road (also known as Treaty Road) then 1.5 miles west via dirt trail. Sale #25 is adjacent to sale #26.

Sale #26 is approximately 4.5 miles west of Valier, MT via paved Hwy #44, then approximately 2.5 miles southwest via paved Dupuyer Cutoff Road (also known as Treaty Road) then 1.0 miles west via dirt trail. Sale #26 is adjacent to sale #25.

Sale #58 is approximately 7 miles northwest of Conrad, MT via elevated dirt and gravel Dry Forks Road, then approximately ½ mile north via dirt trail.

Sale #59 is approximately 7 miles northwest of Valier, MT via paved Hwy #358(also known as the Cut Bank Highway) then approximately 1/2 mile south via dirt trail.

Teton County;

Sale #40 is approximately 16 miles west of Choteau, MT via elevated dirt and gravel Bellview Road, then 7 miles south via dirt and gravel road, then ¼ mile west via dirt trail. The dirt trail traverses this parcel.

Sale #39 is approximately 16 miles west of Choteau, MT via elevated dirt and gravel Bellview Road, then 8 miles south via dirt and gravel road, then ¾ mile west via dirt trail. The dirt trail traverses this parcel.

Sale #28 is approximately 9 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road, then ½ mile north via dirt and gravel road, then 1/2 mile east via dirt trail.

Sale #526 is approximately 9 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road. The road lies adjacent to the southern edge of this parcel.

Sale #527 is approximately 8.5 miles south and west of Brady, MT via elevated dirt and gravel Arod Lakes Road. The road lies adjacent to the southern edge of this parcel.

Sale #60 is approximately 6 miles east of Power, MT via elevated dirt and gravel road. The road lies adjacent to the western edge of this parcel.

PROPERTY DESCRIPTION (continued)

DESCRIPTION OF PROPERTY:

Pondera parcels:

Sale #25 is 80 acres of native pasture. The parcel lies at the head of Laughlin Coulee, adjacent to sale #26. Large patches of alkali exist on the parcel. Sale #26 is 80 acres of native pasture. The parcel lies at the head of Laughlin Coulee, adjacent to sale #25. Large patches of alkali exist on the parcel. Irrigation canal traverses. Sale #58 is 40 acres of native pasture. The parcel lies on Big Flat Coulee, with approximately half of the parcel lying on the more gently sloped bottom and the other half lying on the steeper, breaky portion of the coulee. Sale #59 is 106 acres in total, of which 8 acres are CRP, 8 acres are improved pasture and 90 acres are native pasture. The parcel lies adjacent to the east side of Birch Creek. The majority of the parcel is steeper terrain leading down to the creek with smaller portions lying on the top of three plateau fingers, where the CRP and improved grass areas exist.

Teton parcels: Sale #40 is 120 acres of native pasture. The southern 40 acres is traversed from northwest to southeast by Deep Creek. Creek coulee banks are steep. The northern 80 acres is traversed by an unimproved trail. Terrain overall is mostly sloping to steep. Entire parcel is scattered with conifer trees and brush. Sale #39 is 40 acres of native pasture, lying adjacent to sale #40. Deep Creek traverses the extreme northeastern corner. Terrain is sloping to steep, some brush exists along the creek coulee. Sale #28 is 240 acres of native pasture. The parcel is traversed by Maucki Coulee. Terrain is sloping to steep. Sale #526 is 40 acres of native pasture. The parcel lies adjacent to 28th Road NW. There are hay yards and feeding grounds present on the parcel. Terrain is sloping. Sale #527 is 40 acres of native pasture. The parcel lies adjacent to 28th Road NW. Terrain is sloping. Sale #60 is 120 acres of native pasture. Lake Creek traverses the property. Terrain is sloping. There is a calving barn and corral present on the property.

PROPERTY DESCRIPTION (continued)

UTILITIES

Public electrical and telephone are not on the subject parcels, but are available on nearby tracts and along the county roads.

HAZARDOUS MATERIAL AND TOXIC WASTE

No suspected hazardous materials or toxic waste were observed during the inspection. It is assumed that the subject property is in full compliance with all applicable federal, state and local environmental regulations and laws, however, the appraiser is not an environmental expert and has no expertise or training in this field. It is possible that tests and environmental experts would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value. The client is encouraged to contact an expert in this field if there are any concerns.

PRIOR SALES HISTORY

No sales of the subject property have occurred in the past 3 years.

FLOOD PLAIN

No areas of the subject are located in a flood zone.

PREDOMINANT SOILS

- 39B Ethridge Silty Clay Loam, 0-4% slopes, Capability Class 3E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 117B Kiev-Fairfield Complex, 0-4% slopes, Capability Class 4E, 3E, Silty Range Site, 1500-2500 lb/acre forage potential.
- 121B Kiev-Judith Gravelly Loams, 0-4% slopes, Capability Class 4E, Silty Range Site, 1500-2500 lb/acre forage potential.
- 131B Creed-gerdrum Complex, 0-4% slopes, Capability Class 4S, 6S, Clay Pan Range Site, 500-1100 lb/acre forage potential.
- 162C Telstad-Joplin Loams, 4-8% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 164B Scobey-Kevin Clay Loams, 0-4% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 184D Kiev-Rounder Loams, 2-15% slopes, Capability Class 4E, Silty Range Site, 1500-2500 lb/acre forage potential.
- 195B Hanson-Raynesford Comple, 0-4% slopes, Capability Class 6S, 6E , Silty, Limy Range Site, 1200-1800 lb/acre forage potential.

PROPERTY DESCRIPTION (continued)

PREDOMINANT SOILS

- 197E Adel-Doby-Hanson Complex, 8-35% slopes, Capability Class 6E, 7E, Silty Range Site, 1500-2500 lb/acre forage potential.
- 214A Absher Clay Loam, Wet, 0-2% slopes, Capability Class 7S, Saline Lowland Range Site, 1700-3000 lb/acre forage potential.
- 216C Attewan-Wabek Complex, 0-8% slopes, Capability Class 3E, 6S, Silty and Shallow to Gravel Range Sites, 600-1800 lb/acre forage potential.
- 250B Nunemaker Silty Clay Loam, 0-4% slopes, Capability Class 4E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 263C Scobey-Kevin Clay Loams, 4-8% slopes, Capability Class 3E, Silty Range Site, 1000-1800 lb/acre forage potential.
- 273F Cabbart-Delpoint-Rock Outcrop Complex, 25-70% slopes, Cap. Class 7E, Shallow Range Site, 600-1100 lb/acre forage potential.
- 308A Ridgelawn-Nesda-Korchea Complex, 0-2% slopes, occasionally flooded, Cap. Class 3W, 6W, No range site data given.
- 368A Saypo Clay Loam, Saline, 0-2%, rarely flooded, Cap. Class 6S, Saline Lowland Range Site, 1700-3000 lb/acre forage potential.
- 376F Delpoint-Cabbart-Hillon Complex, 25-60% slopes, Cap. Class 7E, Thin Silty Range Site, 850-1450 lb/acre forage potential.
- 390F Cheadle-Doby-Rock Outcrop Complex, 15-60% slopes, Cap. Class 7E, No range site data given.
- 400 Havre-Fairway Loams, 0-4% slopes, rarely flooded, Cap. Class 3E, 4E, Silty Range Site, 1200-1800 lb/acre forage potential.
- 493E Garlet-Cheadle-Lobert Stony Loams, 8-45% slopes, Cap. Class 6E, 7E, No range site data given.
- 540B Marvan Silty Clay, Wet, 0-4% slopes, Capability Class 6W, Saline Lowland Range Site, 1700-3000 lb/acre forage potential.
- 541C Kobase-Ethridge Clay Loams, 4-8% slopes, Capability Class 3E, 4E, Clayey Range Site, 900-1800 lb/acre forage potential.
- 590E Babb-Fifer-Cheadle Complex, 8-45% slopes, Cap. Class 7E, No range site data given.

Growing season in the subject area is 90-125 days. Annual precipitation in the area ranges from 11" to 19". Pasture land productivity on the subject is estimated at 5 acres per AUM for the overall purpose of this analysis. Soils on the subject property have fair to good productivity as agricultural land and are well drained. Erosion hazards are moderate. All soils types require careful management to obtain optimal production. Soils maps are found on the following pages.

PROPERTY DESCRIPTION (continued)

MARKETING PERIOD

Marketing period for the subject property is estimated to be six months to one year, which is a reasonable time, determined by sales in the area.

CURRENT MARKETING CONDITIONS AND TRENDS

Marketing conditions indicate that there are qualified buyers willing and able to be active in the market. Market value of land in the area shows increase in the last two year period.

FUEL TANKS AND GARBAGE DUMPS

No above ground or below ground fuel tanks were observed on the property. No garbage dumps were observed.

HAZARDS AND DETRIMENTS

The main hazard of the subject area consists of extreme climate problems such as severe winters, hot summers, high velocity winds, drought and natural phenomena inherent in northern Montana. These hazards affect local areas in varying degrees.

ZONING, MINERAL RIGHTS AND EASEMENTS

The subject property is classified as agricultural land. A title search was not conducted. No apparent easements are noted. Mineral rights, if any, are not within the scope of this appraisal.

COMPARABLE SALES APPROACH

A search of the market was made to find recent sales that are similar to the subject property. The area in Pondera and Teton Counties near the subject parcels primarily consists of large acreage, tightly held family farm and ranch properties and recreational property. These properties seldom become available on the open market. A few small tract grazing parcel sales were found. The sales used are the most comparable and closest in proximity to the subject property that are available to the appraiser. Information on sales data from comparable sales is adjusted to arrive at an opinion of market value for the subject property. Information is gathered from sources deemed reliable, however it is not guaranteed.

SALE #1

Grantor:
Grantee:
Sale Price: \$60,000
Sale Date: 04/06
Terms: Cash
County: Pondera
HBU: Agriculture

95 Acres Dry Crop Land	@ \$500/acre	=	\$47,500
<u>65 Acres Pasture</u>	<u>@ \$192/acre</u>	<u>=</u>	<u>\$12,480</u>
160 Total Deeded Acre			\$59,980

Legal Description:

This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. Motivation for this sale was agricultural use.

COMPARABLE SALES APPROACH (continued)

SALE #2

Grantor:
Grantee:
Sale Price: \$153,000
Sale Date: 4/05
Terms: Cash
County: Pondera
HBU: Agricultural
Document:

108.20 Acres Dry Cropland	@ \$450/acre =	\$ 48,690
<u>521.78 Acres Pasture</u>	@ \$190/acre =	<u>\$ 99,138</u>
629.98 Total Deeded Acres		\$147,828

State Lease 240 acres; 4ac/aum x \$75/aum	=	<u>\$ 4,500</u>
		\$152,328

Legal Description:

This sale is located about 6 miles northeast of Ledger. Access to this sale is from a gravel county road and farm roads. This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. Motivation for this sale was agricultural use.

COMPARABLE SALES APPROACH (continued)

SALE # 3

Seller:
Buyer:
Sale Price: \$534,180
Sale Date: 10/2006
Terms: Cash to Seller
Document:
Confirmed:

790.9 Acres dry cropland @ \$640/acre = \$506,176
124.8 Acres Pasture @ \$224.39/acre = \$ 28,004

Total Sale Price: \$534,180

915.7 acres @ \$583.44/acre = \$534,180

Legal Description:

This sale is located about 16 miles northeast of Conrad. Access to this sale is from a gravel county road and farm roads. This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. There were older grain bins on the sale with no contributing value. Motivation for this sale was agricultural use.

COMPARABLE SALES APPROACH (continued)

SALE # 4

Seller:
Buyer: I
Sale Price: \$730,000
Sale Date: 1/2006
Terms: Cash to Seller
Document:
Confirmed:

257.00 Acres dry cropland @ \$517/acre =	\$132,869
2,352.00 Acres Pasture @ \$220/acre =	\$517,440
5.19 Acres Farmstead @ 517/acre =	\$ 2,585
<hr/> 2,614.19 Acres	<hr/> \$652,894

Improvements	\$ 68,453
Lease	\$ 8,653

Total Sale Price:	\$ 730,000
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Legal Description:

This sale is located about 7 miles northwest of Conrad. Access to this sale is from a gravel county road and farm roads. This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. There were usable buildings on the sale with some contributing value. Motivation for this sale was agricultural use. Adequate water. Ranch property in dry crop area.

SALES COMPARABLE APPROACH (continued)

SALE # 5

Grantor:

Buyer:

Sale Price: \$ 32,000

Sale Date: 06/07

Terms: Cash

County: Glacier

HBU: Agricultural

Confirmation Source:

<u>160.0</u> Acres Native Range	@ \$200/acre	= <u>\$32,000</u>
160.0 Total Acres		\$32,000

No improvements.

Native range land located approximately 22 air miles northwest of Cut Bank and 1 mile south of Landslide Butte. Subject was leased by the buyer for years. Buyer owns adjacent land in Section. No access, except through buyer's adjacent land. There is a coulee with a spring on the property, but no developed water on property. Power is 2 miles south. Motivation, buyer has Indian rights as an enrolled member, his children are not enrolled, would like to expand ownership of fee land for their benefit. Buyer stated he would not have paid \$200/acre if the parcel had been larger than 160 acres.

Legal Description:

COMPARABLE SALES (continued)

SALE # 6

Seller:

Buyer:

Sale Price: \$81,000

Sale Date: 9/05

Terms: Cash

County: Teton

HBU: Recreational

Confirmation Source: .

27.73	Recreational	@ \$2921/acre	=	\$ 81,000
27.73 Acres				\$ 81,000

15 miles Northwest of Augusta. Purchased by two parties to construct a hunting cabin. Buyers were responsible for building a bridge at a cost of \$17,000. Pishkun Canal forms south border. Public access is allowed on Canal Road but not insurable by title company. Encumbered by easements for roads and utilities along section lines and no smaller than 20 acre parcels allowed.

Legal Description:

Legal Description

COMPARABLE SALES (continued)

SALE # 7

Seller:

Buyer:

Sale Price: \$1,200,000

Sale Date: 7/06

Terms: Cash

County:

HBU: Recreational

Confirmation Source:

1,722	Recreational	@ \$680/acre	=	\$ 1,170,960
1,722 Total Deeded Acres				\$ 1,170,960

State Lease	243 aums @ \$120/aum	=	\$ 29,160
			\$1,200,120

1 mile north of Pishkun Reservoir. Purchased by adjoining landowner who now owns land on three sides of the reservoir. Access by county road. Some irrigation rights when there is adequate water. Some portions may be hayed also at times. State lease for 243 aums included in the sale. State lease connects this property to buyer's other property. No improvements

Legal Description:

COMPARABLE SALES (continued)

SALE # 8

Seller:

Buyer:

Sale Price: \$250,000

Sale Date: 3/07

Terms: Cash

County: Teton

HBU: Transitional

Confirmation Source:

240 Acres	Recreational	@ \$1,042/acre	=	\$ 250,080
240 Total Deeded Acres				\$ 250,000

15 miles south of Choteau. Resale of unimproved pasture unit west of highway 287. Access by county road. No improvements. No utilities but good spring for stock water. Power at $\frac{3}{4}$ mile away with cost at \$15,000 to \$20,000 to bring power to site.

Legal Description

COMPARABLE SALES (continued)

SALE # 9

Seller:
Buyer:
Sale Price: \$200,000
Sale Date: 6/06
Terms: Cash
County: Teton
HBU: Recreational
Confirmation Source:

160 Acres	Recreational Rangeland	@ \$1,250/acre= \$ 200,000
160 Total Deeded Acres		\$ 200,000

20 miles northwest of Choteau. Access by county road. No improvements. Utilities at west side of site. Rolling topography. The buyers are local residents who sold another property. The seller is a local ranch operator. Buyers stated that availability of smaller parcels like this are very limited.

Legal Description

COMPARABLE SALES (continued)

SALE # 10

Seller:
Buyer:
Sale Price: \$675,000
Sale Date: 12/06
Terms: Cash
County: Lewis and Clark
HBU: Recreational
Confirmation Source:

173.665 Acres	Recreational	@ \$3887/acre= \$ 675,000
173.665 Total Deeded Acres		\$ 675,000

10 miles northwest of Augusta and 5 miles southwest of Pishkun Reservoir. Access by easements across BLM and State ground. Seller gained legal access before selling. No improvements. Nearly level topography. Surrounded by public lands which increase the usable river frontage on Sun River.

Legal Description

COMPARABLE SALES APPROACH- (Continued)

Sales #25,26,58,59,28,526,527 & 60

Sale	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Grwng Crop	Mix	Per /Acre
#1	\$59,980	160	\$375	-----	----	----	-----	-----	----	-180	\$195
#2	\$152,328	630	\$242	-----	-7	----	-----	-----	----	-42	\$193
#3	\$534,180	916	\$583	-----	----	----	-----	-----	----	-354	\$229
#4	\$730,000	2,614	\$279	-----	-3	-26	-----	-----	----	-27	\$223
#5	\$32,000	160	\$200	-----	----	----	-----	-----	----	+3	\$203

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

Sales #25, 26, 58, 59, 28, 526, 527 & 60

746 acres Pasture and CRP @ \$200/acre = \$149,200

SALES #39 & 40

Sale	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Crop	Mix	Per /Acre
#6	\$81,000	27.73	\$2921	-----	----	----	-----	-----	----	----	\$2921
#7	\$1,200,000	1,722	\$697	-----	-17	----	-----	-----	----	----	\$680
#8	\$250,000	240	\$1,042	-----	----	----	-----	-----	----	----	\$1042
#9	\$200,000	160	\$125	-----	----	----	-----	-----	----	----	\$1250
#10	\$675,000	174	\$3887	-----	----	----	-----	-----	----	----	\$3887

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

SALES #39 & 40

160 acres Rocky Mountain Front Rangeland

@ \$1250/acre= \$200,000

The mid range of values were chosen (Sales #8 & 9) to value Sales #39 & #40 on the basis of the subjects having a desirable location on the Rocky Mountain Front with creek frontage. However the parcels lack accessibility besides through private property or to walk inside the high water marks of Deep Creek and some very steep terrain up to the majority of the parcel.

Adjustments were made on the following basis:

IMPROVEMENTS: The per acre difference in value considering the improvement values of the sales compared to the subject.

LEASES: The per acre difference in value considering the lease values of the sales compared to the subject.

MIX: The per acre difference in value considering the mix of land types.

(Cropland, CRP, Pasture, Recreational, etc.) comparing the subject to the sales.

Mix sheet calculations follow the Comparable Sales Approach.

COMPARABLE SALES APPROACH (continued)

Reconciliation of Comparable Sales Approach

Sales #25, 26, 58, 59, 28, 526, 527 & 60

Adjusted sales values range from \$195/acre to \$229/acre. The opinion of value of the subject property is \$200/acre.

Pondera County: Total \$61,200

Sale #25 - 80 acres pasture@ \$200/acre = \$16,000

Sale #26 - 80 acres pasture@ \$200/acre = \$16,000

Sale #58- 40 acres pasture@ \$200/acre = \$ 8,000

Sale #59- 106 acres pasture and CRP@ \$200/acre = \$21,200

Teton County: Total \$288,000

Sale #28- 240 acres pasture@ \$200/acre = \$48,000

Sale #526- 40 acres pasture @ \$200/acre = \$ 8,000

Sales #527- 40 acres pasture @ \$200/acre = \$ 8,000

Sale #60- 120 acres pasture@ \$200/acre = \$24,000

SALES #39 & 40

Adjusted sales values range from \$680/acre to \$3887/acre. The opinion of value of the subject property is \$1250/acre. The mid range of values were chosen (Sales #8 & 9) to value Sales #39 & #40 on the basis of the subjects having a desirable location on the Rocky Mountain Front with creek frontage. However the parcels lack accessibility besides through private property or to walk inside the high water marks of Deep Creek and some very steep terrain up to the majority of the parcel.

Sale #40- 120 acres recreational rangeland@ \$1250/acre = \$150,000

Sales #39- 40 acres recreational rangeland@ \$1250/acre = \$ 50,000

OPINION OF MARKET VALUE FROM COMPARABLE SALES APPROACH

\$ 349,200

COST APPROACH

The cost approach in this appraisal is basically a breakdown of values in the comparable sales approach due to the fact that any improvements on the subject were not considered in the valuation process. The cost approach (summation) considers the contributory value of the land in individual uses. Data abstracted from the comparable sales was used to determine abstracted values for the cost approach.

Sales #25, 26, 58, 59, 28, 526, 527 & 60

Pondera County: Total \$61,200

Sale #25 - 80 acres pasture@ \$200/acre = \$16,000

Sale #26 - 80 acres pasture@ \$200/acre = \$16,000

Sale #58- 40 acres pasture@ \$200/acre = \$ 8,000

Sale #59- 106 acres pasture and CRP@ \$200/acre = \$21,200

Teton County: Total \$288,000

Sale #28- 240 acres pasture@ \$200/acre = \$48,000

Sale #526- 40 acres pasture @ \$200/acre = \$ 8,000

Sales #527- 40 acres pasture @ \$200/acre = \$ 8,000

Sale #60- 120 acres pasture@ \$200/acre = \$24,000

SALES #39 & 40

Sale #40- 120 acres recreational rangeland@ \$1250/acre = \$150,000

Sales #39- 40 acres recreational rangeland@ \$1250/acre = \$ 50,000

OPINION OF MARKET VALUE FROM COST APPROACH

\$ 349,200

INCOME APPROACH

The income approach is based on the projected annual income stream that the subject property will most likely produce in the foreseeable future. A typical crop share lease arrangement is projected, and income is projected on the subjects production capability. The landowners typical expenses are estimated. The net income is then divided by the capitalization rate to arrive at the earnings value.

Income for CRP is calculated at \$35.00/acre minus \$2.50/acre maintenance fee at 50% to landowner. Income for pasture land is estimated at 4 ac/aum, a reasonable, averaged estimate between higher production mountainous pasture and lesser production pastures, at \$25/aum. Land owner's share is 100%. Management fee is estimated at 5% of gross income. Real estate taxes are not considered.

This income approach used as an example of capitalization on the income of a pure pasture operation. No data was found to accurately predict the income of Sales #39 & #40, which were compared to recreational type sales at a higher value than a typical cow/calf operation could support. The CRP income on Sale # 59 was not considered due to the fact that it was such a small portion of the overall acreage.

All figures in the income approach chart are rounded up from .50 and down from .49.

INCOME APPROACH DATA CAPITALIZATION RATE

	Date	Sales	Total	Dry	Native	CRP/	Gross	Net	Cap.
Sale	of	Price	Acres	Crop	Grass	ImpGrass	Income	Income	Rate
#5	6/07	\$ 32,000	160	----	160	----	\$1,000	\$ 950	2.97%
#9	6/06	\$200,000	160	----	160.0	----	\$1,000	\$ 950	.475%

Subject Income from Land Resources

Crop	Acres	Yield	Amount	Price	Gross	Owner	Value
		/Acre		/Unit	Income	Share	
Pasture	938.00	4ac/aum	235 bu	\$25/aum	\$2,115	1/3	\$ 705
CRP	<u>8.00</u>	-----	-----	\$32.50	\$ 260	50%	<u>\$ 130</u>
946.00 TOTAL DEEDED ACRES					GROSS INCOME		\$ 835

Expense

Management Fee	(5%)	<u>\$ 42</u>
TOTAL EXPENSE		\$ 42

NET INCOME -\$ 42
\$ 793

Capitalization Rate 0.475%

Capitalization Value = Net Income \$ 793 ÷ Cap Rate .00475 = \$ 166,947

OPINION OF VALUE FROM INCOME APPROACH ROUNDED \$ 167,000

The capitalization rate of .475% is used based on the necessary blend of the cap rates developed above from a pure pasture sale and a sale of recreational type pasture.

The capitalization rate of .475% cannot be projected into perpetuity due to variation in weather, yields, market values, government payments, etc.

The opinion of value from the Income Approach does support the value derived from the Sales Comparison Approach. The recreational land on sales 39 and 40 do not support their higher per acre value on an income type basis.

FINAL CONCLUSION TO VALUE

It is concluded after consideration of all available data that the final estimate of value from the three approaches are:

Comparable Sales Approach	\$ 349,200
Income Approach	\$ 167,000
Cost Approach	\$ 349,200

RECONCILIATION AND OPINION OF VALUE

The three value indicators for the subject property are relatively similar.

The Income Approach relies on the income producing potential of the subject as the basis for its value and supports the opinion of value by Comparable Sales Approach. The capitalization rate of the subject would not be attractive to a long term investor, without an increase in land value. The most likely purchaser would be an owner-operator or a government entity. Thus, less credence is given to the Income Approach in arriving at a final value opinion.

The Cost Approach is basically a summation of the values derived from the Comparable Sales Approach.

A search of the market was made for similar sales within a reasonable distance from the subject property. Although the sales used for the Comparable Sales Approach are not as similar to the subject as they could ideally be, they are an indicator of the value of agricultural land in the area. It is concluded that the Comparable Sales Approach has the most credence.

Based on the foregoing, the final opinion of market value for the subject property as of 10/28/08 is **\$349,200**.

FINAL CONCLUSION TO VALUE (continued)

The undersigned hereby certifies that to the best of his knowledge and belief, the statements contained in the appraisal report are correct. The opinions stated herein are based on a careful inspection of the property and assembly of all pertinent facts. The undersigned has neither present nor contemplated interest in the appraised property. The appraisal assignment was not based on a requested minimum valuation, specific valuation, or the approval of a loan.

After weighing all the factors herein reported, to the best of his knowledge and belief, it is the appraisers opinion that the present market value of the subject property, as of 10/28/08, described in the foregoing appraisal is as follows.

Opinion of Market Value

Pondera County: Total \$61,200

Sale #25 <u>80</u> Acres Pasture	@ \$200/acre = \$16,000
Sale #26 <u>80</u> Acres Pasture	@ \$200/acre = \$16,000
Sale #58 <u>40</u> Acres Pasture	@ \$200/acre = \$ 8,000
Sale #59 <u>106</u> Acres Pasture & CRP	@ \$200/acre = \$21,200

Teton County: Total \$288,000

Sale #40 <u>120</u> Acres Recreational	@ \$1250/acre = \$150,000
Sale #39 <u>40</u> Acres Recreational	@ \$1250/acre = \$ 50,000
Sale #28 <u>240</u> Acres Pasture	@ \$200/acre = \$ 48,000
Sale #526 <u>40</u> Acres Pasture	@ \$200/acre = \$ 8,000
Sale #527 <u>40</u> Acres Pasture	@ \$200/acre = \$ 8,000
Sale #60 <u>120</u> Acres Pasture	@ \$200/acre = \$ 24,000

TOTAL = \$349,200

Respectfully submitted,

John C. Helmbrecht
Montana Certified General Appraiser

SUBJECT PHOTO Sale #26



Picture taken looking west from east border of subject.

SUBJECT PHOTO Sale #25



Picture taken looking west from east border of sale #25.

SUBJECT PHOTOS Sale #58



Photo taken looking northeast from $\frac{1}{4}$ mile south of the parcel.

SUBJECT PHOTOS Sale #59

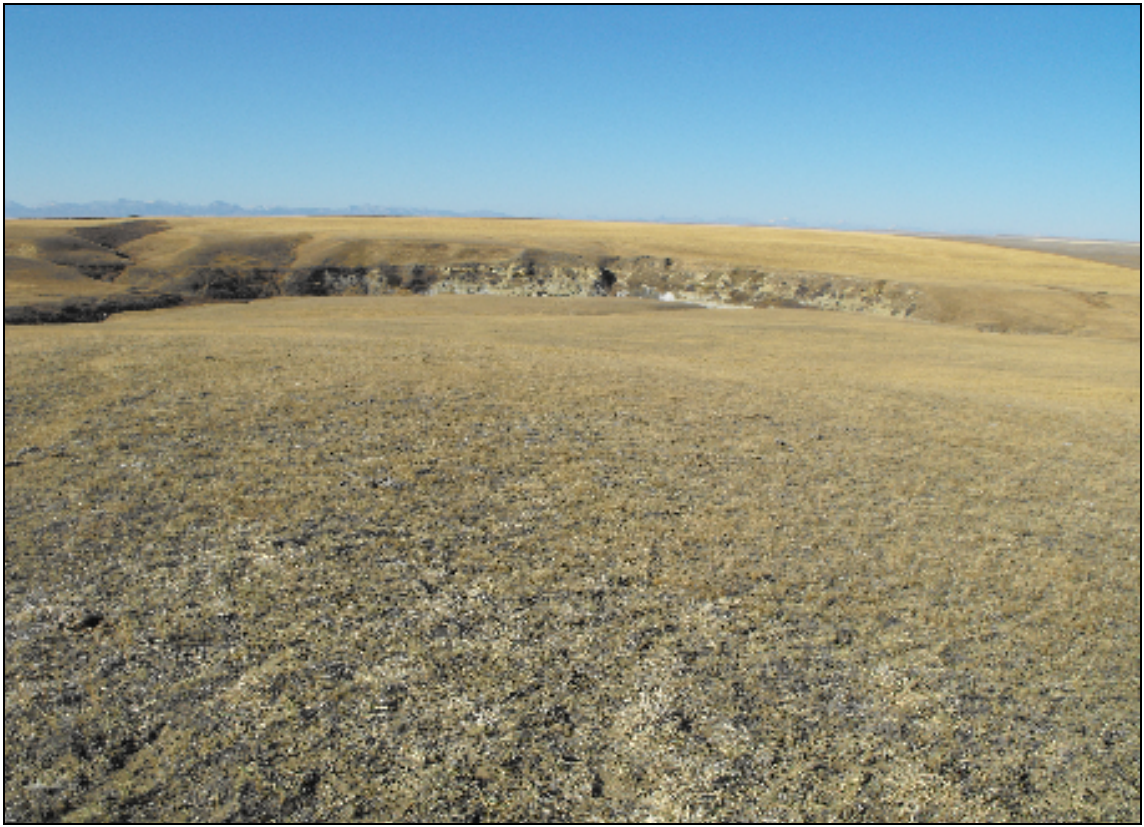


Photo taken looking west from east side of subject with Birch Creek in the background.

SUBJECT PHOTO Sale #39 & 40



Photo taken looking west from east of subject.

SUBJECT PHOTOS Sale #39 & 40



Deep Creek.



Deep Creek below subject.

SUBJECT PHOTO Sale #28



Photo taken looking northeast from southwest edge of subject.



Photo taken looking north from southwest corner of subject. Borders corral and barn complex and ranch headquarters

SUBJECT PHOTO Sale #526



Photo taken looking east from southwest corner of subject.

SUBJECT PHOTO Sale #527



Photo taken looking east from west edge of subject. Fenced hay yard on subject.

SUBJECT PHOTOS Sale #60



Photo taken looking northeast from west edge of subject. Fence traverses.



Corral and barn from west edge of subject.

HELMBRECHT APPRAISING, LLC

C.J. "Speck" Helmbrecht, Montana Certified General Appraiser #125
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CHARLES J. HELMBRECHT

MEMBERSHIP

American Society of Farm Mgrs. And Rural Appraisers 1986-1999
National Association of Real Estate Appraisers 1990-1996 CREA
Montana Real Estate Broker/Owner
Montana Certified General Appraiser # 125
National Assoc. of Master Appraisers, MSA

EDUCATION

Northern Montana College: 2 year General Business
How to Establish the Market Value of Agricultural Land Course.
October 1978 test passed, sponsored by Farm & Land Institute of
National Realtors Assoc.
Residential Appraisal Seminar
Test passed May 1979
Presented by the American Institute of Real Estate Appraisers of the
National Association of Realtors.
Courses Presented by the American Society of Farm Managers and Rural
Appraisers:
1) Cost Approach to Value, Functions of the Dollar, Eminent Domain and
Report Writing. St. Louis, MO.
January 19-23, 1987. Successfully completed.
2) Fundamentals of Rural Appraising, Omaha, NE.
February 9-13, 1987. Successfully completed.
3) Standards & Ethics, Bozeman, MT.
October 24-26, 1990. Successfully completed.
4) General Certification, Bozeman, MT.
October 30 - November 1, 1991. Successfully completed.
5) Standard & Ethics, Billings, MT.
March 7-9, 1994. Successfully completed.
6) Environmental Seminar, Helena, MT
June 25, 1994. Continuing education.
7) Income Capitalization (Part I), Unleveraged, Billings, MT
September 25-28, 1996. Continuing education.
8) Yellow Book-Uniform Appraisal standards for Federal Land
Acquisitions
June 12, 2002. Continuing education.

EDUCATION (continued)

Courses Presented by the National Association of Independent Fee Appraisers:

- 1) Market Data Analysis of Residential Real Estate Appraising, Helena, MT. March 11-14, 1992. Successfully completed.
- 2) Standard & Ethics, USPAP, Helena, MT February 7-8, 1997. Successfully completed.
- 3) Alternative Appraisal Report Forms, Polson, MT June 5, 1999. Continuing education.
- 4) 1.5C Small Income Property Appraisals February 28, 2003, Helena, MT. Continuing education.

Course Presented by McKissock Data Systems Appraisal Schools

- 1) Introduction to Environmental Considerations, Helena, MT February 5, 1998. Continuing education.
- 2) USPAP, Billings, MT February 16-17, 2000. Successfully completed.
- 3) Factory Built Housing, Billings, MT February 18, 2000. Continuing education.
- 4) Regression Analysis, Billings, MT February 19, 2000. Continuing education.
- 5) Disclosures and Disclaimers Feb 6, 2006 Continuing education.
- 6) Fair Housing Feb 7, 2006 Continuing education.

Course Presented by Montana Ag Lenders Range School

- 1) Sweet Grass Hills, Toole & Liberty County June 27-30, 1993. Successfully completed.

The International Association of Assessing Officers

- 1) Valuing Property Affected by Environmental Contamination, IAAO 252, September 30, 2003, Missoula, MT, Continuing education.

Montana Real Estate Institute

- 1) Uniform Standards of Professional Appraisal Practice November 6-7, 2003, Missoula, MT, Successfully completed.

Dave Shoemaker's School of Real Estate Appraisal

USPAP 11/05	Advanced Writing 11/05
Successfully completed	Successfully completed

McKissock

National USPAP Update 2/08	Mortgage Fraud-Protect Yourself 2/08
Successfully completed	Successfully completed

EDUCATION (continued)

McKissock

Appraisal Trends 3/08
Successfully completed

Even Odder-MORE Oddball Appraisals 3/08
Successfully completed

EMPLOYMENT HISTORY

- 1) Federal Housing Administration; Panel Appraiser; 1986 to 1990.
- 2) Farmers Home Administration; Contract Appraiser; 1985 to 1995.
- 3) Anderson Appraising; 1986 to 1995.
- 4) Helmbrecht Appraising; 1995 to present.
- 5) Helmbrecht Realty; Broker/Owner; 1984 to present.
- 6) Northern Land & Realty; Broker/Associate; 1983 to 1984.
- 7) Helmbrecht Realty; Broker/Owner; 1980 to 1983.
- 8) Century 21/ Prairie Realty; Salesman/Broker Associate; 1978 to 1979.
- 9) Witt & Loranger Realty; Salesman; 1971 to 1978.

JOHN C. HELMBRECHT

EDUCATION

Graduated Havre High School, Havre, Montana – 1983
Montana Tech. - 1983-1984
Northern Montana College – 1984
Montana Certified General Appraiser # 738

Courses Presented by the American Society of Farm Managers and Rural Appraisers:

1. Fundamentals of Rural Appraisal – (A-10) – Internet
University of Missouri Columbia, Sept-Dec 2002
Successfully completed.
2. Principals of Rural Appraisal – (A-20) – Internet
University of Missouri Columbia, Sept-Dec 2004
Successfully completed.

Courses Presented by the Montana Real Estate Institute

1. USPAP 11/04
Successfully completed
2. USPAP 11/05
Successfully completed
3. Advanced Writing 11/05
Successfully completed
4. Direct Capitalization of Income 3/06
Successfully completed
5. Yield Capitalization of Income 4/06
Successfully completed

Certified General Appraiser State Exam - Passed 5/8/06

Courses Presented by McKissock

- | | |
|-------------------------------|---|
| 1. National USPAP Update 2/08 | 3. Mortgage Fraud-Protect Yourself 2/08 |
| Successfully completed | Successfully completed |
| 2. Appraisal Trends 3/08 | Even Odder-MORE Oddball Appraisals |
| | Successfully completed 4. |
| | Successfully completed 3/08 |

EMPLOYMENT HISTORY

HS Appraising - June, 2002 to 2006
Helmbrecht Appraising LLC - 2006 to Present
Experience with both HS and Helmbrecht Appraising has included one-to-four family residential as well as agricultural and commercial properties.

SHELLEY A. SHELDEN

EDUCATION

Graduated Havre High School, Havre, Montana – June 1976
Montana Certified General Appraiser #698

Courses Presented by the American Society of Farm Managers and Rural Appraisers:

1. Fundamentals of Rural Appraisal – (A-10) – Internet - University of Missouri Columbia, Feb. – May 2001
Successfully completed.
2. Principles of Rural Appraisal – (A-20) – Internet - University of Missouri Columbia, Feb. – May 2002
Successfully completed.
3. Yellow Book-Uniform Appraisal standards for Federal Land Acquisitions June 12, 2002. Successfully completed.

Courses Presented by Montana Real Estate Institute-Missoula, MT

1. Fundamentals of Real Estate Appraising – Missoula, MT- Sept 2001
Successfully completed.
2. Advanced Writing Skills – Oct 2001
Successfully completed.
3. USPAP – Missoula, MT – Nov 2002
Successfully completed.
4. Direct Capitalization – Missoula, MT - Nov 2002
Successfully completed.
5. Yield Capitalization – Missoula, MT - Dec 2002
Successfully completed.

Certified General Appraiser State Exam – Passed 3/10/2003

Courses Presented by The Int. Assoc. of Assessing Officers

1. Fundamentals of Real Property Appraisal - June 2004
Successfully completed

Courses Presented by Montana Department of Revenue

1. Marshall Valuation Service – September 2004
Successfully completed

Courses Presented by The Appraisal Foundation

1. USPAP Update March 2006
Successfully completed

SHELLEY A. SHELDEN

EDUCATION (continued)

Courses Presented by McKissock

1. National USPAP Update 2/08
Successfully completed
2. Appraisal Trends 3/08
Successfully completed
3. Mortgage Fraud-Protect Yourself 2/08
Successfully completed 3/08
4. Even Odder-MORE Oddball Appraisals
Successfully completed 3/08

EMPLOYMENT HISTORY

Helmbrecht Appraising - 1996 to 2001

HS Appraising – 2002 to 2004

Experience with both Helmbrecht Appraising and HS Appraising has included one-to-four family residential as well as agricultural and commercial properties.

MT State Dept. of Revenue Appraiser/Assessor, Liberty County, MT -

May 2004 to September 2006

Helmbrecht Appraising LLC – September 2006 to present

HELMBRECHT APPRAISING, LLC

C.J. "Speck" Helmbrecht, Montana Certified General Appraiser #125

John C. Helmbrecht, Montana Certified General Appraiser #738

Shelley A. Shelden, Montana Certified General Appraiser #698

502 1st St.

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(406) 397-3244 Fax: 406-397-3243

EXPERIENCE REFERENCES

Bureau of Reclamation
316 N. 26th Street, Rm 2031
Billings, MT 59101
Attn: Gary Lay

:Market value appraisals of the
Rental Rates for 131 Cabin Sites
on Nelson and Fresno Reservoirs
in 2006

Bureau of Land Management
Montana State Office
5001 Southgate Drive
P.O. Box 36800
Billings, MT 59107-6800
Attn: Kim Klostermeier

:Appraisals of several land parcels
for the North Chinook Exchange,
an exchange of land between
private individuals and the BLM

Montana Department of
Natural Resources & Conservation
P.O. Box 201601
Helena, MT 59620-1601
Attn: Tom Konency

:Appraisals of isolated State of
Montana land parcels, valued
for sale to the public.

Superintendent, Blackfeet Agency
Bureau of Indian Affairs
Browning, MT 59417

USDA Farm Service Agency
Montana State Office
P.O. Box 670
Bozeman, MT 59771
Attn: Dick Deschamps

USDA Farm Service Agency
District Office
12 3rd St. NW, Ste 300
Great Falls, MT 59404
Randy Biehl, District Specialist

EXPERIENCE REFERENCES (continued)

Farmers Home Administration
P.O. Box 850
Bozeman, MT 59771

Internal Revenue Service
ATTN: Karl G. Borchers
IR-93-MW-RO-0850 Helena District
501 Central Avenue
P.O. Box 2047
Great Falls, MT 59503

Farm Credit Services
115 4th Avenue West
Havre, MT 59501

Farmers State Bank
P.O. Box 727
Conrad, MT 59425

Native American Bank
P.O. Box 730
Browning, MT 59417
Attn: Patty Gobert

1st Bank Havre
P.O. Box 351
Havre, MT 59501

First Bank Montana N.A.
Mr. Marty Derrig
Special Credits Department
P.O. Box 30678
Billings, MT 59115

1st Security Bank of Glendive
P.O. Box 891
Glendive, MT 59330
Contact: Bruce Munson

1st Security Bank
P.O. Box 2090
Havre, MT 59501

EXPERIENCE REFERENCES (continued)

First State Bank
Mr. Dan Ball
Fort Benton, MT 59442

National 1st Mortgage
3333 2nd Avenue N., Suite 110
Billings, MT 59101

Norwest Bank - Region VIII
Attention: Scott Godfrey, M.S. 8017
P.O. Box 30058
Billings, MT 59117

Blaine Bank of Montana
Box 129
Chinook, MT 59523

Citizens Bank of Montana
P.O. Box 831
Havre, MT 59501

United Savings Bank
410 3rd Avenue
Havre, MT 59501
Contact: Loyall Kissee

Western Bank
Drawer 9
Chinook, MT 59523

Heritage Bank
P.O. Box 2779
Great Falls, MT 59403
Attn: Gail Meyer

First Bank
300 Central Ave.
Great Falls, MT 59401
Attn: Julie Semenza

Independence Bank
P.O. Box 2090
Havre, MT
Attn: Les Odegard

EXPERIENCE REFERENCES (continued)

1st National Bank of Lewistown
P.O. Box 540
Lewistown, MT 59457
Attn: Pam Leppink

ATM Corporation of America
345 Rouser Road, Bldg #5
Coraopolis, PA 15108

Allstate Appraisal Review Services
320 W. 202nd St.
Chicago Heights, IL 60411
Attn: Annmarie Gutchewsky

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Box 2328
Havre, MT 59501

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Chester, MT 59522

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411 Ohio
Chinook, MT 59523

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Havre, MT 59501

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419 4th Avenue
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Havre, MT 59501

EXPERIENCE REFERENCES (continued)

Davidson Trust Co.
P.O. Box 2309
Great Falls, MT 59401
Attn: Toni Rose Ford

1st Security Bank of Malta
P.O. Box 730
Malta, MT 59538
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Big Sandy, MT 59520