

PC

STATE OF MONTANA PROPERTY

WHEATLAND COUNTY

JULY 12, 2008

FOR

TOM KONENCY - APPRAISER

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. BOX 201601

HELENA, MONTANA 59620

BY

BARTA APPRAISAL SERVICE

GARY P. BARTA

GENERAL CERTIFIED APPRAISER #107

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August 10, 2008

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

Attn: Mr. Konency

RE: Wheatland County Properties

I am submitting this appraisal report per your request for the requested properties owned by the State of Montana in Wheatland County. The properties are located in various locations in Wheatland County. The legal descriptions are included in this report.

As a result of my investigations and analysis, it is my opinion that the market value "as is" without legal access of the land as of July 12, 2008 with a marketing time of under twelve months were as follows:

Sale #218: \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS
Sale #350: \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS
Sale #351: \$32,240 - THIRTY-TWO THOUSAND TWO HUNDRED FORTY DOLLARS
Sale #352: \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS

As a result of my investigations and analysis, it is my opinion that the market value based on the hypothetical condition of having legal access of the land as of July 12, 2008 with a marketing time of under twelve months were as follows:

Sale #218: \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS
Sale #350: \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS
Sale #351: \$64,480 - SIXTY-FOUR THOUSAND FOUR HUNDRED EIGHT DOLLARS
Sale #352: \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS

As a result of my investigations and analysis, it is my opinion that the market value based on the hypothetical condition that no improvements exist on the land as of July 12, 2008 with a marketing time of under twelve months were as follows:

Sale #462: \$92,310 - NINETY-TWO THOUSAND THREE HUNDRED TEN DOLLARS

The client and intended users are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation(DNRC). The purpose of the appraisal is to provide the clients with a credible opinion of current market value of the appraised subject property and is intended for use in the decision-making process concerning the potential sales of said subject property

The date of inspection was July 12, 2008. The effective date of this property was July 12, 2008.

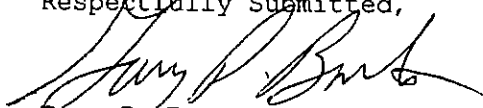
Market value used in this appraisal is the current fair market value. (MCA 70-30-313) Current fair market value is the price that would be agreed to by a willing and informed seller and buyer, taking into consideration, but not limited to, the following factors:

- 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.

This appraisal conforms to FIRREA and the Uniform Standards of Professional Appraisal Practice(USPAP) adopted by the Appraisal Standards Board of Appraisal Foundation.

The appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigations, analyses, and the reasoning leading to the conclusions.

Respectfully Submitted,



Gary P. Barta
Certified General
Appraiser #107

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SUMMARY OF FACTS AND CONCLUSIONS

Owners of Record: State of Montana

Location: Wheatland County

Interest Appraised: Fee Simple interest of the land listed in the legal descriptions.

Exceptions and limitations: Those of Record

Date of Value: July 12, 2008

Legal Description:
DEEDED LAND

Sale #218:

Township 10 North, Range 18 East, M.P.M., Wheatland County
Section 36: All - 640 Acres

Sale #350:

Township 9 North, Range 17 East, M.P.M., Wheatland County
Section 8: All - 640 Acres

Sale #351:

Township 9 North, Range 17 East, M.P.M., Wheatland County
Section 6: Lots 1, 2, S1/2NE1/4 - 161.20 Acres

Sale #352:

Township 9 North, Range 17 East, M.P.M., Wheatland County
Section 16: All - 640 Acres

Sale #462:

Township 8 North, Range 14 East, M.P.M., Wheatland County
Section 18: Lots 2, 3, 4, SE1/4NW1/4, SE1/4SW1/4 - 184.62 Acres

TOTAL DEEDED ACRES = 2265.82 Acres

Property Description:

Sale #218: 640 acres of native grazing land
Sale #350: 640 acres of native grazing land
Sale #351: 161.20 acres of native grazing land
Sale #352: 640 acres of native grazing land
Sale #462: 184.62 acres of native grazing land

Leases: None - The properties have been leased out. See copy of current lease in addendum.

Improvements: There are no improvements that were valued in this appraisal.

Zoning: None / No County Zoning

Flood Plain: Not covered by FEMA maps

Assessors Tract: Not Applicable

Taxes: Unknown - Tax Exempt

Highest and Best Use: As Vacant - Agricultural
As Improved - Agricultural

Marketing Time: Under 12 Months

Estimates of Value "As Is" Without Legal Access:

SALE #218:	Sales Comparison Approach	= \$128,000
SALE #350:	Sales Comparison Approach	= \$128,000
SALE #351:	Sales Comparison Approach	= \$32,240
SALE #352:	Sales Comparison Approach	= \$128,000

Estimates of Value Based on the Hypothetical Condition of Having Legal Access:

SALE #218:	Sales Comparison Approach	= \$256,000
SALE #350:	Sales Comparison Approach	= \$256,000
SALE #351:	Sales Comparison Approach	= \$64,480
SALE #352:	Sales Comparison Approach	= \$256,000

Estimate of Value Based on the Hypothetical Condition that no Improvements Exist:

SALE #462:	Sales Comparison Approach	= \$92,310
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ASSUMPTIONS AND LIMITING CONDITIONS

That the term fair market value, as used in this appraisal, is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

That the date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

That no opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except these assuming it to be under responsible ownership and competent management and available for its highest and best use.

That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

That no opinion is expressed as to the value of subsurface oil, gas, or mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

That testimony or attendance in court or at any other hearing is not required by rendering this appraisal unless such arrangements are made a reasonable time in advance.

That, because no title report was made available to the appraiser, he assumes no responsibility for such items of record not disclosed by his normal investigation. A title commitment was made available to the appraiser that shows that there is no legal access to the property.

That no detailed soil studies covering the subject property were available to the appraiser. Therefore, premises as to soil quantities employed in this report are not conclusive but are considered consistent with information available to the appraiser.

That the appraiser has personally inspected the subject property and finds no

obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provisions of professional or governmental inspections.

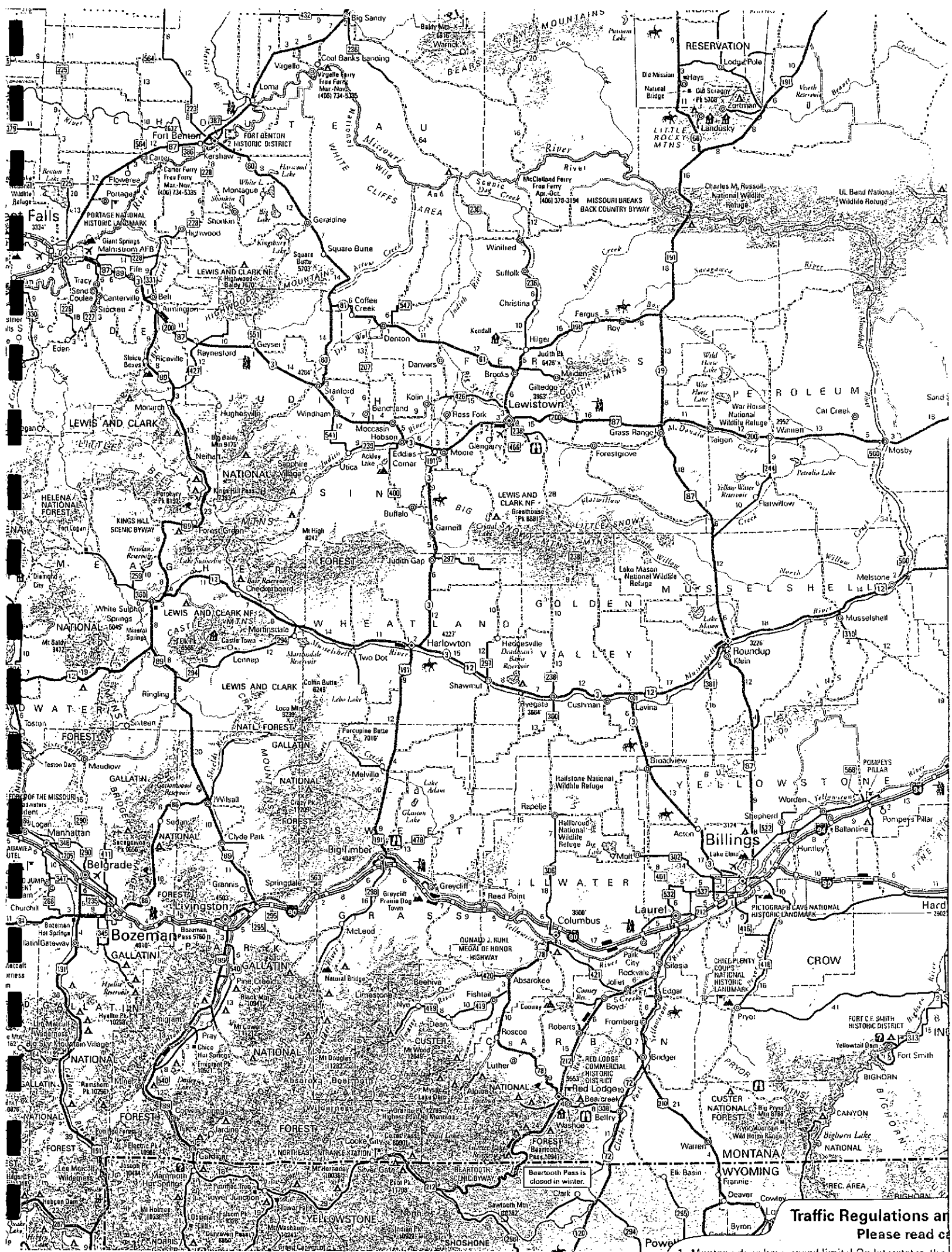
That no consideration has been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property; only the real property has been considered.

That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous material be found. We urge the client to retain an expert in the field before making a business decision regarding the property.

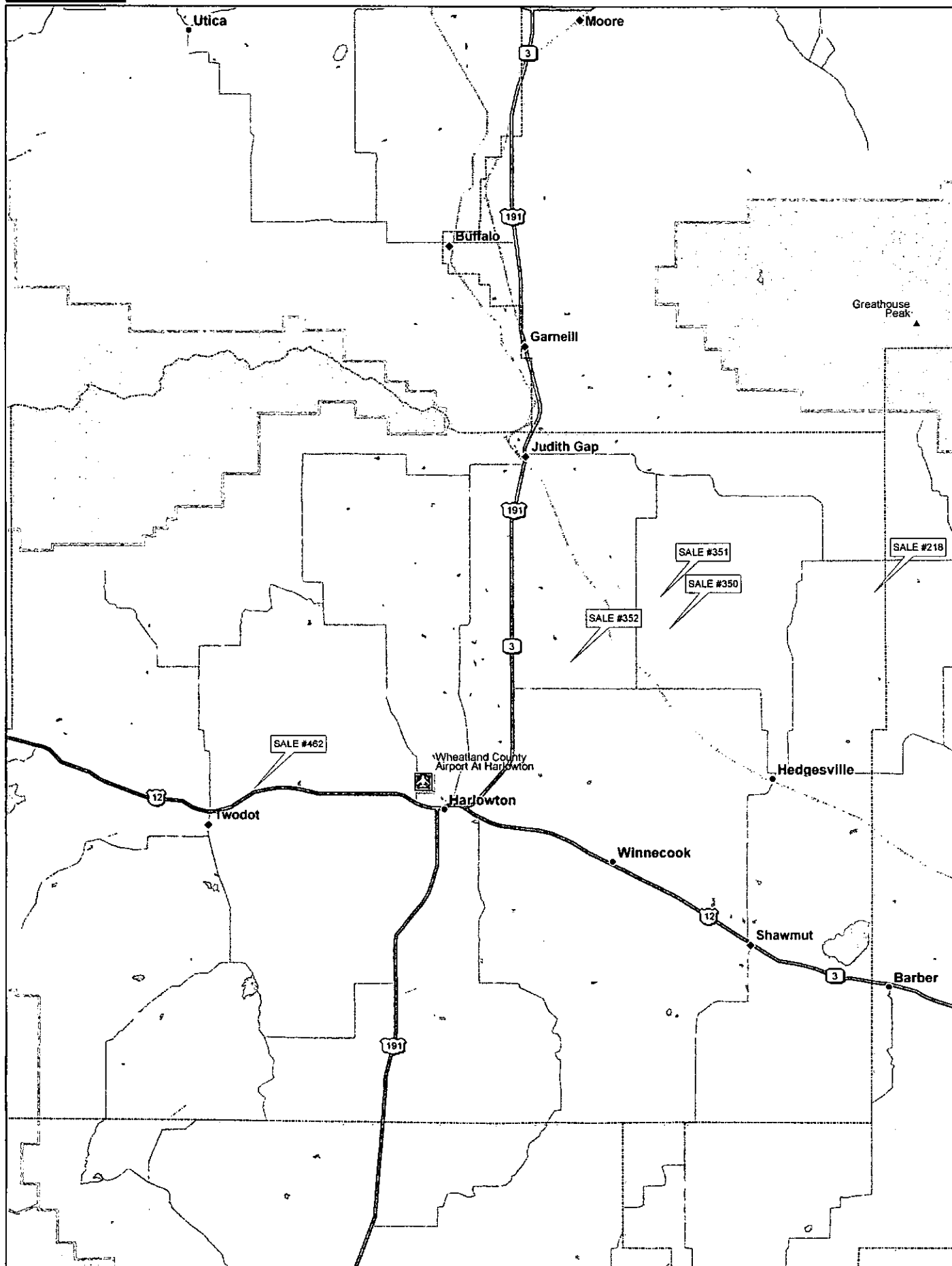
That no circumstances has been given in the appraisal to the value, if any, attributable to growing crops or the merchantable timber on any portion of the property appraised.

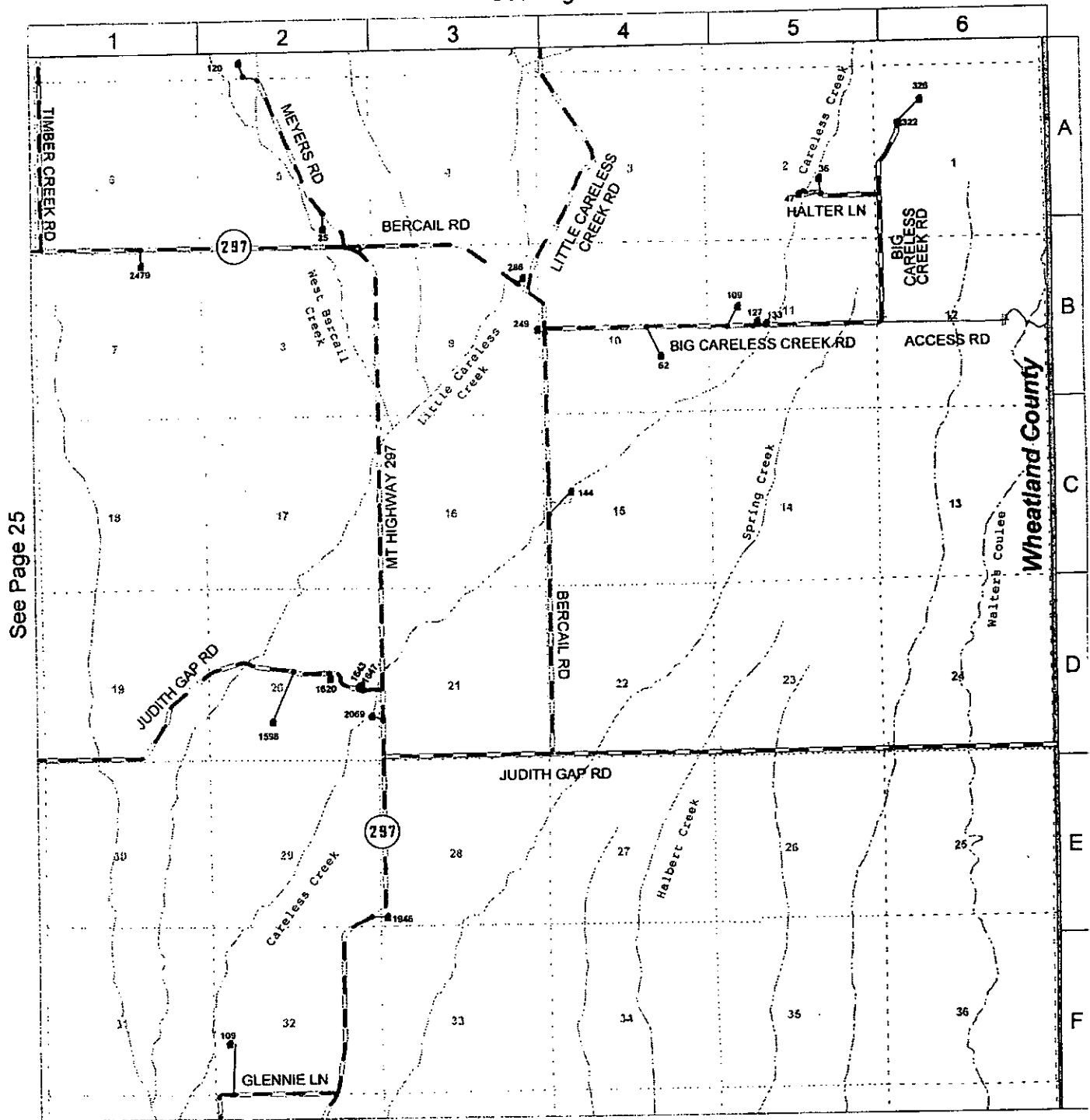
That the Americans with Disabilities Act(ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Sale Tracts #218, #350, #351, and #352 were given two different values. A value "as is" without legal access and a value based on the hypothetical condition of having legal access. Sale Tract #462 was given a value based on the hypothetical condition that no improvements exist on the property.



Traffic Regulations and
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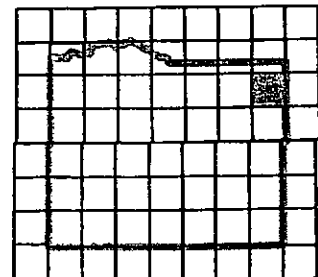


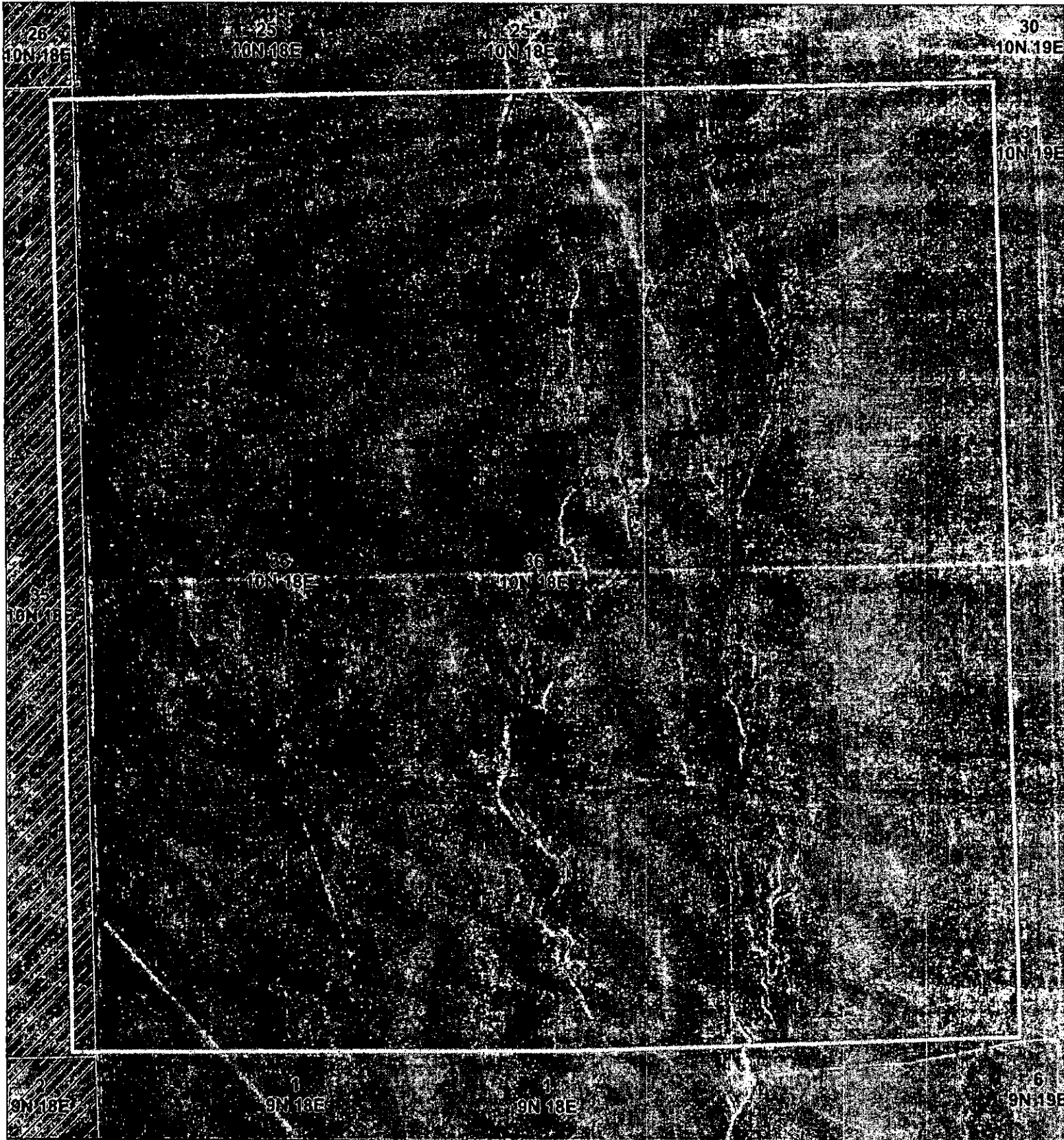


BERCAILL RD, A-3
D-4
BIG CARELESS CREEK RD, B-5
B-6
GLENNIE LN, F-2
HALTER LN, A-5
JUDITH GAP RD, D-1
E-4
LITTLE CARELESS CREEK RD, A-4
MEYERS RD, A-2
MT HIGHWAY 297, C-3
TIMBER CREEK RD, A-1

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July 11, 2008

WHEATLAND County

Farm - Tract

CROP YEAR 2008

Sec 36 Twp 10N Rge 18E

 Rangeland

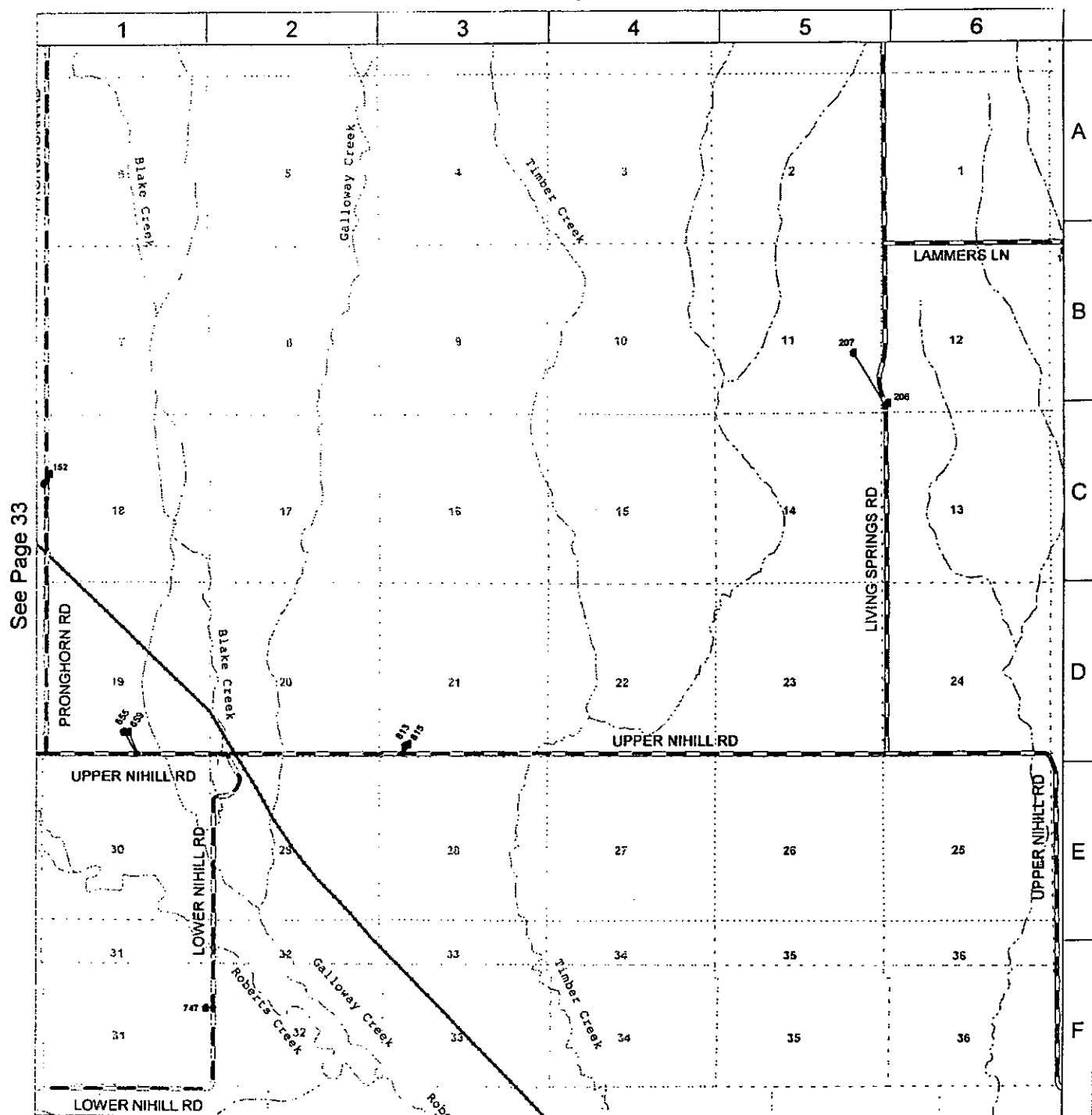


USDA
Farm Service Agency



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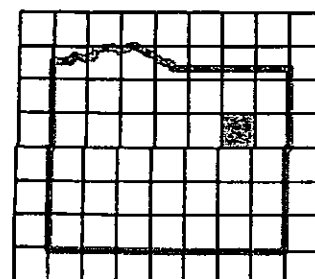
Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.



LAMMERS LN, B-6
LIVING SPRINGS RD, C-5
LOWER NIHILL RD, E-1
PRONGHORN RD, D-1
UPPER NIHILL RD, D-4
E-1
E-6

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July 11, 2008

WHEATLAND County

Farm - Tract

CROP YEAR 2008

Sec 8 Twp 9N Rge 17E

☒ Rangeland

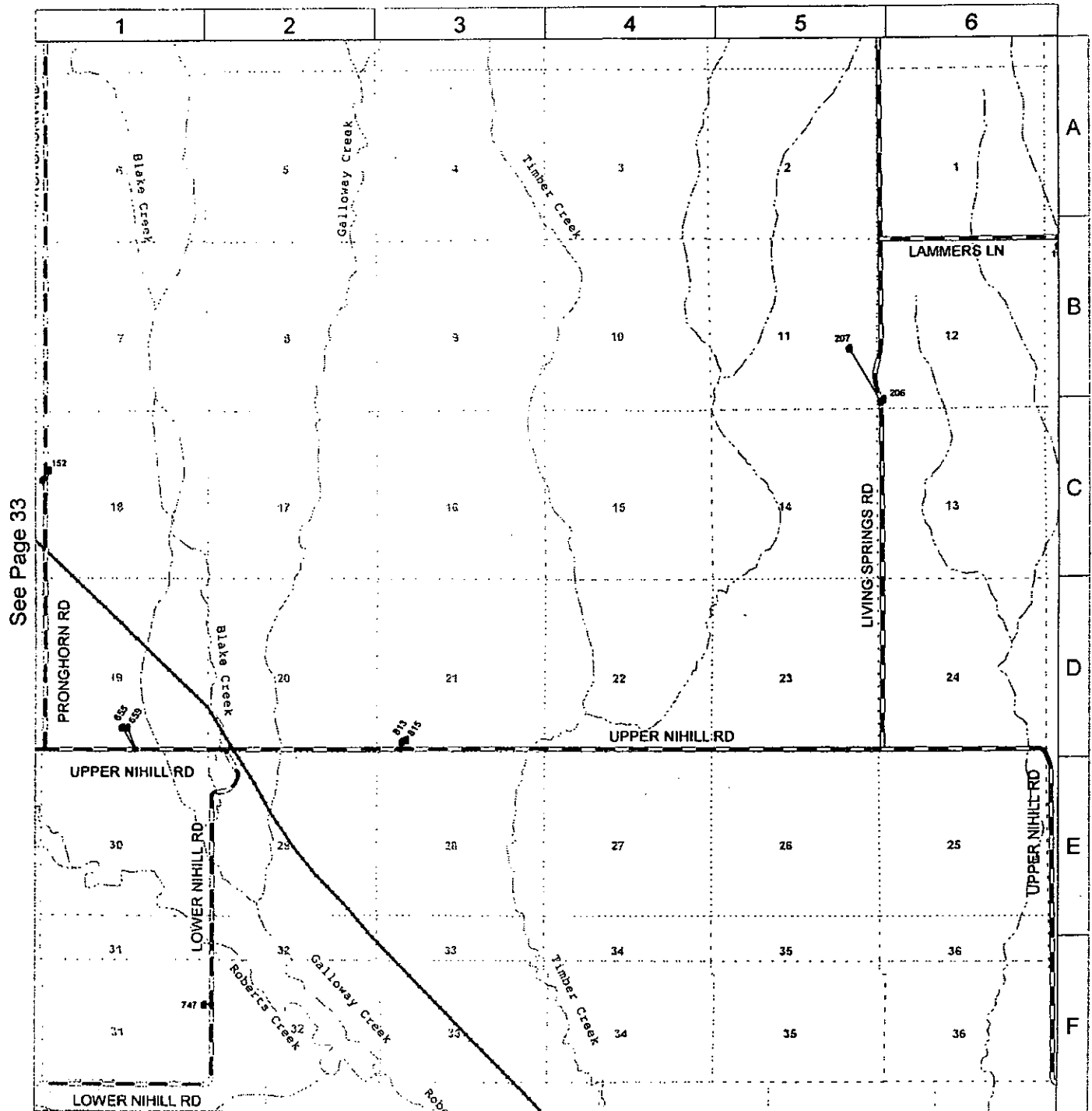


USDA
Farm Service Agency

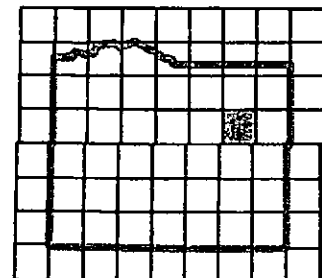


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LAMMERS LN, B-6
LIVING SPRINGS RD, C-5
LOWER NIHILL RD, E-1
PRONGHORN RD, D-1
UPPER NIHILL RD, D-4
E-1
E-6





July 11, 2008

WHEATLAND County

Farm - Tract

CROP YEAR 2008

Sec 6 Twp 9N Rge 17E

☒ Rangeland



USDA
Farm Service Agency

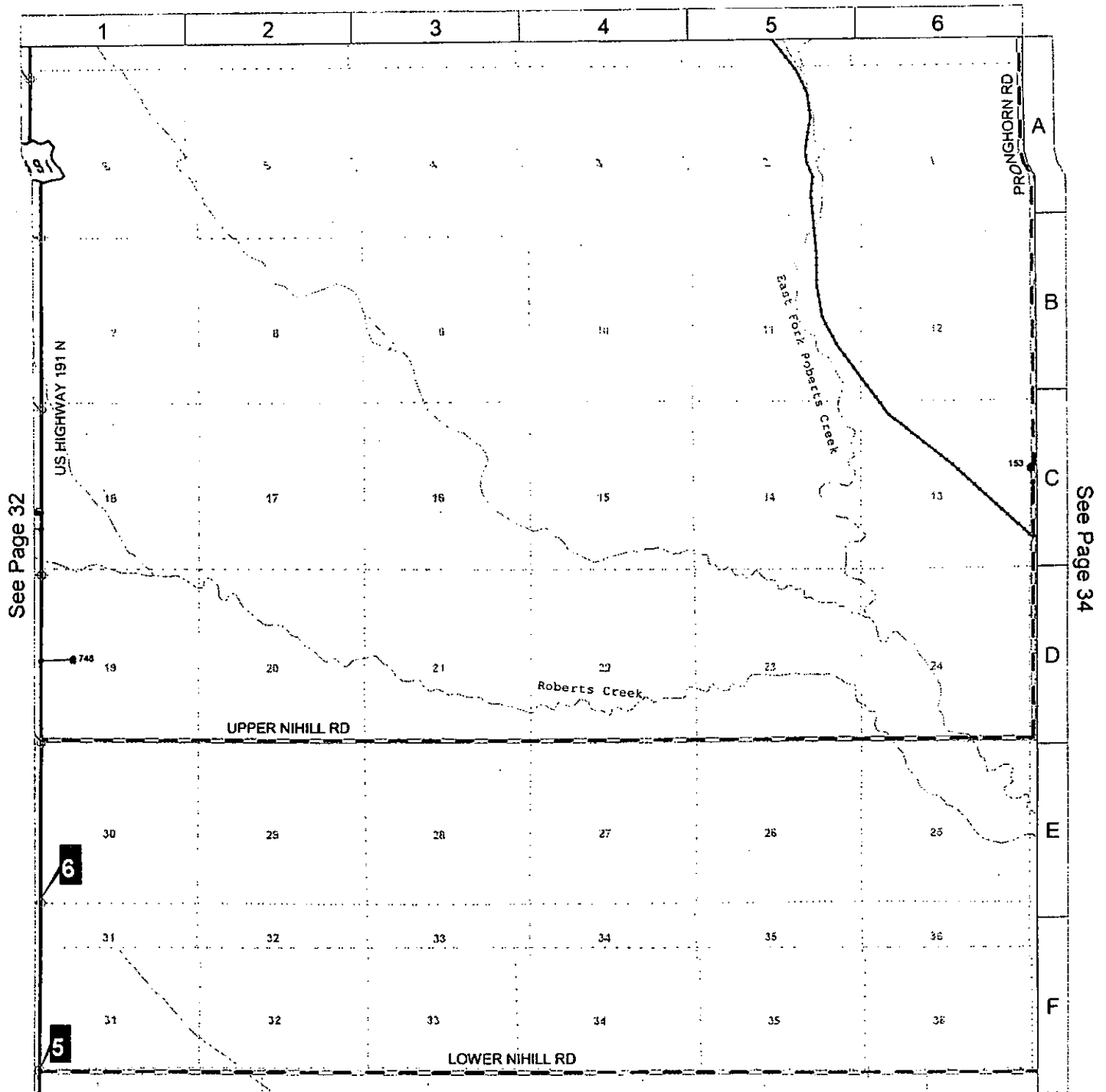


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SALE #352 T9N R16E

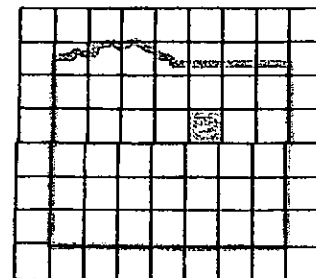
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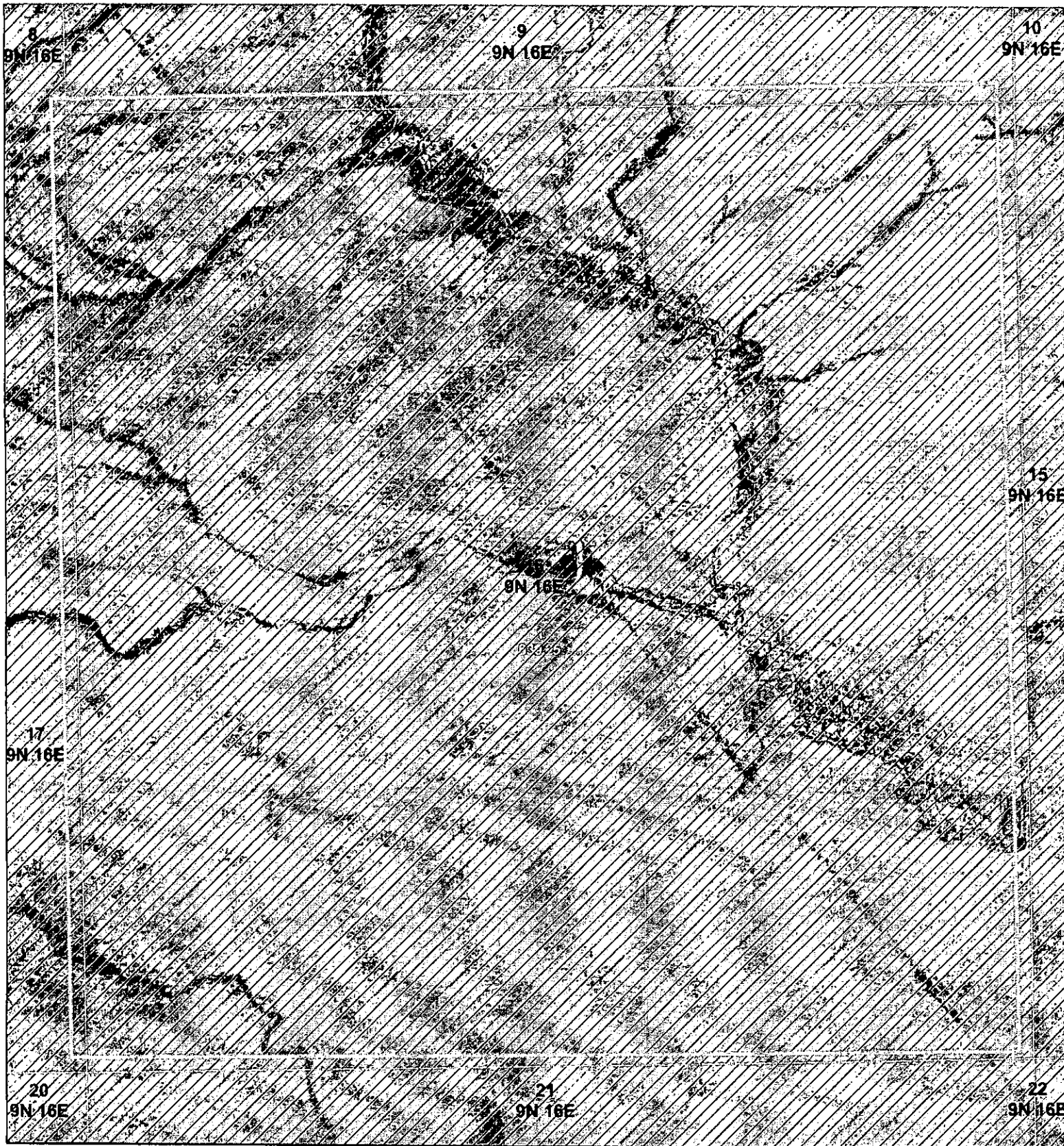


LOWER NIHILL RD, F-3
PRONGHORN RD, A-6
UPPER NIHILL RD, D-2
US HIGHWAY 191 N, C-1

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July 11, 2008

WHEATLAND County

Farm - Tract

CROP YEAR 2008

Sec 16 Twp 9N Rge 16E

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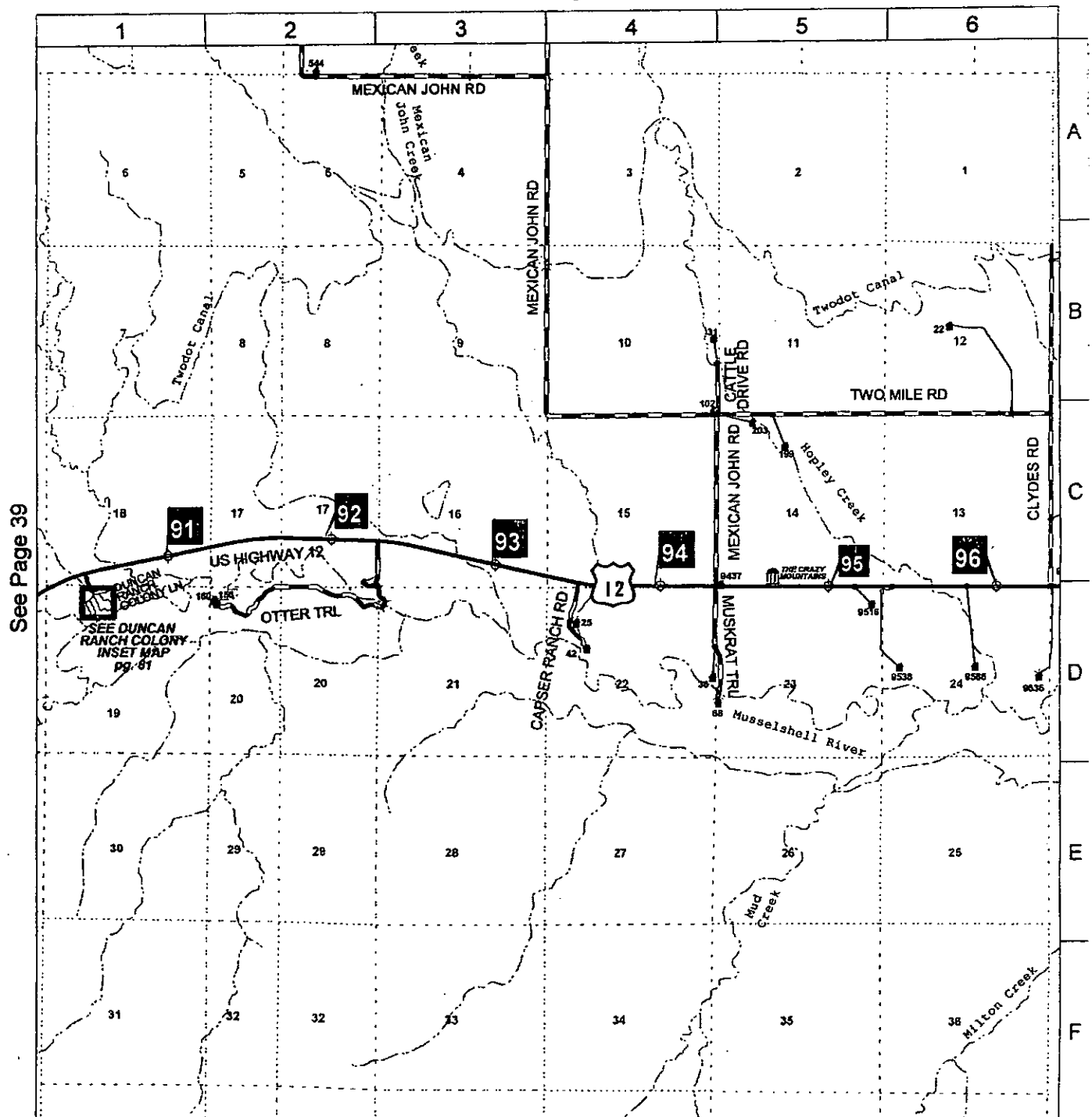
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S ALLE 462

T8N R14E

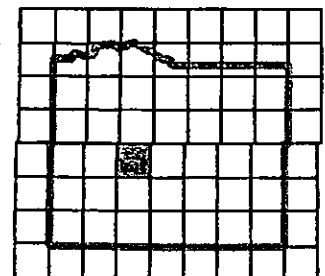
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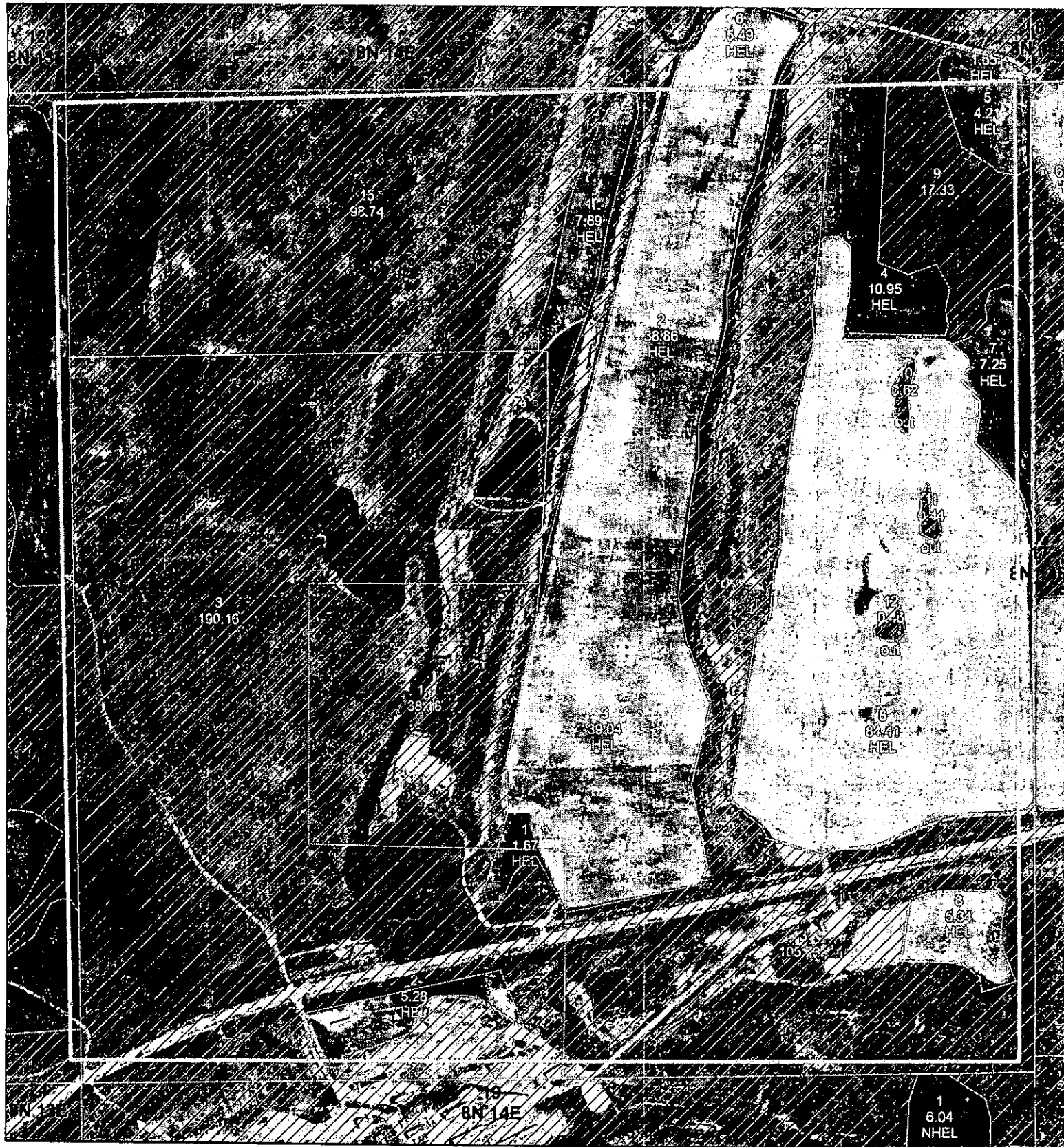


CAPSER RANCH RD, D-3
 CATTLE DRIVE RD, B-5
 CLYDES RD, C-6
 DUNCAN RANCH COLONY LN, C-1
 MEXICAN JOHN RD, A-3
 B-3
 C-5
 MUSKRAT TRL, D-5
 OTTER TRL, D-2
 TWO MILE RD, B-6
 US HIGHWAY 12, C-2

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July 11, 2008

WHEATLAND County

Farm - Tract

CROP YEAR 2008

Sec 18 Twp 8N Rge 14E

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Disclaimer: Wetland identifiers do not represent the size, shape or specific determination of the area. Refer to your original determination (CPA-026 and attached maps) for exact wetland boundaries and determinations, or contact NRCS.

PURPOSE AND USE OF THE APPRAISAL

The client and intended users are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation(DNRC). The purpose of the appraisal is to provide the clients with a credible opinion of current market value of the appraised subject property and is intended for use in the decision-making process concerning the potential sales of said subject property

SCOPE OF THE APPRAISAL

The information in this appraisal was researched, verified, and reported in the most efficient manner in forming the conclusion of market value of the property. Typically, in order to estimate the market value of the property, three standard approaches to estimating value are generally considered. Involved in each is the collection, verification, analysis of both general and specific data pertinent to the property. As the three approaches are rarely independent of one another, the appraisal process is comprised of integrated, interrelated, and inseparable procedures that ultimately indicate a reliable estimate of value. The final conclusion of market value has been presented in the correlation and final value estimate section. The subject property was researched on the State of Montana Department of Revenue website for current information of the property involved in the appraisal. The property was researched at the Fergus County Courthouse for current taxes, transfers in the last thirty-six months or before, deeds, and other information. The Farm Service Agency was utilized for the size & types of land on the property and aerial photographs through the certification of the land for government programs. The property and all improvements were inspected by the appraiser for notable features were noted and considered in the completion of the appraisal. Pictures were taken of various views of the property and types of land. The comparable sales were verified and researched through realtors, attorneys, buyers, or sellers. Differences in the comparable sales were adjusted in comparing them to the subject property. The comparable sales were analyzed and compared to the subject property in each of the three approaches to value if applicable and concluded in the final conclusion of market value.

DEFINITION OF MARKET VALUE

Market value used in this appraisal is the 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 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.

PROPERTY RIGHTS APPRAISED

The property rights considered in this report are those surface rights and interests held by the subject property owner in fee simple title. No value differential is currently evident in the market area with appurtenant mineral rights compared with those that have had the minerals reserved by a prior

owner. There are no known easements or encroachments that would detrimentally affect the value of the property; subject, however, to the easements, public roads, public utilities, pipelines, or any existing private easements of record.

PRESENT OWNERSHIP AND IDENTIFICATION OF THE PROPERTY

The State of Montana properties are located in various locations in Wheatland County. Sales #218, #350, #351, and #352 have no legal access. Sale #462 has legal access by way of U.S. Highway #12. There were no building improvements or site improvements valued in this appraisal.

OWNERSHIP HISTORY

The properties have not been sold or transferred in the last 36 months.

DATE OF VALUE ESTIMATE

The date of value estimate was July 12, 2008.

DATE OF INSPECTION

The date of inspection was July 12, 2008.

LEGAL DESCRIPTION

Sale #218:

Township 10 North, Range 18 East, M.P.M., Wheatland County

Section 36: All - 640 Acres

Sale #350:

Township 9 North, Range 17 East, M.P.M., Wheatland County

Section 8: All - 640 Acres

Sale #351:

Township 9 North, Range 17 East, M.P.M., Wheatland County

Section 6: Lots 1, 2, S1/2NE1/4 - 161.20 Acres

Sale #352:

Township 9 North, Range 17 East, M.P.M., Wheatland County

Section 16: All - 640 Acres

Sale #462:

Township 8 North, Range 14 East, M.P.M., Wheatland County

Section 18: Lots 2, 3, 4, SE1/4NW1/4, SE1/4SW1/4 - 184.62 Acres

TOTAL DEEDED ACRES = 2265.82 Acres

AREA-REGIONAL ANALYSIS & TRENDS

Wheatland County is located in the central part of Montana. Its north boundary is the Big Snowy Mountains and the Little Belt Mountains. The west boundary is the Crazy Mountains. The east and south boundaries open up to the prairie grassland of eastern Montana. Wheatland County is an area of very diversified topography. The land ranges from the Musselshell River to the mountain ranges of the Big Snowy, Little Belt, Crazy, and Castle Mountains. Elevations range from 3,955 feet in the southeastern part of the county to 8,294 in the Little Belt Mountains in the northwestern part of the county. Precipitation varies from 12" to 18" during a normal year. The average length of growing season is 105-110 days. During the past 20 years the population of Wheatland County has been slowly declining. The Chicago-Milwaukee railroad had employed a number of people in the area in the past 20 years until the railroad was abandoned resulting in people moving out of the area. The 2000 census reported a population of 2,259 in Wheatland County. The majority of the population is located in the city of Harlowton, Montana which has 1,075 people. Agriculture is the largest employer in the area with 50% of the people involved in some way in the agricultural industry. Wheatland County has a variety of recreational opportunities and especially hunting and fishing. The Lewis and Clark National Forest is located in the county and neighboring counties. Harlowton is the county seat of Wheatland County and is the major center of commercial activity.

Trends: Wheatland County has a stable economy. Agriculture is general in average condition with some agricultural commodities resulting in some lack of spending power in the area. Commercial activity is considered to be stable. Some windmill farms have been developed in the area creating some jobs for the local workforce. Residential property values are considered to be stable with very little new construction of residential homes taking place. Commercial property values are considered stable with some vacancy in the commercial buildings in the area. Recreational type property has a moderate demand with most recreational type property selling with a residential use in mind. Some of the more desirable agricultural land that have good aesthetics and trees are being sold for recreational purposes. Agricultural property values are considered stable to increasing slowly. .

NEIGHBORHOOD ANALYSIS & TRENDS

The subject properties are located in Wheatland County. Harlowton, Montana is the county seat of Wheatland County. Harlowton is a small town with some basic retail businesses. The nearest city with a variety of services is Big Timber which is located forty miles to the south and Lewistown which is located sixty miles to the northeast. There is a post office, an elementary school, and high school located in Harlowton, Montana. The general neighborhood is an area of small grains production, hayland production, livestock grazing, and recreational uses. Private, county, State Highways provide access to the subject property and the neighborhood. The neighborhood is a level to rolling to breaks type terrain with small grains production and hay production taking place in the more level areas and livestock grazing taking place in the rolling to breaks areas. The farms and ranches in the neighborhood have been used for small grains production, hay production, livestock grazing, and recreational uses. There are ranchers in the neighborhood that lease out their land in the fall for recreational use for big game & bird hunting. The marketing of small grains, hay, and livestock takes place in Harlowton, Lewistown, or Billings, Montana. Electrical power and telephone services are available in this neighborhood. Most services needed are obtained in Harlowton, Lewistown, or Billings, Montana. The immediate area is made up mostly of agricultural type properties with some small tract residential properties mixed in. The subject property is located within close proximity of U.S. Highway #12.

Trends: The neighborhood can be best characterized as an area of small grains, hay, and livestock farms and ranches with some smaller recreational/ranchette type property mixed in with the larger ranches. Smaller units which are considered add-on units to agricultural operations are in demand at this time with some of them being sold as recreational property. Residential property values are considered stable with a moderate amount of new construction taking place in the area. Commercial values are considered stable. Recreational property is in moderate demand with most recreational property selling with a residential use in mind. Agricultural property values are considered to be stable. Some of the agricultural land has been sold for recreational purposes.

HIGHEST AND BEST USE

The highest and best use is defined as follows: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. To estimate the highest and best use, four elements are considered:

1. Possible Use. What uses of the site in question are physically possible?
2. Permissible Legal Use. What uses of the site are permitted by zoning and deed restrictions?
3. Feasible Use. Which possible and permissible uses will produce a net return to the owner of the site?
4. Highest and Best Use. Among the feasible uses, which use will produce the highest net return or the highest present worth?

The highest and best use of the land or site if vacant and available or use may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the value of the site. The following tests must be met in estimating highest and best use. The use must be legal and probable, not speculative or conjectural. A demand for the use must exist and it must yield the highest net return to the land for the longest period. These tests are applied to the improved and vacant property. To arrive at an estimate of highest and best use, the subject site was analyzed 1) as though vacant and available for development, and 2) as presently improved.

HIGHEST AND BEST USE AS VACANT

Possible Use

The property and the neighborhood have a history of being used for hay production, livestock grazing, recreational, and rural residential purposes. The location of the tracts of land are amongst agricultural type uses of land. The possible uses of the property are for hay production, livestock grazing, and recreational purposes. The size and shape of the site lends itself to an agricultural type of use. The physical aspects of the site lend itself to an agricultural type use.

Permissible Use

The property is not zoned. There is no zoning of any kind in the rural areas of Wheatland County. Tracts #218, #350, #351, and #352 have no legal access to the property which restricts the potential buyers of the property to an agricultural type use. Tract #462 has legal access by way of U.S. Highway #12. There are many buildings improvements, site improvements, and a sewage lagoon located on the site which affects the desirability of the site and limits the use to an agricultural type use. None of the improvements were valued in this appraisal. Only common restrictions for utility easements exist.

Feasible Use

The subject property tracts are located in four tracts of land scattered in Wheatland County. The areas are known as the Harlowton and Judith areas. This is a desirable area for agricultural and recreational type properties. The property has been used for livestock grazing in the past and present.

HIGHEST AND BEST USE "AS VACANT"

All of the feasible uses must be analyzed to determine which feasible use is the highest and best use. The property is limited to an agricultural type use on Tracts #218, #350, #351, and #352 because of the lack of legal access. Tract #462 has building improvements located on the property. This appraisal did not value the building improvements, site improvements or the lagoon on the property. The highest and best use "as vacant" is determined to be an agricultural use.

HIGHEST AND BEST USE "AS IMPROVED"

Tracts #218, #350, #315, and #352 have no improvements located on sites. Tract #462 has building improvements, site improvements, and a lagoon located on the site but were not valued in this appraisal. It is determined that the highest use "as improved" is as an agricultural use.

PROPERTY DATA

TRACT #218

Location and Access: This property is located approximately fifteen miles east of Judith Gap. The property is in one contiguous tract of land and being used for livestock grazing. The property is located in the eastern part of Wheatland County. There is no legal access to the property. Private roads & trails provide access to the property.

Size & Shape: The total property consists of 640 acres. The property information was obtained from the Wheatland County Appraisal/Assessment Office and the Farm Service Agency information. The property has 640 acres of native grazing land. There are no building improvements located on the property.

History and Operation: The property was not been transferred in the recent past. The grazing capacity of the livestock grazing is estimated at 169 AUMs or 34 animal units(169 AUMs / 5 Months) for a five month summer grazing season.

Leases and Permits: There were no grazing leases or permits valued in this appraisal.

Topography: The topography of the subject property is level to slightly rolling.

Soils: The soils on the property are clay loams, gravelly clay loams, and other complex type soils.

Vegetation: Vegetation on the property consists of native grasses and small shrubs. There are minimal noxious weeds located on the property.

Water Rights, Irrigation, and Stock Water:

There are no water rights filed on the property at the Montana State Department of Natural Resources and Conservation - Water Rights Office. The recreational hunting on the property is considered be average for properties in the area. A water pipeline is located on the site along the eastern boundary which supplies water to neighboring water tanks.

Utilities/Site Improvements: There are no utilities located on the site. There are site improvements consisting of wire fencing which is located on the eastern and western boundaries and through the middle of the property from west to east. A natural gas pipeline goes through the southwestern part of the property.

Taxes: The property is tax exempt at this time.

Mineral Rights: A detailed search was not done to find out the exact status of the mineral rights of the subject property. There is no evidence in the market that the absence of mineral rights has any effect on the selling prices.

Recreational Amenities:

The recreation on the property and in the area is considered to be average. There is average amount of big game and bird hunting in the area.

Hazards & Detriments: The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. We urge the client to retain an expert in the field before making a business decision regarding the property. Hazardous waste materials or underground storage tanks may or may not be present. Contact Montana State Department of Health and Environmental Science (444-5970).

Zoning: There are no zoning laws covering the rural areas of Wheatland County.

Improvements: There are no building improvements located on the site. There are site improvements consisting of fencing and private access roads.

TRACT #350

Location and Access: This property is located approximately eight miles southeast of Judith Gap. The property is in one contiguous tract of land and being used for livestock grazing. The property is located in the eastern part of Wheatland County. There is no legal access to the property. Private roads & trails provide access to the property.

Size & Shape: The total property consists of 640 acres. The property information was obtained from the Wheatland County Appraisal/Assessment Office and the Farm Service Agency information. The property has 640 acres of native grazing land. There are no building improvements located on the property.

History and Operation: The property was not been transferred in the recent past. The grazing capacity of the livestock grazing is estimated at 152 AUMs or 30 animal units(152 AUMs / 5 Months) for a five month summer grazing season.

Leases and Permits: There were no grazing leases or permits valued in this appraisal.

Topography: The topography of the subject property is level to rolling.

Soils: The soils on the property are clay loams, gravelly clay loams, and other complex type soils.

Vegetation: Vegetation on the property consists of native grasses and small shrubs. There are minimal noxious weeds located on the property.

Water Rights, Irrigation, and Stock Water:

There are no water rights filed on the property at the Montana State Department of Natural Resources and Conservation - Water Rights Office. The recreational hunting on the property is considered be average for properties in the area.

Utilities/Site Improvements: There are no utilities located on the site. There are site improvements consisting of wire fencing which is located on the eastern boundary.

Taxes: The property is tax exempt at this time.

Mineral Rights: A detailed search was not done to find out the exact status of the mineral rights of the subject property. There is no evidence in the market that the absence of mineral rights has any effect on the selling prices.

Recreational Amenities:

The recreation on the property and in the area is considered to be average. There is average amount of big game and bird hunting in the area.

Hazards & Detriments: The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. We urge the client to retain an expert in the field before making a business decision regarding the property. Hazardous waste materials or underground storage tanks may or may not be present. Contact Montana State Department of Health and Environmental Science (444-5970).

Zoning: There are no zoning laws covering the rural areas of Wheatland County.

Improvements: There are no building improvements located on the site. There are site improvements consisting of fencing and private access roads.

TRACT #351

Location and Access: This property is located approximately seven miles southeast of Judith Gap. The property is in one contiguous tract of land and

being used for livestock grazing. The property is located in the eastern part of Wheatland County. There is no legal access to the property. Private roads & trails provide access to the property.

Size & Shape: The total property consists of 161.2 acres. The property information was obtained from the Wheatland County Appraisal/Assessment Office and the Farm Service Agency information. The property has 161.2 acres of native grazing land. There are no building improvements located on the property.

History and Operation: The property was not been transferred in the recent past. The grazing capacity of the livestock grazing is estimated at 40 AUMs or 8 animal units (40 AUMs / 5 Months) for a five month summer grazing season.

Leases and Permits: There were no grazing leases or permits valued in this appraisal.

Topography: The topography of the subject property is level to rolling.

Soils: The soils on the property are clay loams, gravelly clay loams, and other complex type soils.

Vegetation: Vegetation on the property consists of native grasses and small shrubs. There are minimal noxious weeds located on the property.

Water Rights, Irrigation, and Stock Water:

There are no water rights filed on the property at the Montana State Department of Natural Resources and Conservation - Water Rights Office. The recreational hunting on the property is considered be average for properties in the area.

Utilities/Site Improvements: There are no utilities located on the site. There are no site improvements located on the site.

Taxes: The property is tax exempt at this time.

Mineral Rights: A detailed search was not done to find out the exact status of the mineral rights of the subject property. There is no evidence in the market that the absence of mineral rights has any effect on the selling prices.

Recreational Amenities:

The recreation on the property and in the area is considered to be average. There is average amount of big game and bird hunting in the area.

Hazards & Detriments: The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. We urge the client to retain an expert in the field before making a business decision regarding the property. Hazardous waste materials or underground storage tanks may or may not be present. Contact Montana State Department of Health and Environmental Science (444-5970).

Zoning: There are no zoning laws covering the rural areas of Wheatland County.

Improvements: There are no building or site improvements located on the site.

TRACT #352

Location and Access: This property is located approximately nine miles south of Judith Gap. The property is in one contiguous tract of land and being used for livestock grazing. The property is located in the eastern part of Wheatland County. There is no legal access to the property. Private roads & trails provide access to the property. A windmill farm is located to the west of this tract of land.

Size & Shape: The total property consists of 640 acres. The property information was obtained from the Wheatland County Appraisal/Assessment Office and the Farm Service Agency information. The property has 640 acres of native

grazing land. There are no building improvements located on the property.

History and Operation: The property was not been transferred in the recent past. The grazing capacity of the livestock grazing is estimated at 154 AUMs or 31 animal units(154 AUMs / 5 Months) for a five month summer grazing season.

Leases and Permits: There were no grazing leases or permits valued in this appraisal.

Topography: The topography of the subject property is level to rolling.

Soils: The soils on the property are clay loams, gravelly clay loams, and other complex type soils.

Vegetation: Vegetation on the property consists of native grasses and small shrubs. There are minimal noxious weeds located on the property.

Water Rights, Irrigation, and Stock Water:

There are no water rights filed on the property at the Montana State Department of Natural Resources and Conservation - Water Rights Office. The recreational hunting on the property is considered be average for properties in the area.

Utilities/Site Improvements: There are no utilities located on the site. A power transmission line goes through the middle of the property. There are site improvements consisting of wire fencing on the eastern boundary on the site.

Taxes: The property is tax exempt at this time.

Mineral Rights: A detailed search was not done to find out the exact status of the mineral rights of the subject property. There is no evidence in the market that the absence of mineral rights has any effect on the selling prices.

Recreational Amenities:

The recreation on the property and in the area is considered to be average. There is average amount of big game and bird hunting in the area.

Hazards & Detriments: The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. We urge the client to retain an expert in the field before making a business decision regarding the property. Hazardous waste materials or underground storage tanks may or may not be present. Contact Montana State Department of Health and Environmental Science (444-5970).

Zoning: There are no zoning laws covering the rural areas of Wheatland County.

Improvements: There are no building improvements located on the site. There are site improvements consisting of wire fencing and private access roads.

TRACT #462

Location and Access: This property is located approximately eight miles west of Harlowton. The property is in one contiguous tract of land and being used for livestock grazing. The property is located in the central part of Wheatland County. There is legal access to the property by way of U.S. Highway #12. The property is located just north and amongst the buildings of the Duncan Colony.

Size & Shape: The total property consists of 184.62 acres. The property information was obtained from the Wheatland County Appraisal/Assessment Office and the Farm Service Agency information. The property has 184.62 acres of native grazing land. There are building improvements, site improvements, and sewage lagoon located on the property.

History and Operation: The property was not been transferred in the recent past. The grazing capacity of the livestock grazing is estimated at 221 AUMs or 44 animal units(221 AUMs / 5 Months) for a five month summer grazing season.

Leases and Permits: There were no grazing leases or permits valued in this appraisal.

Topography: The topography of the subject property is level to rolling.

Soils: The soils on the property are clay loams, gravelly clay loams, and other complex type soils.

Vegetation: Vegetation on the property consists of native grasses, tame grasses, and small trees & shrubs. There are minimal noxious weeds located on the property.

Water Rights, Irrigation, and Stock Water:

There are no water rights filed on the property at the Montana State Department of Natural Resources and Conservation - Water Rights Office. The recreational hunting on the property is considered be average for properties in the area.

Utilities/Site Improvements: There are no utilities located on the site. A sewage lagoon is located on the site north of U.S. Highway #12. A rock quarry that is located just east of this site is partially located on this site. There are site improvements consisting of wire fencing on the western boundary along the highway north of the highway, and through the middle of the property from west to east. Many buildings owned by the Duncan Colony are located on the property. An artesian well & another shallow well owned by the Duncan Colony which supplies the colony with domestic water is located on the site. The building improvements, site improvements, and sewage lagoon were not valued in this appraisal.

Taxes: The property is tax exempt at this time.

Mineral Rights: A detailed search was not done to find out the exact status of the mineral rights of the subject property. There is no evidence in the market that the absence of mineral rights has any effect on the selling prices.

Recreational Amenities:

The recreation on the property and in the area is considered to be average. There is average amount of big game and bird hunting in the area.

Hazards & Detriments: The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. We urge the client to retain an expert in the field before making a business decision regarding the property. Hazardous waste materials or underground storage tanks may or may not be present. Contact Montana State Department of Health and Environmental Science (444-5970).

Zoning: There are no zoning laws covering the rural areas of Wheatland County.

Improvements: There are building improvements, site improvements(wells), and a sewage lagoon located on the site but were not valued in this appraisal. Other site improvements consisting of wire fencing and private access roads.

APPRAISAL PROCESS

The final conclusion of value is estimated after careful correlation of values obtained from the three approaches to value. These include the cost, income, and sales comparison approaches. However, with some properties it is not possible or feasible to obtain adequate information and utilize all three approaches. The appraiser typically applies those which have adequate data to give a reliable estimate. All three of the traditionally acceptable approaches to value have been given consideration in this appraisal. In the final analysis, the appraisal process and its corresponding approaches to value are predicated largely on the principle of substitution which implies that a prudent or knowledgeable purchaser will not pay more for a property than he could purchase an equally desirable substitute property. On the other hand, a prudent or knowledgeable seller will sell for no less than what similar properties are selling for unless under undue duress. The appraiser has conducted a detailed research for similar market transactions. The market value in this appraisal is for determining the agricultural use value of the property. No other uses were considered in determining the market value of the property.

Cost Approach: The cost approach to value represents a summation of the contributory value of all improvements and individual land components. There are many variables the appraiser must take into consideration in using this approach which depends primarily on the appraiser's estimate of the replacement cost new and proper analysis of accrued depreciation. Value-in-use and value-in-exchange are quite different in the final analysis and must be analyzed carefully with regard to the actual contributory value of the structures as a percent of the total market value.

Income Approach: The income approach is an appraisal technique in which the anticipated net income is processed to indicate the capital amount, or total investment which produces the net income. Analysis of the capitalized income gives an indication of market value of the property under consideration. Comparable ranches have been analyzed for income producing potential on a lease basis. The income approach has been considered in this appraisal from the standpoint of grazing capacity of the ranch multiplied by the AUM value on a rental basis to determine the net income potential from a lessee-landlord standpoint.

Sales Comparison Approach: The appraiser, through the concept of comparing the subject property with actual market transactions, has deduced the amount the subject property would likely bring if offered for sale on the open market. Simply, by analyzing the valuation factors for each property sold or is offered for sale, one can produce a duplicate of the subject property and thus estimate the price which the subject should bring in the market. It must be realized, no two properties are ever exactly alike and adjustments must be made for the items of dissimilarity. Due to the variation of features between properties, including location, productivity, variation of features between properties, including location, productivity, size, land, topography and other amenities such as river or stream frontage, services or other factors which may have an effect on value, it is necessary to analyze several sales from which one can estimate the size of the adjustments. Adjustments to each sale have been made to reflect the factors found on the subject property based on knowledge of the sale properties from a thorough and detailed analysis of the general area including economics, growth, interviews with developers, landowners, realtors, and other knowledgeable persons of the area.

COST APPROACH

The cost approach to value was not completed because no building improvements were valued in the is appraisal. Because there were no building improvements that were valued on the properties the cost approach was considered to be a less reliable approach to value in this appraisal assignment

INCOME APPROACH

The income approach to value was not completed because of a lack of income data for properties with no access. The income approach is considered to be a less reliable approach to value in this appraisal assignment.

SALES COMPARISON APPROACH

COMPARABLE SALE # 1

Date of Sale: March 24, 2006

Document:

Grantor:

Grantee:

Location: Five Miles West of Harlowton, Montana

Legal Description:

Sale Price: \$97,200

Size: 155.18 Acres

Sale Price/Acre: \$626.37

Terms: Conventional

Cash Equivalency: \$97,200

Interest Conveyed: Fee Simple

Verification: Confidential

Access: County Road

Topography: Level to Rolling

Vegetation: Native Grasses, Small Grains, Alfalfa & Tame Grasses

Water:

Utilities: Power - Nearby

Improvements: None

Land Analysis: 142 acres of dryland cropland/hayland valued at \$650/acre, and 13 acres of native grazing land valued at \$375/acre. There are no building improvements of value.

Capitalization Rate: 2.2%

Comments: This comparable sale is located approximately six miles west of Harlowton, Montana. This land was purchased for recreational/agricultural purposes.

COMPARABLE SALE # 2

Date of Sale: April 5, 2006

Document:

Grantor:

Grantee:

Location: Six Miles North of Harlowton, Montana

Legal Description:

Sale Price: \$71,975

Size: 233.77 Acres

Sale Price/Acre: \$307.89

Terms: Cash

Cash Equivalency: \$71,975

Interest Conveyed: Fee Simple

Verification: Confidential

Access: U.S. Highway #191

Topography: Level to Rolling

Vegetation: Small Grains and Native Grasses

Water: None

Utilities: Power - Nearby

Improvements: None

Land Analysis: 156 acres of dryland cropland valued at \$350/acre and 77.77 acres of native grazing land valued at \$225/acre. There are no building improvements of value.

Capitalization Rate: 3.0%

Comments: This comparable sale is located approximately six miles north of Harlowton, Montana. This land was purchased for agricultural purposes.

COMPARABLE SALE # 3

Date of Sale: April 10, 2006

Document:

Grantor:

Grantee:

Location: Six Miles North of Harlowton, Montana

Legal Description:

Sale Price: \$18,200

Size: 73.77 Acres

Sale Price/Acre: \$246.71

Terms: Cash

Cash Equivalency: \$18,200

Interest Conveyed: Fee Simple

Verification: Confidential

Access: U.S. Highway #191

Topography: Level to Rolling

Vegetation: Native Grasses

Water: None

Utilities: Power - Nearby

Improvements: None

Land Analysis: 73.77 acres of native grazing land valued at \$247/acre.

There are no building improvements of value.

Capitalization Rate: 1.0%

Comments: This comparable sale is located approximately six miles north of Harlowton, Montana. The land was purchased for agricultural purposes.

COMPARABLE SALE # 4

Date of Sale: April 12, 2006

Document:

Grantor:

Grantee:

Location: Twelve Miles Northeast of Harlowton, Montana

Legal Description:

Sale Price: \$1,400,000

Size: 3993.2 Acres

Sale Price/Acre: \$350.06

Terms: Conventional

Cash Equivalency: \$1,400,000

Interest Conveyed: Fee Simple

Verification: Confidential

Access: County Road

Topography: Level to Rolling

Vegetation: Native Grasses, Small Grains, Alfalfa, Tame Grasses
Water: Wells and Springs
Utilities: Well, Septic, Power and Telephone
Improvements: Old House and other machine & livestock sheds - minimal value
Land Analysis: 2700 acres of dryland cropland & CRP valued at \$375/acre, 300 acres of dryland hayland/improved pasture valued at \$375/acre, 993 acres of native grazing land valued at \$275/acre, and 60 AUMs of State Grazing Lease valued at \$60/AUM. The building improvements were considered to have minimal value with no contribution to the sale.
Capitalization Rate: 5.1%
Comments: This comparable sale is located twelve miles north of Harlowton, Montana. This land was purchased for agricultural purposes.

COMPARABLE SALE # 5

Date of Sale: June 29, 2006
Document:
Grantor:
Grantee:
Location: Three Miles West of Harlowton, Montana
Legal Description:
Sale Price: \$100,000
Size: 131.12 Acres
Sale Price/Acre: \$762.67
Terms: Conventional
Cash Equivalency: \$100,000
Interest Conveyed: Fee Simple
Verification: Confidential
Access: County Road
Topography: Level to Rolling
Vegetation: Native Grasses
Water: None
Utilities: None
Improvements: None
Land Analysis: 131.12 acres of residential/recreational type property valued at \$763/acre. There are no building improvements of value.
Capitalization Rate: Not Applicable
Comments: This comparable sale is located approximately three miles west of the subject property. This land was purchased for residential/recreational purposes.

COMPARABLE SALE # 6

Date of Sale: August 15, 2006
Document:
Grantor:
Grantee:
Location: One mile northeast of Harlowton, Montana
Legal Description:

Sale Price: \$640,000
Size: 1960 Acres
Sale Price/Acre: \$326.53
Terms: Conventional
Cash Equivalency: \$640,000

Interest Conveyed: Fee Simple
Verification: Confidential
Access: U.S. Highway #87
Topography: Level to Rolling
Vegetation: Native Grasses
Water: Creek
Utilities: Power - Nearby
Improvements: None
Land Analysis: 1960 acres of native grazing land valued at \$326/acre. There are no improvements of value.
Capitalization Rate: 1.1%
Comments: This comparable sale is located approximately one miles northeast of Harlowton, Montana. This property was purchased for and has been developed into a residential subdivision.

COMPARABLE SALE # 7

Date of Sale: September 26, 2006
Document:
Grantor:
Grantee:
Location: Ten Miles North of Harlowton, Montana
Legal Description:

Sale Price: \$46,750
Size: 154.46 Acres
Sale Price/Acre: \$302.67
Terms: Cash
Cash Equivalency: \$46,750
Interest Conveyed: Fee Simple
Verification: Confidential
Access: Private Road
Topography: Level to Rolling
Vegetation: Native Grasses
Water: None
Utilities: None
Improvements: None
Land Analysis: 154.46 acres of native grazing land valued at \$303/acre. There are no improvements of value.
Capitalization Rate: Not Applicable
Comments: This comparable sale is located approximately ten miles north of Harlowton, Montana. This land was purchased for recreational purposes.

COMPARABLE SALE # 8

Date of Sale: May 12, 2008
Document:
Grantor:
Grantee:
Location: Fifteen Miles North of Ryegate, Montana
Legal Description:

Sale Price: \$650,000
Size: 2070 Acres

Sale Price/Acre: \$314.01
 Terms: Conventional
 Cash Equivalency: \$650,000
 Interest Conveyed: Fee Simple
 Verification: Confidential
 Access: County Road
 Topography: Level to Rolling
 Vegetation: Native Grasses
 Water: Creeks and springs
 Utilities: Well, Septic, Power & Telephone
 Improvements: Older House, livestock sheds, storage sheds, and corrals
 Land Analysis: 145 acres of dryland cropland valued at \$400/acre, 123 acres of CRP valued at \$400/acre, 90 acres of dryland hayland valued at \$400/acre, 1712 acres of native grazing land valued at \$265/acre. There are building improvements valued at \$50,000.
 Capitalization Rate: 1.3%
 Comments: This comparable sale is located approximately fifteen miles north of Ryegate, Montana. This land was purchased for agricultural purposes.

SALES COMPARISON APPROACH
ADJUSTMENT GRID
SALES #218, #350, #351, AND #352
"AS IS" WITHOUT LEGAL ACCESS

Sale #	1	2	3	4	5	6	7	8
Sale Price/Acre	\$626	\$308	\$247	\$350	\$763	\$327	\$303	\$314
Location	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0
Building	0	0	0	0	0	0	0	-24
Size	0	0	0	+100	0	0	0	+100
Condition	0	0	0	0	0	0	0	0
Quality	-200	-100	0	-100	0	0	0	0
Access	-313	-154	-124	-175	-382	-164	-152	-157
Time	+175	+83	+67	+95	+183	+75	+67	0
Other	0	0	0	-1	-250	0	0	0
Adjusted Sales Price	\$288	\$137	\$190	\$269	\$314	\$238	\$218	\$233

Comments: Equal weight was given to each of the comparable sales. The comparable sales used were the most current similar sales available. Other comparable sales, comparable listings, and pending sales not included in the appraisal were reviewed and used as a benchmark to the market value. Comparable sales #3 and #7 were considered the most similar to the subject property. Comparable sale #8 has superior improvements compared to the

subject on a per/acre basis. Comparable sales #4 and #8 are larger in size compared to the subject property. Comparable sales #1, #2, and #4 are superior in quality of land compared to the subject. All of the comparable sales have access to the properties while the subject property has no access. Based on paired sales of properties in the central Montana area an estimated 50% reduction because of no access was applied to each of the comparable sales. Comparable sales #1, #2, #3, #4, #5, #6, and #7 occurred more than one year ago. The estimated rate of appreciation in the area is estimated at 1.00%/month or 12% per year. Comparable sale #8 occurred during 2008 and no adjustment was applied to the comparable sales. Comparable sale #4 has superior grazing leases compared to the subject. Comparable sale #5 was sold as a recreational/residential type property.

The sales prices of the comparable sales have a range of value from \$247/acre to \$763/acre. The adjusted sales prices of the comparable sales have a range of value from \$137/acre to \$314/acre. Comparable sales #3 and #7 are most similar to the subject property with adjusted sales prices of \$190/acre and \$218 respectfully. As a result of investigations and analysis of these and other comparable sales I have determined that the value of the property based on the sales comparison approach is \$200/acre for each of the properties.

As a result of my investigations and analysis of these and other comparable sales I have determined that the value of the property in completing the sales comparison approach based on "as is" condition without legal access on the sales comparison approach was:

Sale #218: \$200/Acre X 640 Acres = \$128,000
 Sale #350: \$200/Acre X 640 Acres = \$128,000
 Sale #351: \$200/Acre X 161.20 Acres = \$32,240
 Sale #352: \$200/Acre X 640 Acres = \$128,000

SALES COMPARISON APPROACH

ADJUSTMENT GRID

SALES #218, #350, #351, AND #352

BASED ON THE HYPOTHETICAL CONDITION OF HAVING LEGAL ACCESS

Sale #	1	2	3	4	5	6	7	8
Sale Price/ Acre	\$626	\$308	\$247	\$350	\$763	\$327	\$303	\$314
Location	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0
Building	0	0	0	0	0	0	0	-24
Size	0	0	0	+100	0	0	0	+100
Condition	0	0	0	0	0	0	0	0
Quality	-200	-100	0	-100	0	0	0	0
Access	0	0	0	0	0	0	0	0

Time	+175	+83	+67	+95	+183	+75	+67	0
Other	0	0	0	-1	-250	0	0	0
Adjusted								
Sales Price	\$601	\$291	\$314	\$444	\$696	\$402	\$370	\$390

Comments: Equal weight was given to each of the comparable sales. The comparable sales used were the most current similar sales available. Other comparable sales, comparable listings, and pending sales not included in the appraisal were reviewed and used as a benchmark to the market value. Comparable sales #3 and #7 were considered the most similar to the subject property. Comparable sale #8 has superior improvements compared to the subject on a per/acre basis. Comparable sales #4 and #8 are larger in size compared to the subject property. Comparable sales #1, #2, and #4 are superior in quality of land compared to the subject. Comparable sales #1, #2, #3, #4, #5, #6, and #7 occurred more than one year ago. The estimated rate of appreciation in the area is estimated at 1.00%/month or 12% per year. Comparable sale #8 occurred during 2008 and no adjustment was applied to the comparable sales. Comparable sale #4 has superior grazing leases compared to the subject. Comparable sale #5 was sold as a recreational/residential type property.

The sales prices of the comparable sales have a range of value from \$247/acre to \$763/acre. The adjusted sales prices of the comparable sales have a range of value from \$291/acre to \$696/acre. Comparable sales #3 and #7 are most similar to the subject property with adjusted sales prices of \$314/acre and \$444 respectfully.

As a result of investigations and analysis of these and other comparable sales I have determined that the value of the property based on the sales comparison approach based on the hypothetical condition of having legal access is \$400/acre for each of the properties was:

Sale #218: \$400/Acre X 640 Acres = \$256,000
 Sale #350: \$400/Acre X 640 Acres = \$256,000
 Sale #351: \$400/Acre X 161.20 Acres = \$64,480
 Sale #352: \$400/Acre X 640 Acres = \$256,000

SALES COMPARISON APPROACH
ADJUSTMENT GRID
SALE #462

Sale #	1	2	3	4	5	6	7	8
Sale Price/ Acre	\$626	\$308	\$247	\$350	\$763	\$327	\$303	\$314
Location	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0
Building	0	0	0	0	0	0	0	-24
Size	0	0	0	+100	0	0	0	+100

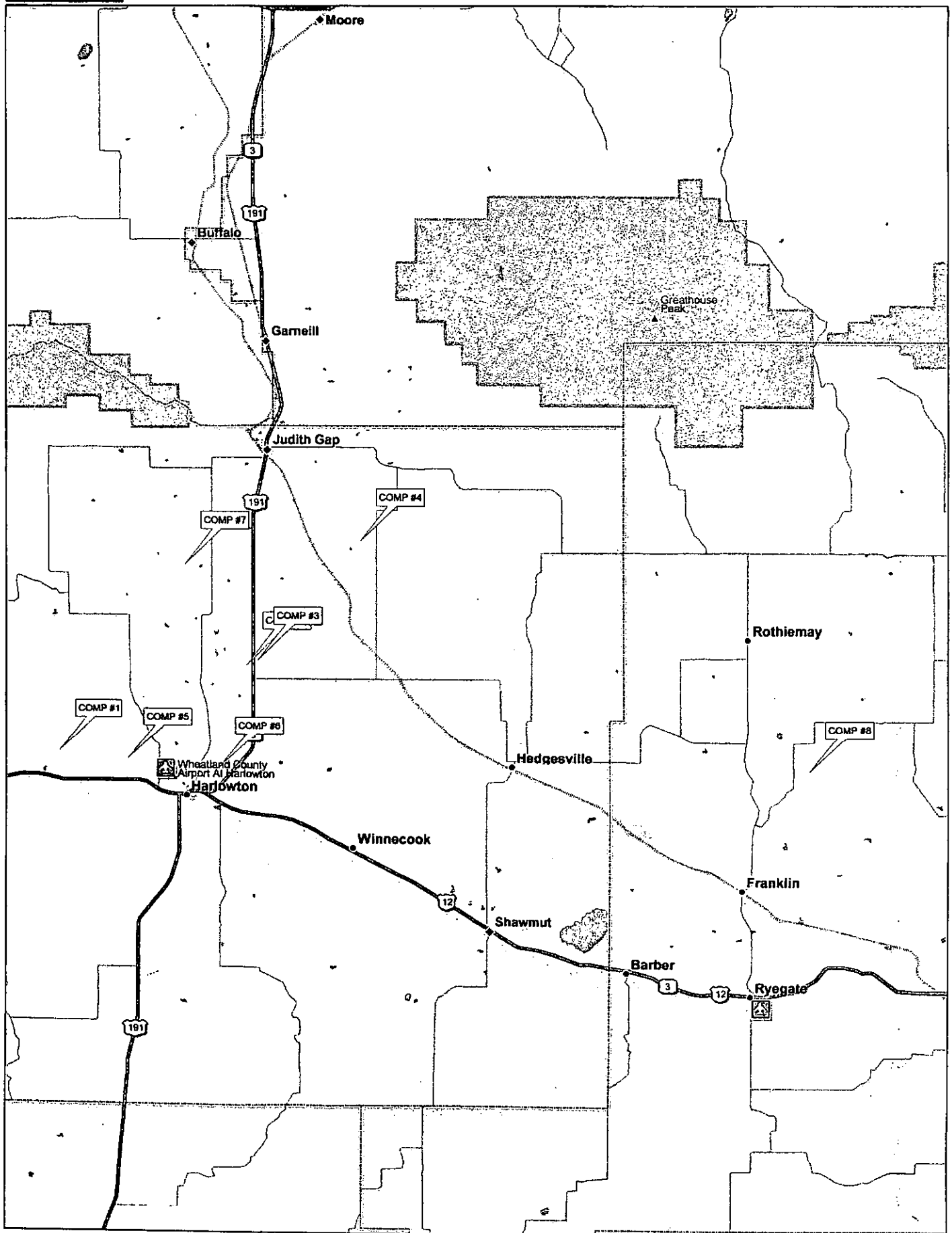
Condition	0	0	0	0	0	0	0	0
Quality	-200	0	0	0	0	0	0	0
Access	0	0	0	0	0	0	0	0
Time	+175	+83	+67	+95	+183	+75	+67	0
Other	0	0	0	-1	-250	0	0	0
Adjusted								
Sales Price	\$601	\$391	\$314	\$544	\$696	\$402	\$370	\$390

Comments: Equal weight was given to each of the comparable sales. The comparable sales used were the most current similar sales available. Other comparable sales, comparable listings, and pending sales not included in the appraisal were reviewed and used as a benchmark to the market value. Comparable sales #5 and #6 were considered the most similar to the subject property. Comparable sale #8 has superior improvements compared to the subject on a per/acre basis. Comparable sales #4 and #8 are larger in size compared to the subject property. Comparable sale #1 is superior in quality of land compared to the subject. The subject property and the comparable sales have legal access. Comparable sales #1, #2, #3, #4, #5, #6, and #7 occurred more than one year ago. The estimated rate of appreciation in the area is estimated at 1.00%/month or 12% per year. Comparable sale #8 occurred during 2008 and no adjustment was applied to the comparable sales. Comparable sale #4 has superior grazing leases compared to the subject. Comparable sale #5 was sold as a recreational/residential type property. No building improvements, site improvements, or lagoon located on the property were valued in this appraisal.

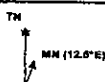
The sales prices of the comparable sales have a range of value from \$247/acre to \$763/acre. The adjusted sales prices of the comparable sales have a range of value from \$314/acre to \$696/acre. Comparable sales #5 and #6 are most similar to the subject property with adjusted sales prices of \$696/acre and \$402/acre respectfully. As a result of investigations and analysis of these and other comparable sales I have determined that the value of the property based on the sales comparison approach is \$500/acre for the property.

As a result of my investigations and analysis of these and other comparable sales I have determined that the value of the property based on the hypothetical condition that no improvements exist on the sales comparison approach was:

Sale #462: \$500/Acre X 184.62 Acres = \$92,310



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CORRELATION AND FINAL VALUE ESTIMATE

The values documented by the three approaches to value in the report are:

Cost Approach Not Applicable

Income Approach Not Applicable

Sales Comparison Approach - "As Is" Without Legal Access

Sale #218 - \$128,000

Sale #350 - \$128,000

Sale #351 - \$32,240

Sale #352 - \$128,000

Sales Comparison Approach - Based on the Hypothetical Condition
Of Having Legal Access

Sale #218 - \$256,000

Sale #350 - \$256,000

Sale #351 - \$64,480

Sale #352 - \$256,000

Sales Comparison Approach - Based on the Hypothetical Condition
That No Improvements Exist

Sale #462 - \$92,310

The properties are located in Wheatland County. The total acreage is 2265.82 acres. There were no building improvements or site improvements valued in this appraisal. The property's highest and best use is as an agricultural type use on all of the properties. In estimating the final conclusion of value all of the approaches to value were considered. The cost approach to value was not completed because there were no building improvements located on the properties that were valued. The income approach to value was not completed because of a lack of income data of properties with no access. The sales comparison approach was considered the most reliable indicator of value in this appraisal. Each of the comparable sales were analyzed and compared to the subject property. Comparable sales #3 and #7 were considered the most similar to the subject property in estimating a market value of sales #218, #350, #351, and #352. Comparable sales #5 and #6 were considered the most similar to the subject property in estimating a market value of sale #462. The sales comparison approach was considered the most reliable because of the similarity of the comparable sales to the subject property. Other comparable sales, competitive listings, and pending sales were reviewed and used as a benchmark to the market value of the property. As a result of my investigations and analysis it is my opinion that the market value as of July 12, 2008 were:

MARKET VALUE - "As Is" Without Legal Access

Sale #218 - \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS

Sale #350 - \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS

Sale #351 - \$32,240 - THIRTY-TWO THOUSAND TWO HUNDRED FORTY DOLLARS

Sale #352 - \$128,000 - ONE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS

MARKET VALUE - Based on the Hypothetical Condition Of Having
Legal Access

Sale #218 - \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS

Sale #350 - \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS

Sale #351 - \$64,480 - SIXTY-FOUR THOUSAND FOUR HUNDRED EIGHTY
DOLLARS

Sale #352 - \$256,000 - TWO HUNDRED FIFTY-SIX THOUSAND DOLLARS

MARKET VALUE - Based on the Hypothetical Condition That No
Improvements Exist

Sale #462 - \$92,310 - NINETY-TWO THOUSAND THREE HUNDRED TEN DOLLARS

STATE OF MONTANA
Department of Labor and Industry

Board of Real Estate Appraisers

This verifies the below named is currently certified in
the State of Montana as a Certified General Appraiser

License #: 107 Active

Expires: 03/31/2009

GARY P. BARTA

BARTA APPRIASAL SERVICE

1463 RED HILL ROAD

LEWISTOWN

MT 59457

BARTA APPRAISAL SERVICE

GARY P. BARTA

1463 Red Hill Road

Lewistown, Montana 59457

Phone & Fax - (406) 538-7629

E Mail – gpbarta@tein.net

Tax ID #81-0488452

APPRAISAL EXPERIENCE

I have completed real estate appraisals and consultation assignments on agricultural, commercial, recreational, and residential properties in Fergus, Judith Basin, Petroleum, Garfield, Wheatland, Golden Valley, Musselshell, Stillwater, Sweetgrass, Meagher, Chouteau, Blaine, and Phillips counties since January of 1983. Conduct review appraisals on agricultural, commercial, and residential appraisals. Expert witness testimony is accepted in courts in Montana.

OTHER EXPERIENCE

Born and raised on farm and ranch located thirty miles northwest of Lewistown, Montana.

Worked for U.S. Department of Interior, Bureau of Land Management as a realty technician in Montana and North Dakota while completing my college education

Worked for State of Montana, Property Assessment Division as an appraiser from 1983 to 1987

Part-owner of livestock ranch/recreational property in Montana.

Chairman of Fergus County Planning Board

Past Chairman of City/County Planning Board

Current member of Lewistown Area Chamber of Commerce

Junior Chamber International Senator #56935

Past President of Montana Junior Chamber International

CLIENTS

Estates, governmental agencies, corporations, bankruptcy court, court litigation, partnerships, lawyers, estate planners, trust companies, banks, credit unions, mortgage companies, appraisal management companies, relocation companies, realtors, accountants, and private individuals

AFFILIATIONS

State of Montana - Certified General Real Estate Appraiser (#107) expires 3/31/2009

Associate member of the American Society of Farm Managers and Rural Appraisers

Appraisal Institute – Associate Member #91939

EDUCATION

Montana State University at Northern, Havre, Montana - 1977-1982

Bachelor of Technology Degree in Business Administration - 1982

Associate of Science Degree in Agricultural Business - 1979

Associate of Science Degree in Agricultural Services - 1980

Denton High School, Denton, Montana - Graduated in 1977

SPECIALIZED EDUCATION

AMERICAN SOCIETY OF FARM MANAGERS & RURAL APPRAISERS EDUCATION:

CRP Contracts - November 1988
Principles of Rural Appraisal (A-20) - June 1989
Budgeting and Lease Arrangements - 1990
Report Writing School (A-15) - October 1993
Highest and Best Use (A-29) - October 1995
Income Capitalization Unleveraged (A-27) - September 1996
Montana Agricultural Lenders School - June 1998
Eminent Domain (A-25) - September 1999
Conservation Easements Seminar – January 2001
Yellow Book: Uniform Appraisal Standards for Federal Land Acquisitions – June 2002
Code of Ethics – January 2003 & February 2008
Appraising Rural Residential Properties – January 2004
Montana Water & Environmental Quality Issues – January 2005
Subdivision Development – January 2005
Montana Cadastral and NRIS – January 2005
Appraising Agricultural Land in Transition – January 2006
Access and Conservation Easements in Montana – January 2006
Discounting and Lease Analysis – October 2006
National USPAP Course(A-114) – October 2006 & February 2008
Subdivision Analysis – February 2008

APPRAISAL INSTITUTE EDUCATION:

Standards of Professional Practice (SPP) Parts A & B - October 1994
Standards of Professional Practice (SPP) Part C - January 1998
Livestock Ranch Valuation - March 1989
Real Estate Appraisal Principles (1A1/8-1) - May 1989
Basic Valuation Procedures (1A2) - May 1989
Residential Valuation (8-2) - October 1989
Small Residential Income Property Valuation - 1991
Americans With Disabilities Act - 1993
Appraisal Reporting of Complex Residential Properties - April 1993
Written Communications - April 1994
FHA & the Appraisal Process - August 1999
The Road Less Traveled: Special Purpose Properties – January 2004
The Professional's Guide to the URAR – June 2005
Convincing Residential Appraisals – March 2008

OTHER APPRAISAL SCHOOLS AND SEMINARS

Department of Veterans Affairs - Fee Panel Appraiser, Compliance and Construction Inspector
Department of Housing and Urban Development - Fee Panel Appraiser and HUD Select Roster Appraiser - Passed Test for Appraiser Examination. Compliance and construction inspector for Department of Housing and Urban Development (HUD).
Other Appraisal Schools with the State Department of Revenue and the IAAO

CERTIFICATION

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

The statements of fact contained in this report and upon which the opinions herein are based are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors that 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.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers.

I have made a personal inspection of the property that is the subject property.

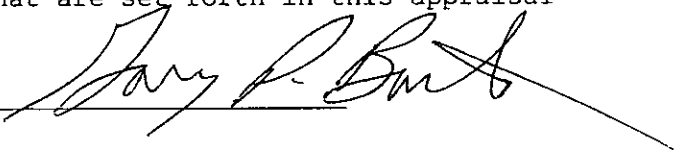
No one provided significant professional assistance to the persons signing this report.

This appraisal report identifies all of the limiting conditions affecting the analyses, opinions, and conclusions contained in this report.

Unless otherwise noted specifically in the appraisal, no personal property is included in the market valuation.

That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous material be found. We urge the client to retain an expert in the field before making a business decision regarding the property. Contact Montana State Department of Health and Environmental Science - 444-5970.

No one other than the undersigned prepared the analysis, opinions, or conclusions concerning real estate that are set forth in this appraisal report.

DATE: August 10, 2008 APPRAISER: 

ADDENDUM

FOR DNRC USE ONLY

Maximum amount under this agreement: \$7,500.

Source of Funds

Accounting Entity Name

Real Estate Management Bureau

Accounting
Entity No.

Approp. No

02324

Org. No.

6043

Percent

100%

Appropriation authority: Real Estate Management Bureau

Approved

No. 087760

Amendment No. _____

Division JMS

C.S.D. 2

Legal _____

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
TRUST LAND MANAGEMENT DIVISION

POTENTIAL LAND BANKING SALE OF FOUR PARCELS IN FERGUS COUNTY
AND FIVE IN WHEATLAND COUNTY

This Agreement is between the Montana Department of Natural Resources and Conservation (DNRC), and Gary P. Barta, dba Barta Appraisal Service, (Contractor), 81-0488452. The parties to this Agreement, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

Section 1. PURPOSE. The purpose of this Agreement is to establish mutually agreeable terms and conditions, specifications and requirements for, Gary P. Barta, dba Barta Appraisal Service, to provide DNRC with two real estate appraisals, with separate valuations on four separate subject properties, (or parcels) in Fergus County and five separate subject properties, (or parcels) in Wheatland County.

Section 2. TERM. This Agreement is effective when signed by all parties to the Agreement. The effective date is the last date of signing, or upon compliance with Section 8, Compliance with Workers' Compensation Act, whichever is later, and shall terminate on August 30th, 2008 unless terminated earlier pursuant to Section 15, Termination.

Section 3. LIAISON. All communications by the Contractor to the DNRC concerning this Agreement shall be addressed to Tom Konency, Appraiser, Department of Natural Resources and Conservation, P.O. Box 201601, Helena, Montana 59620-1601. All communications by the DNRC to the Contractor shall be addressed to Gary P. Barta, Barta Appraisal Service, 1463 Red Hill Rd., Lewistown, MT 59457.

Section 4. SCOPE OF WORK. The Contractor shall administer all activities provided for in this Agreement on behalf of the DNRC. The Contractor shall be responsible for providing two credible appraisals, in a summary report format, conducted and prepared in compliance with the current Uniform Standards of Professional Appraisal Practice, for the four parcels in Fergus County, and five parcels in Wheatland County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions.

The appraisals must comply with the instructions in Attachment A, Scope of Work for Appraisals of Potential Property Sales through the Land Banking Program, and all provisions in the body of this contract including the following:

1) The appraisal reports are to be completed and forwarded to Montana DNRC, Tom Konency, P.O. Box 201601, Helena, MT 59620-1601. The first report is to be completed and forwarded by June 30th, 2008, and the second report completed and forwarded by July 30th, 2008.

2) Each parcel, as identified, is to be valued separately. However, *when applicable*, the parcels while valued separately can be combined into one report. Each appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for each parcel. If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

3) The definition of market value is that as defined in 70-30-313 M.C.A.

4) The DNRC will provide access to each parcel record, as maintained by the land offices, including but not limited to aerial photos, land improvements, current lease data (lease #, name of lessee, AUMs, acres, costs, etc.), property issues, surveys (if any), and production history.

Section 5. PAYMENT. In consideration of services rendered pursuant to this Agreement, DNRC agrees to pay the Contractor an amount not to exceed seven thousand, five hundred and no/100 Dollars (\$7,500.). The Contractor shall submit an invoice with the submission of the appraisal report to the DNRC for payment for services rendered. Payment will be made within thirty (30) days of delivery of services/goods and receipt of a properly executed invoice, as long as the DNRC's review of said services/goods finds them acceptable. If the work submitted fails to meet Contract specifications set out herein, payment will be withheld for the unsatisfactory work. The Contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made. If agreed upon work is not brought to acceptable standards, the Contract Agreement will be terminated for unsatisfactory performance and no payment will be made.

Section 6. LEGAL REQUIREMENTS. The Contractor shall comply with all applicable federal, state, and local laws, statutes and ordinances and all applicable rules, regulations, and standards established by DNRC.

Section 7. LAW AND VENUE. Any action at law or suit in equity, or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the courts of the State of Montana. This Agreement shall be governed by the laws of the State of Montana, both as to interpretation and performance. In the event of litigation concerning the terms of this Agreement venue shall be in the First Judicial District in and for the County of Lewis and Clark.

Section 8. COMPLIANCE WITH WORKERS' COMPENSATION ACT

The Contractor is required to supply the DNRC Procurement Bureau with proof of compliance with the Montana Workers' Compensation Act while performing work for the State of Montana. (Mont. Code Ann. §§ 39-71-120, 39-71-401, and 39-71-405.) Neither the Contractor nor its employees are employees of the State. The proof of insurance/exemption must be in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and must be received by the DNRC Procurement Bureau, P.O. Box 201601, Helena, MT 59620-1601, within 10 working days of the Notice of Tentative Award and must be kept current for the entire term of the contract.

Contracts will not be issued to vendors who fail to provide the required documentation within the allotted time frame. Coverage may be provided through a private carrier or through the State Compensation Insurance Fund (406) 444-6500. An exemption can be requested through the Department of Labor and Industry, Employment Relations Division (406) 444-1446. Corporate officers must provide documentation of their exempt status.

Section 9. EQUAL EMPLOYMENT. Any hiring of employees under this Agreement shall be on the basis of merit and qualifications, and there shall be no discrimination on the basis of race, color, religion, creed, sex, national origin, age, disability, marital status, or political belief. "Qualifications" mean qualifications as are generally related to competent performance of the particular occupational task.

Section 10. PUBLIC INFORMATION AND OWNERSHIP OF PRODUCTS. All reports resulting from the project funded under this Agreement shall be made available to the public. Upon completion of this Agreement, all information, reports, data, records, documents, and materials held in this office and pertaining to this Agreement shall be available to the public. The Contractor shall indemnify and hold harmless DNRC from liability for injury caused by the release of any information, reports, data, records, documents, and materials provided by the Contractor.

All copyrights, patents, or other royalty rights resulting from the completion of this Agreement or the information, reports, records, data documents, materials, and end products of this Agreement shall be the sole property of the DNRC.

Section 11. INDEMNITY AND LIABILITY (Hold Harmless/Indemnification): The Contractor agrees to be financially responsible for any audit exception or other financial loss to the State of Montana which occurs due to the negligence, intentional acts, or failure by the Contractor and/or its agents, employees, subcontractor, or representative to comply with the terms of this Agreement. The Contractor agrees to indemnify the state, its officials, agents, and employees, while acting within the scope of their duties and hold harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed, goods or rights to intellectual property provided or omissions of services or in any way resulting from the acts or omission of the Contractor and/or its agents, employees, subcontractors or its representatives under this Agreement, all to the extent of the Contractor's negligence.

Section 12. ASSIGNMENTS, TRANSFERS AND SUBCONTRACTS. There will be no assignment, transfer or subcontracting of this Agreement, nor any interest in this Agreement, unless agreed to by both parties in writing as provided in Section 14, Modifications. This Agreement shall be binding on all successors and assigns of the Contractor, including successors in interest.

Section 13. AUDIT. The Contractor shall maintain reasonable records of its performance under this Agreement. The Contractor agrees that DNRC, the Legislative Auditor, or the Legislative Fiscal Analyst may audit all records, reports, and other documents, which the Contractor maintains under or in the course of this Agreement to insure compliance with this Agreement. Such records, reports, and other documents may be audited at any reasonable time. The Agreement may be unilaterally terminated by DNRC upon the Contractor's refusal to comply with this or any other section. In the event the Agreement is terminated for such failure to comply, the Contractor, at the option of DNRC, shall return to DNRC all funds previously awarded the Contractor and all results of the project to date.

Section 14. MODIFICATIONS. This instrument contains the entire Agreement between the parties, and no statement, promises, or inducements made by either party, or agents of either party, which are not contained in this Agreement shall be valid or binding and this Agreement may not be enlarged, modified or altered except as provided in this Agreement. No letter, telegram, or other communication passing between the parties to this Agreement, concerning any matter during the term of this Agreement shall be deemed a part of this Agreement unless it is distinctly stated in such letter, telegram, or communication that it is to constitute part of this Agreement, and such letter, telegram, or communication is attached as an appendix to this Agreement and is signed by the authorized representative of each of the parties to this Agreement. If executed properly under this section, modifications of this Agreement do not need independent consideration to be legally enforceable.

Section 15. TERMINATION. Upon breach of any of the terms and conditions of this Agreement by the Contractor, DNRC may terminate this Agreement and have any and all remedies at law or equity. In the event of such breach and termination, DNRC may further, at its option, take over the work and services and prosecute the same to completion by contract or otherwise and the Contractor shall be liable to DNRC for any excess cost occasioned to DNRC thereby. The Contractor may cancel this Agreement upon DNRC's mutual written agreement and DNRC may postpone or cancel this Agreement if subsequent funding is not available.

Section 16. WAIVER. A waiver of any particular provision of this Agreement by DNRC shall not be construed as a waiver of any other provision, nor shall any such waiver otherwise preclude DNRC from insisting on strict compliance with this Agreement in other circumstances.

Section 17. CONTENTS. This Agreement consists of: Pages 1-4; Attachment A, Scope of Work for Appraisals of Potential Property Sales through the Land Banking Program, 2 pages, and; Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions, 1 page.

Section 18. AGREEMENT RENEWAL. This Agreement may, upon mutual agreement between the parties and according to the terms of the existing contract, be extended one thirty-day interval and no more.

Section 19. INSURANCE REQUIREMENTS. The contractor shall purchase and maintain Occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$300,000.00 per occurrence and \$600,000.00 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns or subcontractors.

Additional Insured Status: The State, its officers, officials, employees, and volunteers are to be covered as additional insureds; for liability arising out of activities performed by or on behalf of the contractor, including the insured's general supervision of the contractor; products and completed operations; premises owned, leased, occupied, or used. Primary Insurance: The contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the contractor's insurance and shall not contribute with it.

Deductibles and Self-Insured Retentions: Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: 1) The insured shall reduce or eliminate such deductibles or self-insured retentions as respect to the State, its officers, officials, employees, and volunteers, or; 2) The contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

Certificate of Insurance/Endorsements: A certificate of insurance, indicating compliance with the required coverages and referencing Contract # 087760, must be filed with the DNRC's liaison and attached to this agreement prior to signature by the DNRC. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc.

6/2/2009
Date
Contractor's Authorized Representative

6/11/08
Date
Department of Natural Resources and Conservation

ATTACHMENT A

Scope of Work for Appraisals of Potential Property Sales through the Land Banking Program

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

The clients and intended users are the State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC). The purpose of the 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.

DEFINITIONS:

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 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.

Highest and best use. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

PROPERTY RIGHTS APPRAISED:

State of Montana lands are always to be appraised as if they are in private ownership and could be sold on the open market and are to be appraised in Fee Simple interest. For analysis purposes, properties that have leases or licenses on them are to be appraised with the Hypothetical Condition the leases/licenses do not exist.

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

The latest date of inspection by the appraiser will be the effective date of the valuation.

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

The legal descriptions and other characteristics of the state's property that are known by the state will be provided to the appraiser. However, the appraiser should verify, as best as possible, any information provided. Further, should any adverse conditions be found by the appraiser in the course of inspecting the property and neighborhood, or through researching information about the property, neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

ASSIGNMENT CONDITIONS:

The appraiser must be a Montana certified general appraiser, and be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible. The appraiser is to physically inspect the subject property at a level that will allow the appraiser to render a credible opinion of value about the property. For those properties which consist of more than one section, the appraiser must at least view each section. The appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

The appraiser will consider the highest and best use of the subject properties. (Note: it may be possible that because of the characteristics of a subject property, or market, there may be different highest and best uses for different components of the property. Again, that will depend on the individual characteristics of the subject property and correlating market. The appraiser must look at what a typical buyer for the property would consider.)

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties in the subject's market or similar markets), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable. The appraisal will be in a Summary Report format, that is, it will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and extraordinary assumptions must be noted.

Landlocked parcels, (parcels with no legal access), will be appraised with the hypothetical condition of having legal access and should be appraised as the property currently exists, which is without legal access, ("as is"). If evidence through reasonably recent sales of comparable properties is available in the subject's market or similar markets, provide the value of the subject property, as it currently exists without access. Include details of an adjustment in appraised value due to lack of access. If no evidence through reasonably recent sales of comparable properties is found in the subject's market or similar markets, and thus no "as is" value can be properly supported, then state such in the report. As with lack of legal access, adjustments for additional items such as lack of land improvements, etc. will be supported by analysis of the pertinent subject market data through sales pairings or other analytical methodology. In moderately to rapidly changing markets, historic information may not be as relevant as more current market information. (Note: Access typically consists of two parts; legal access and physical accessibility. The above references to access, hypothetical and "as is" are in regards to legal access. The physical accessibility to the subject parcel is to be appraised as it currently exists.)

Legally accessible state lands are appraised as accessible only.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the market value trends, and provide a rate of change, for the markets of each subject property.

ATTACHMENT B

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION Supplemental Appraisal Instructions

This Scope of Work and Supplemental Appraisal Instructions are to be included in the appraiser's addendum.

Subject Properties (All Located in Fergus County):

Sale #'s	Sec.	Twns.	Rng.	Legal	Acres	Lessee
442	20	17N	16E	LOTS 17-19, Block 3 Danvers Townsite	0.48	ADAM BOWSER AND TAMI STYER
444	24	22N	19E	N2SW4	80	THOMPSON, ROGER D & VALERIE B,
445	27	22N	20E	N2SE4	80	KAHRL FAMILY, LLC
446	31	22N	20E	W2NE4	80	THOMPSON, ROGER D

Subject Properties (All Located in Wheatland County):

Sale #'s	Sec.	Twns.	Rng.	Legal	Acres	Lessee
218	36	10N	18E	ALL	640.00	Horpestad Ranch Inc
462	18	8N	14E	LOTS 2-4, SE4NW4, SE4SW4	184.62	DUNCAN RANCH COLONY
352	16	9N	16E	All	640.00	Miller Ranch
350	8	9N	17E	ALL	640.00	Winnecook Ranch Co
351	6	9N	17E	LOTS 1,2, S2NE4	161.20	Winnecook Ranch Co

9 Parcels Total

Combined Total Acres: 2,506.3

Area Office Contact Information:

Clive Rooney - NELO Area Manager

P. O. Box 1021,

613 N. E. Main Street,

Lewistown, MT 59457-1021

Phone: 406/538-7789 Fax: 406/538-7789

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



SALE #218

NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATURAL GAS LINE



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A

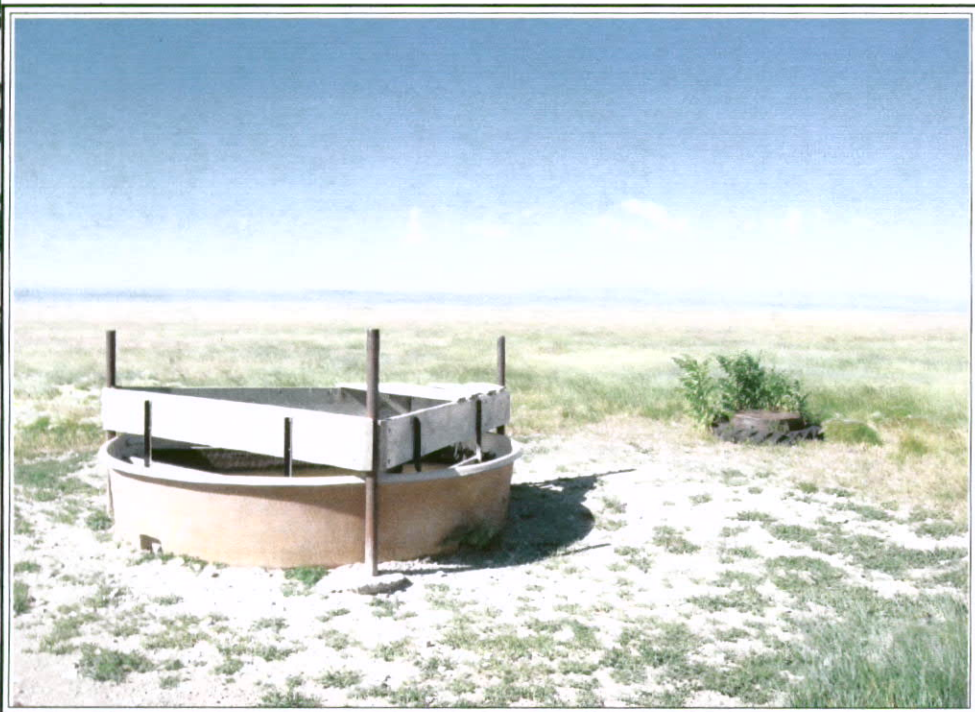


NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A	File No.: Wheatland
Property Address: Wheatland County	Case No.: N/A
City: Harlowton	State: MT
Lender: N/A	Zip: 59036



PIPELINE & WATER TANK



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



SALE #350

NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



SALE #351

NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

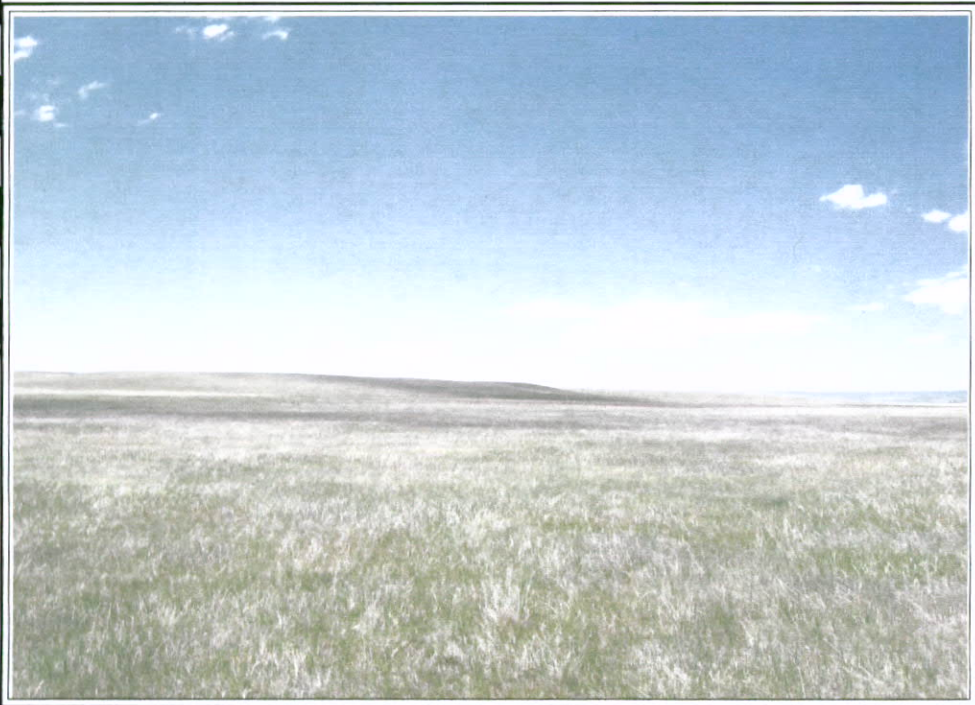
Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



SALE #352

NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



POWER TRANSMISSION LINE

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



POWER TRANSMISSION LINE



NATIVE GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



NATIVE GRAZING LAND



SALE #462

GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



GRAZING LAND



GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



GRAZING LAND



GRAZING LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



TRAIL FROM HIGHWAY



HIGHWAY RIGHT-OF-WAY

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



SMALL GRAVEL PIT



SMALL GRAVEL PIT

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

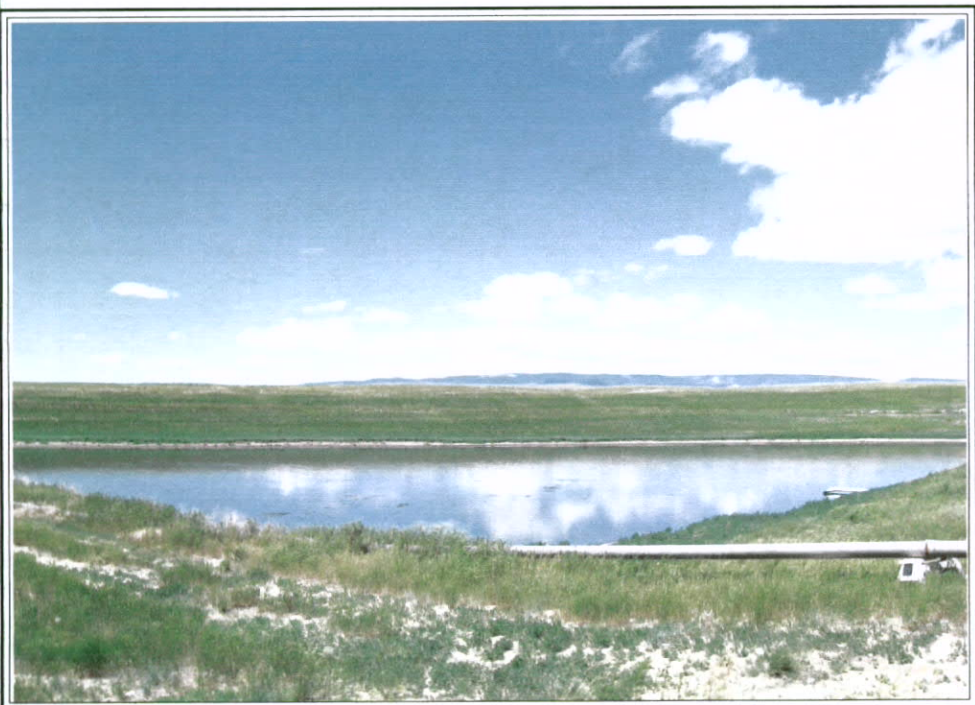
Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



RESERVOIR/LAGOON



RESERVOIR/LAGOON

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

State: MT

Zip: 59036

Lender: N/A



CREEKBOTTOM GRAZING LAND



NATIVE GRAZING LAND

Borrower: N/A
Property Address: Wheatland County
City: Harlowton
Lender: N/A

File No.: Wheatland
Case No.: N/A
State: MT
Zip: 59036



VIEW OF BUILDINGS ON STATE LAND



VIEW OF BUILDINGS ON STATE LAND

Borrower: N/A
Property Address: Wheatland County
City: Harlowton
Lender: N/A

File No.: Wheatland
Case No.: N/A
State: MT
Zip: 59036



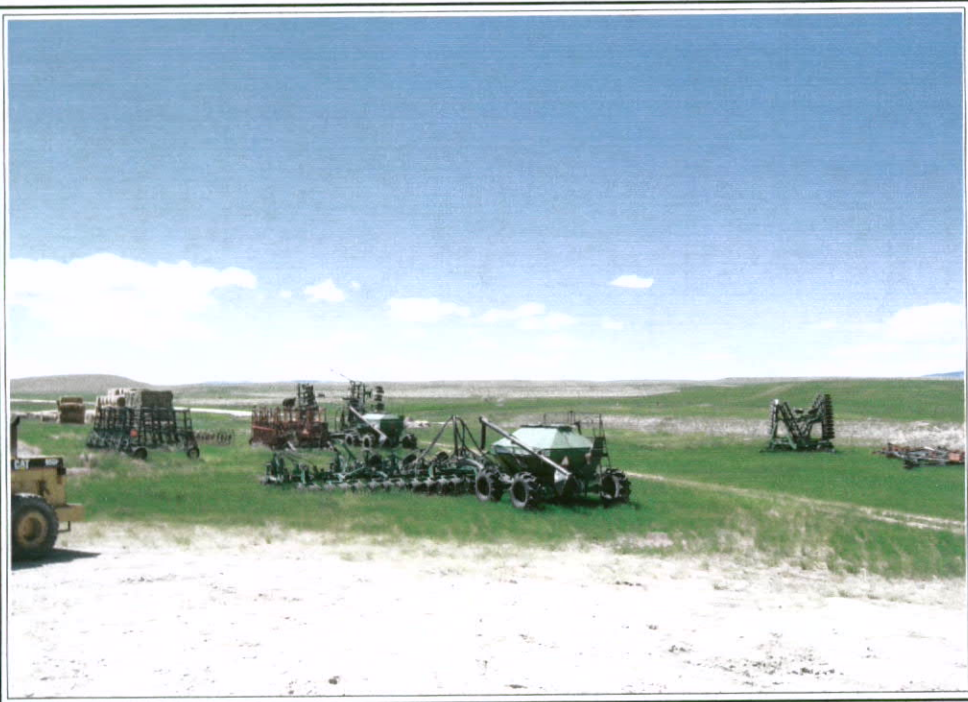
VIEW OF BUILDINGS ON STATE LAND



VIEW OF SITE NEAR HIGHWAY

Borrower: N/A
Property Address: Wheatland County
City: Harlowton
Lender: N/A

File No.: Wheatland
Case No.: N/A
State: MT
Zip: 59036



VIEW OF SITE NEAR HIGHWAY



BUILDING ON STATE LAND

Borrower: N/A

File No.: Wheatland

Property Address: Wheatland County

Case No.: N/A

City: Harlowton

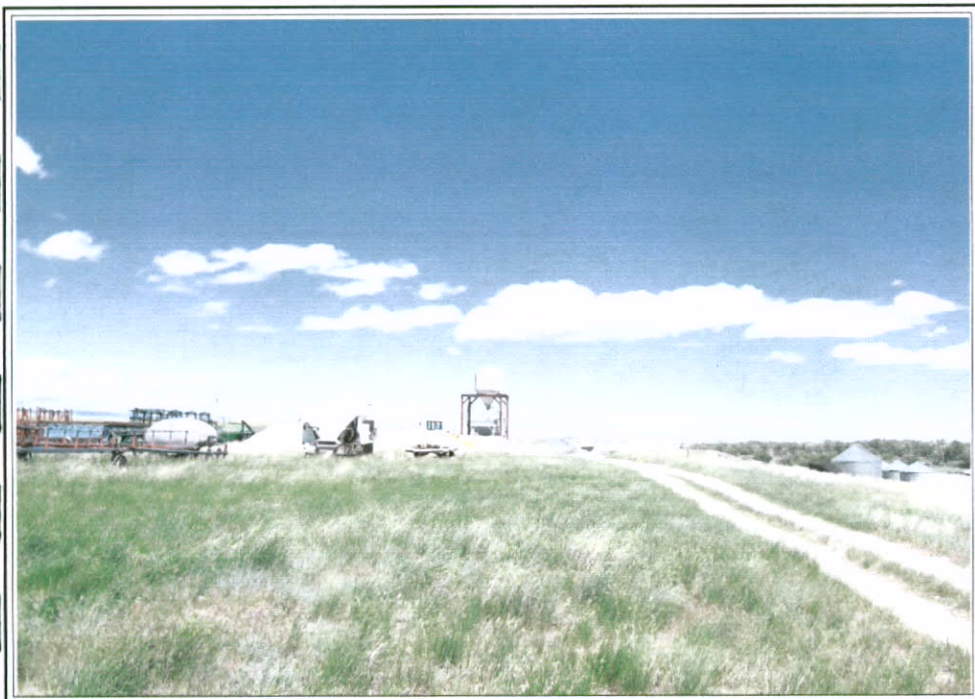
State: MT

Zip: 59036

Lender: N/A



WELL ON STATE LAND



IMPROVEMENTS ON STATE LAND

SALE #218

Lease/License 3739

User ID: Dobb Jeff
Date Modified: 3/5/2008

Lease Info

Lease No: 3739 Status: Active
Customer Name: HORPESTAD RANCH INC.
Type: Grazing Lease

Lease Date Info

Bill Date (override):
Issue Date: 3/1/2008
Expiration Date: 2/28/2018

Office

Area: NELO
Unit: Lewistown

Lease Terms

☒ Active ☐ All
Competitive Bid: ☐ Issued Terms: Minimum

Grazing Info

Current AUM/Rate: \$6.94
Total AUM's: 169
Grazing AUM's: 169
Aftermath AUM's: 0

Lease/Acreage

Total Lease Acres	640.00
Grazing Acres	640.00
Ag Acres	0.00
CRP Acres	0.00
Other Acres	0.00
Unsuitable Acres	0.00

Comments

View Lease

Create an Ad
Hoc Invoice

Lease/License 7373

Lease Info

Lease No. 7373 Status Active
Customer Name WINNECOOK RANCH CO
Type Grazing Lease

Lease Date Info

Bill Date (override) 3/1/2000
Issue Date 2/28/2010
Expiration Date

Office

Area NELO
Unit Lewistown

User ID

Date Modified

Lease Terms

☒ Active ☐ All

Competitive Bid

☐ Issued Terms

Grazing Info

Current AUM/Rate \$6.18
Total AUM's 152
Grazing AUM's 152
Aftermath AUM's 0

Lease Acreage

Total Lease Acres	640.00
Grazing Acres	640.00
Ag Acres	0.00
CRP Acres	0.00
Other Acres	0.00
Unsuitable Acres	0.00

Comments

640 TOTAL AC

View Lease

Create an Ad
Hoc Invoice

SALE #350

SALE #351

5918

Lease/License 5918

Lease Info

Lease No. 5918 Status Active
Customer Name WINNECOOK RANCH CO.
Type Grazing Lease

Lease Date Info

Bill Date (override) 3/1/2004
Issue Date 2/28/2014
Expiration Date

User ID dbo
Date Modified 3/18/2004

Office

Area NELO
Unit Lewistown

Lease Terms

☒ Active ☐ All
☐ Competitive Bid ☐ Issued Terms

Minimum

Grazing Info

Current AUM Rate \$6.94
Total AUM's 40
Grazing AUM's 40
Aftermath AUM's 0

Lease Acreage

Total Lease Acres	161.20
Grazing Acres	161.20
Ag Acres	0.00
CRP Acres	0.00
Other Acres	0.00
Unsuitable Acres	0.00

Comments

161.2 TOTAL AC

View Lease

Create an Ad
Hoc Invoice

SALE #352

6345

Lease/License 6345

Lease Info

Lease No **6345** Status **Active**
Customer Name **MILLER RANCH** AC
Type **Grazing Lease**

Lease Date Info

Bill Date (override) **3/1/1999**
Issue Date **2/28/2009**
Expiration Date

User ID

Kellogg Stephani

Date Modified

8/23/2005

Office

Area **NELO**
Unit **Lewistown**

Lease Terms

☒ Active ☐ All

Competitive Bid ☐ Issued Terms

Grazing Info

Current AUM Rate **\$6.18**
Total AUM's **154**
Grazing AUM's **154**
Aftermath AUM's **0**

Lease Acreage

Total Lease Acres	640.00
Grazing Acres	639.50
Ag Acres	0.00
CRP Acres	0.00
Other Acres	0.00
Unsuitable Acres	0.50

Comments

View Lease

Create an Ad
Hoc Invoice

SALE #462

Lease/License 2191

User ID
Date Modified

Lease Info

Lease No. 2191 Status Active
Customer Name DUNCAN RANCH COLONY
Type Ag & Grazing Lease

Lease Date Info

Bill Date (override)
Issue Date 3/1/2002
Expiration Date 2/28/2012

Office

Area NELO
Unit Lewistown

Lease Terms

Competitive Bid ☐ Issued Terms ☐

Active ☒ All ☐

Grazing Info

Current AUM Rate	\$6.94
Total AUM's	221
Grazing AUM's	217
Aftermath AUM's	4

Lease Acreage

Total Lease Acres	1,450.18
Grazing Acres	737.08
Ag Acres	713.10
CRP Acres	0.00
Other Acres	0.00
Unsuitable Acres	0.00

Comments

1450.18 TOTAL AC 700.6 AG 12.5 HAY 737.08
GRAZ SEC 18.4 BINS 1 @ \$20.00 + 3 @
\$10.00=\$50.00

View Lease

Create an Ad
Hoc Invoice