FORM APPRAISAL REPORTS
FOR

DNRC/Bates Property
Gallatin County, Montana

Prepared by:

Terra Western Associates
PO Box 11950
Bozeman, MT 59719

Katie Rickett, ARA

Certified General Real Estate Appraiser
In the State of Montana

Accredited Member of the American Society
of Farm Managers and Rural Appraisers (ASFMRA)

Effective Date of Appraisal: March 7, 2014

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March 14, 2014

Emily Cooper
C/o Montana DNRC
PO Box 201601
Helena, MT 59620-1601

RE: Appraisal of the DNRC/Bates Property (Gallatin County, Montana)

Dear Ms. Cooper,

Pursuant to your request, I have personally inspected and prepared an appraisal of the real property associated with the Department of Natural Resource and Conservation property located in Gallatin County. The property is currently leased by Dan and Nancy Bates and is improved with structures that are owned by the Bates. The property described herein is comprised of one contiguous tract of land comprised of an estimated 6.64 acres.

The subject property is being appraised under two hypothetical conditions and one extraordinary assumption. If the hypothetical and extraordinary assumptions are found to be false, or if the estimated acreage changes, the appraiser reserves the right to correct, or change the appraisal results and/or conclusions.

The appraisal conducted herein is deemed to be a form **Appraisal Report** in compliance with the most current USPAP. The objective of this analysis was to estimate the Market Value of the subject property on an "as-is" basis. The maps referenced herein are for visual reference only.

The property was inspected on March 7, 2014. This is effective date of the appraisal. The intended use of these appraisals is to value this property for a possible sale of the subject property. The intended users are the State of Montana, the Montana Board of Land Commissioners, and the Department of Natural Resource and Conservation (DNRC). Based on my inspection and analysis, it is my opinion that as of **March 7, 2014**, the estimated market value of the real property is **$65,000**.

This value is in terms of cash and considers the fee simple ownership rights of the property. All values are exclusive of reservations of record. This value excludes specific valuation of timber, mineral or water rights; the subject market does not delineate these particular rights during sales transactions. The real property is appraised in an "as-is" condition, and the appraised value is

based on a six to eighteen month marketing period assuming the property is marketed in a proper manner. This value does not include personal property, fixtures, emblements or intangible items. The appraisal assumes the property meets all requirements of county regulations.

I herewith deliver to you two original paper copies plus one electronic copy including addenda. I hereby certify that I have no interest, present or prospective, in the herein described property, and that my employment is in no way contingent upon the amount of the valuation. I certify that my opinion is based on a personal inspection of the subject property, a study of the data obtained, and my knowledge of real estate values in the subject market area.

Under the current USPAP, the Conduct section of the ETHICS RULE requires the appraiser to disclose any services regarding the subject property performed by the appraiser within the prior three years, as an appraiser or in any other capacity. I have had no dealings with the subject property in the past three years.

Respectfully submitted,

Katie Rickett, ARA
Montana Certified General Appraiser #650

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File No.2014-DNRC/Bates

Uniform Agricultural Appraisal Report

EFFECTIVE DATE: MARCH 7, 2014

State of Montana/Dan & Nancy Bates
6.64 Acres
2 Miles West of Amsterdam, MT
Gallatin County, MT

Prepared For:

Department of Natural Resource & Conservation (DNRC)

Intended User:

State of Montana
Department of Natural Resource & Conservation (DNRC)
The Montana Board of Land Commissioners

Prepared By:

Terra Western Associates
P.O. Box 11950
Bozeman, MT 59719
Katie Rickett, ARA

Date Prepared:

March 13, 2014

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Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant: State of Montana
Property Address: 8280 Amsterdam Road
State/County: Montana / Gallatin
Property Location: 2 Miles West of Amsterdam
Highest & Best Use: Rural Homesite "As If" Vacant
N/A "As Improved"
Zoning: None
Unit Type: [X] Economic Sized Unit [ ] Supplemental/Add-On Unit
FEMA Community # 30031C FEMA Map # 0565D FEMA Zone/Date: 9/2/2011
Legal Description: Pending Survey (N2NENE) SEC 16 TWP 1S RNG 3E Attached [X]
Purpose of Report: Determine market value for the client for a possible sale of said subject property.
Use/Intended User(s): Decision making process for possible sale of subject property/State of Montana, MT Board of Land Commissioners, & DNRC
Rights Appraised: Fee Simple excluding reservations, easements, conveyances, restrictions, and encumbrances of record.
Value Definition: Attached [X]
Assignment: Entire Appraisal Process Report Type: Summary

Total Deeded Acres: 1.00
Effective Unit Size: 1.00
Zip Code: 59741
Property Code #:
FAMC Comd'ity Gp:
Primary Land Type: Rangeland
Primary Commodity: Rural Residential

Extent of Process/Scope of Work: Katie Rickett, ARA inspected the subject property on March 7, 2014. Market data was researched through local courthouse records, realtors, and other market participants knowledgeable of the local market. Total acres are calculated from the Montana Cadastral Web-site and confirmed with the county assessor and legal description. Additional property and market data was researched and obtained from the DNRC web-site as well as the NRCS web-site. The sales were inspected and analyzed to arrive at an estimated value. Appropriate approaches to value were implemented.

Appraisal Report Summary

Summary of Facts and Conclusions

Date of Inspection: 03/07/14 Effective Date of Appraisal: 03/07/14

Value Indication - Cost Approach: $ 0
- Income Approach: $
- Sales Comparison Approach: $ 65,000

Opinion of Value: *(Estimated Marketing Time* 6-18 *months)* $ 65,000

Cost of Repairs: $ Cost of Additions: $

Allocation: Land:	$ 65,000	$ 65,000 / Site	(100 %)
Land Improvements:	$	$ 0 /	(0 %)
Structural Improvement Contribution:	$	$ 0 /	(0 %)
Non-Realty Items:	$	$ 0 /	(0 %)
Leased Fee Value *(Remaining term of encumbrance)*	$	$ 0 /	(0 %)
Leasehold Value:	$	$ 0 /	(0 %)
Overall Value:		$ 65,000 / Site	(100 %)

Income and Other Data Summary: [X] Cash Rent [ ] Share [ ] Owner/Operator [ ] FAMC Suppl. Attached

Income Multiplier ( ) Income Estimate: $ 0.00 / (unit)
Expense Ratio % Expense Estimate: $ 0.00 / (unit)
Overall Cap Rate: % Net Property Income: $ 0.00 / (unit)

Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend			X	
Sales Activity Trend			X	
Property Compatibility		X		
Effective Purchase Power		X		
Demand			X	
Development Potential		X		
Desirability		X		

Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location		X		
Soil Quality/Productivity		X		
Improvement Rating				X
Compatibility		X		
Rentability		X		
Market Appeal		X		
Overall Property Rating		X		

USPAP, Organizational, or Other Requirements

Report Type: Summary
Date of Inspection: Mar 7, 2014 **Date of Value Opinion:** Mar 7, 2014 **Date of Report:**

Scope of Work *(Describe the amount and type of information researched and the analysis applied in this assignment. The Scope of Work includes, but is not limited to the degree and extent of the property inspection; the extent of research into physical and economic factors affecting the property; the extent of data research; and the type and extent of analysis applied to arrive at the opinions or conclusions. Additionally, describe sales availability & ability to demonstrate market - "as vacant" - and "as improved" if applicable - or describe sales available to form value opinion "as completed" or proposed if requested; describe income sources and ability of income to support existing or proposed construction; discuss extent of third party verification of RCN, if applicable.):*
This appraisal was performed according to the specific guidelines set forth by the current Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. All three approaches to value were considered and developed. All opinions of value contained herein were derived in compliance with the specific guidelines aforementioned, using a level of analysis sufficient to constitute an appraisal that complies with the reporting requirements for an Appraisal Report as set forth under Standards Rule 2-2(a). This appraisal also conforms to the Code of Professional Ethics and Standards of Professional Practice of the American Society of Farm Managers and Rural Appraisers.

Existing land regulations were analyzed, neighborhood trends, market demand for the existing use of the subject property; as well as alternative uses, the physical characteristics of the property, and the highest and best use. The property's legal description, acreage, tax assessment, ownership history, improvements, and zoning information were verified with Gallatin County records. The water rights appurtenant to the subject property were researched at the Montana State internet website of the Department of Natural Resources & Conservation (DNRC), and soil information was gathered from the National Cooperative Soil Survey maintained by the Natural Resources and Conservation Service (NRCS) web-site. Numerous publications and periodicals, referenced within the body of this appraisal report were consulted for information regarding such factors as soil properties, vegetative range types, building construction costs, and building depreciation. In addition to information contained within our office files, the appraisers searched the local area and competing areas for the most recent sales data in the subject area.

A number of area property owners, real estate brokers, and other appraisers knowledgeable of this market were contacted in order to secure comparable sales data. All sales were verified with the buyer, seller, agents, or other parties having knowledge of the transaction.

Subject Property Sale & Marketing History: *(Analyze and report any agreements of sale, options, or current listings as of the date of the appraisal - and all sales within three (3) years prior to the effective date of appraisal. For UASFLA assignments, report the details of the LAST SALE OF THE SUBJECT - no matter when it occurred):* There has been no activity on the subject property in the past three years as the property is currently owned by the State of Montana.

Market Conditions *(Volume of Competing Listings, Volume of Sales, Amenities Sought by Buyers):* A market search was completed for this assignment and several listings of comparable size and location were found, with two new comparable sales being confirmed and used in this report. The Gallatin Valley market is seeing more activity than in the prior years of 2009-2010.

Approaches to Value *(Explain Approaches Used and/or Omitted):* All three approaches to value have been considered for the subject property, however, the Sales Comparison Approach is the only approach that is felt to be reliable enough to use in this particular market. Rural Residential properties in the market area do not have any viable economic use relative to rental values. As described, while some are used for agricultural grazing the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of properties, and cannot support land values commanded in this investment oriented market. As such, a valuation of the subject property by the Income Approach is not applicable. Furthermore, since the subject is being appraised as if unimproved, the Cost Approach becomes a redundancy of the Sales Comparison Approach and thus not applicable to this appraisal.

Additional Comments

Continued from Scope of Work :

Comparable sales were inspected to the extent possible. Trespass was avoided and owner permission was obtained when feasible. At a minimum, a "drive-by" inspection was made along public roadways. Montana is a nondisclosure state; thus, aside from sale notices or deeds, no sales data is of record. No sale prices are reported and the Appraiser must personally confirm sale values. I have made a diligent effort to correctly ascertain the circumstances and values surrounding each sale, and data provided by professional third parties is considered reliable. The investigation of this appraisal report included confirmation of sales with buyers, sellers, real estate professionals, plus inspecting each sale.

The photographs in this report are digital photographs and were not changed or manipulated in any manner. Information on market data was gathered, confirmed, and analyzed. Data relating to the subject was also analyzed and gathered. The Sales Comparison, Cost, and Income Approaches to value were considered. To develop the opinion of value, I performed a complete appraisal process as defined by USPAP under the appraisal reporting Rule 2-2(a). In developing a summary appraisal report, an appraiser uses or considered all applicable approaches to value, and the value conclusion reflects all known information about the subject property, market conditions, and all pertinent available data.

USPAP includes a competency provision that states:

The Uniform Standards of Professional Appraisal Practice (USPAP) require that prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience necessary to complete the assignment competently; or alternatively:
1. Disclose the lack of knowledge and/or experience to the client before accepting the assignment;
2. Take all steps necessary or appropriate to complete the assignment competently; and
3. Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

Katie Rickett, ARA has been involved in the appraisal of rural real estate in the State of Montana, South Dakota, and North Dakota since 1998. I am familiar with the geographic area in which the subject property is located and understand the nuances of the local market and the supply and demand factors related to the specific property type and the location involved. I have been engaged in many appraisal assignments involving properties similar to the subject property and believe I am qualified and competent on the basis of my knowledge and experience to complete this assignment competently. Please refer to my qualifications, which are attached in the Addenda of this report.

Hypothetical Condition:

As Instructed, we are appraising the subject property under a Hypothetical Condition. A Hypothetical Condition is defined by the Uniform Standards of Professional Appraisal Practice as:

" a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."

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

The hypothetical condition that is being used in this appraisal is the subject is unimproved. As the subject property currently exists it has improvements on the property that include two houses, two shops, a barn, a detached garage, and several grain bins. The subject is being appraised as vacant land with no improvements, no wells, no septic systems, and no fencing.

The second hypothetical used in this appraisal is that the subject property is a 6.64 acre lot that is a legal lot and available to sell separately as such.

Additional Comments

Extraordinary Assumption:
As defined by the 2013-2014 Uniform Standards of Professional Appraisal Practice: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

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

The extraordinary assumption being used in this appraisal is that the subject acreage given to the appraiser is the correct acreage of 6.64 acres. If this is found to be not the true acreage once the survey is complete, the appraiser reserves the right to correct this appraisal.

If the hypothetical and extraordinary assumptions are found to be incorrect or are changed in any way the appraiser reserves the right to correct this appraisal as the changing of said hypothetical and extraordinary assumptions will affect the out come of the final opinion of value.

MARKET VALUE DEFINITION

Regulations published by federal regulatory agencies pursuant to title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure on the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Other:

EXPOSURE AND MARKETING TIME ESTIMATES

Market value (see above definition) conclusion and the costs and other estimates used in arriving at conclusion of value is as of the date of the appraisal. Because markets upon which these estimates and conclusions are based upon are dynamic in nature, they are subject to change over time. Further, the report and value conclusion is subject to change if future physical, financial, or other conditions differ from conditions as of the date of appraisal.

In applying the market value definition to this appraisal, a reasonable exposure time of 6-18 months has been estimated. Exposure time is the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; exposure time is always presumed to **precede** the effective date of the appraisal.

Marketing time, however, is an estimate of the amount of time it takes to sell a property interest at the market value conclusion during the period **after** the effective date of the appraisal. An estimate of marketing time is not intended to be a prediction of a date of sale. It is inappropriate to assume that the value as of the effective date of appraisal remains stable during a marketing period. Additionally, the appraiser(s) have considered market factors external to this appraisal report and have concluded that a reasonable marketing time for the property is 6-18 months.

Comments:

Area-Regional Description

Area-Regional Boundary: Gallatin County

Major Commodities: Hay Crops, Beef Cattle, Wheat, Barley, Potatoes, milk, corn, sorghum.

	Above Avg.	Avg.	Below Avg.	N/A
Off Property Employment:		X		

	Unlikely	Likely	Taking Place
Change in Economic Base:	X		
From			
To			

On and Off Property:

	Up	Stable	Down
Value Trend:		X	
Sales Activity Trend:		X	
Population Trend:		X	
Employment Trend:		X	

Market Availability:

	Under Supply	Balanced	Over Supply	No Influence
Cropland Units:	X			
Livestock Units:	X			
Recreational Tracts:	X			
_____				
_____				
_____				

Forces of Value: *(Discuss social, economic, governmental, and environmental forces.)*

Gallatin County is one of Montana's most productive agricultural regions. It extends from the town of Sixteen and near the head-waters of the Missouri River on the north boundary, to the south of the northern boundary of Yellowstone National Park. The 2013 population of the county is estimated at 92,614, a 3.5% increase since the 2010 Census, over its 2,605.84 square miles in size. There are 34 people per square mile.

The topography of consists of a level to rolling agricultural valley formed by the Bridger, Gallatin, and Madison Ranges of mountains. Several rivers, creeks, and streams meander through the county. The portion of the mountains within Gallatin County is home to several national parks, providing year round recreational uses. Gallatin County is bounded on the north by Broadwater and Meagher Counties, on the east by Park County, on the south by Yellowstone National Park, and the west by Madison, Jefferson, and Broadwater Counties. Much of the area within Gallatin County is under agricultural production, with the foothills and mountains used as rangeland and recreational lands. The acreage of Gallatin County is owned by 42.9% Federal ownership, 3.8% is State owned, and 52.4% is Private ownership (0.8% water).

See following comment pages.

Exposure Time: 6-18 months. *(See attached definition and discussion)*

Market Area Description

Specific Market Area Boundaries: Gallatin County in the area of the Gallatin Valley.

Market Area:	Rural	Suburb	Urban
Type		X	

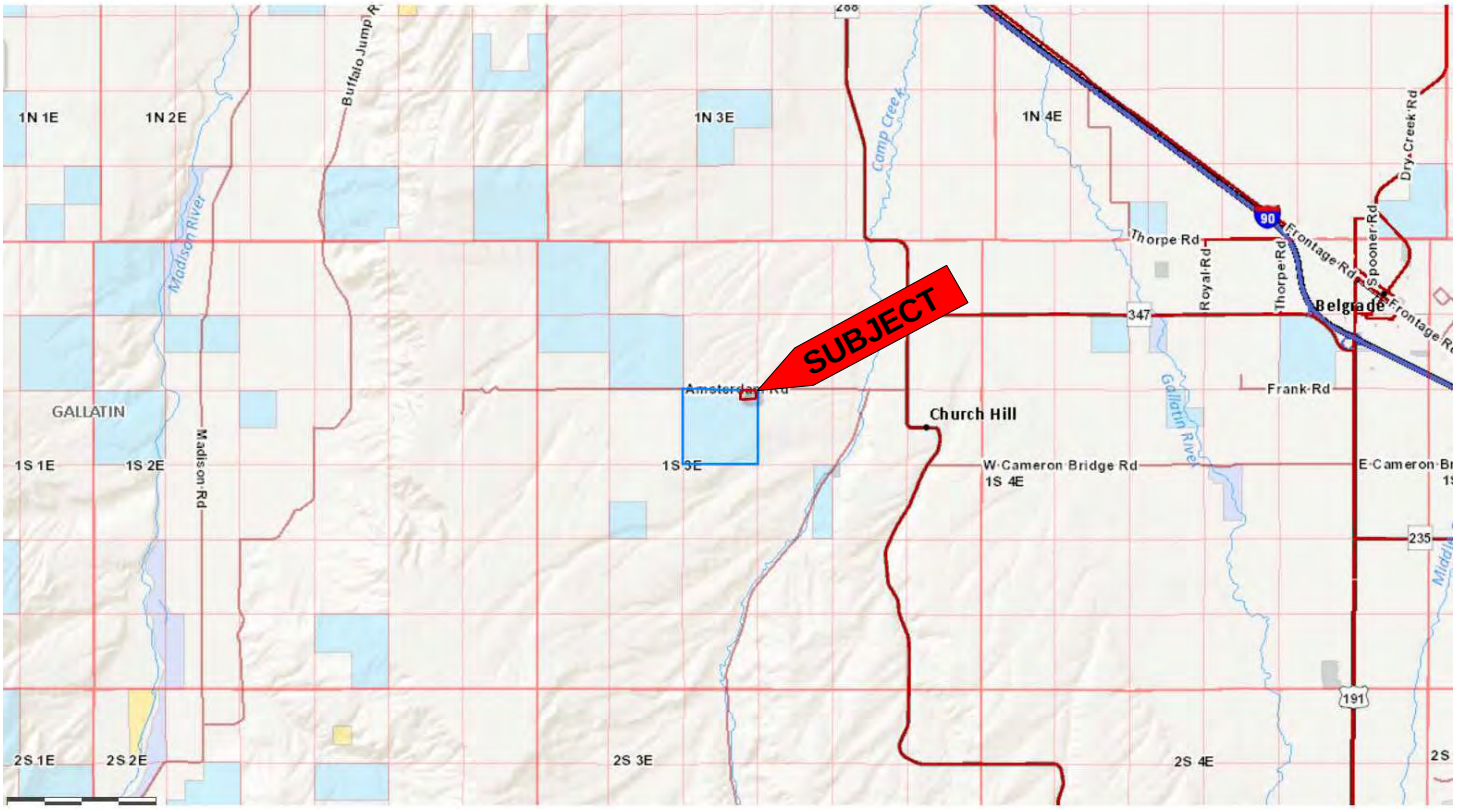
	Up	Stable	Down
Value Trend			X
Sales Activity Trend			X
Population Trend		X	
Development Trend			X

Market Area:	Above Avg.	Avg.	Below Avg.	N/A
Property Compatability		X		
Effective Purchase Power		X		
Demand		X		
Development Potential	X			
Desirability		X		

Analysis/Comments: *(Discuss positive and negative aspects of market area.)*

See pages that follow.

Map Addendum



AREA & REGIONAL DATA

COMMUNITY AND ECONOMIC FEATURES

Bozeman

The city of Bozeman is the Gallatin County seat and a population estimate of 38,695 in 2012, which is the fourth largest city in the state, a 33% increase in population in the past decade. Bozeman is located at an altitude of 4,820 feet, surrounded on three sides by five mountain ranges and vast productive agriculture cropland to the west. Bozeman is home to Montana State University, the local newspaper is the Bozeman Daily Chronicle, and daily commercial air flights out of Yellowstone International Airport at Gallatin Field, located eight miles west of Bozeman, in Belgrade.

The community in the general area of the subject property, as well as throughout western Montana, has changed in composition and population. In many communities such as the subject's, where agricultural use and ownerships have traditionally predominated, recent developments in the land market over the past ten to twenty years have increased the number and influence of alternative land users and property uses. Many counties of western Montana are growing in population; development within these areas, and particularly rural residential development, was been steadily increasing.

Bozeman, Montana has been named the "Best Little City to Retire To," one of the "Top 10 Cities in the U.S. to live," the "Top Recreational City in America" and Outside Magazine quotes famous movie stars stating that Bozeman is the new place to be. There have been an influx of new residents who can sustain even in the coldest winters and the population is steadily growing due to the shifting "greener attitude" in the Gallatin County area. Bozeman was named the "Healthiest City in Montana" in a summer 2010 survey of health. It has become nationally and internationally known. The greater Bozeman demographic area is approximately 115,000 people throughout the Gallatin Valley. The airport reports numerous travelers flying to and from Europe and other countries each day from the local Gallatin County and Bozeman areas. The area has become well known for its recreational attributes, quality of life, and Montana State University has become a top university offering the best "bang-for-your-buck" education.

Belgrade

Belgrade, Montana is located eight miles northwest of Bozeman, along Interstate 90, and is a bedroom community to the Bozeman area. Home prices are more affordable in Belgrade and building has been strong over the years. New subdivisions south and north of Belgrade continue to be developed. The 2013 population estimate for Belgrade is 7,556. It seems the Belgrade area is supported by more industrial types of industries and agriculture. The Bozeman Chronicle stated Belgrade has doubled in population since 1990 and it is predicted to double again by 2015. The City of Belgrade has a Zoning ordinance installed by the Planning Commission.

Manhattan

The town of Manhattan, Montana is located just west of Belgrade along Interstate 90, and part of the Bozeman Metropolitan Statistical Area. The area is a prominent area for family potato and dairy farms of Dutch ethnicity, and Manhattan had an estimated 1,520 residents in 2013. Annual special events and festivals are held celebrating the area's heritage and rural lifestyles, like the Potato Festival.

Three Forks

Three Forks, Montana is a town of 1,892 residents estimated in 2013, located approximately 25 miles west of Bozeman at the intersection of Interstate 90 and U.S. Route 287 in Gallatin County. The town of Three Forks is part of the greater Bozeman demographic area of approximately 115,000 people. Three Forks has increased in size due to the healthy economy of Bozeman, and real estate is more affordable located at the perimeter of this economic demographic area. Many major subdivisions such as Rolling Glen Subdivision are expected to increase the city's population putting a burden on area schools, and law enforcement.

Named for its water resource area, where the Jefferson, Madison, and Gallatin Rivers converge to form the Missouri River, the longest single river in North America. These blue-ribbon trout fishing rivers draw fishermen and hunters to the area. The town has the 9-hole Headwaters Public Golf Course, medical and dental facilities, schools, an airport, a library, and a museum. The Lewis and Clark Caverns are located near Three Forks.

AREA & REGIONA

Yellowstone National Park Visitors by Entrance for 2012						
Month	East	North	Northeast	South	West	Total
Jan	223	13,933	0	2,930	7,680	24,766
Feb	202	13,919	0	3,888	9,743	27,752
Mar	1	14,147	0	1,838	4,262	20,248
Apr	0	14,900	0	0	14,156	29,056
May	30,588	57,551	15,420	44,624	120,068	268,251
Jun	93,338	111,917	41,657	147,673	277,240	671,825
Jul	122,905	139,707	61,702	195,464	368,557	888,335
Aug	104,570	127,995	58,968	173,167	315,586	780,286
Sep	66,954	99,566	42,188	113,354	205,547	527,609
Oct	19,038	37,241	9,768	35,139	75,884	177070
Nov	0	0	0	0	0	0
Dec	0	0	0	0	0	0
Total	437,819	630,876	229,703	718,077	1,398,723	3,415,198

West Yellowstone

West Yellowstone, Montana is a community of 1,308 people estimated in 2013, located at 7,000 feet elevation and is adjacent to Yellowstone National Park. West Yellowstone is one of five Yellowstone National Park entrances; known as the 'West' entrance in the enclosed chart. The combination of the West and North entrances to the Yellowstone National Park generates a great tourism economy to the Gallatin County area.

GALLATIN COUNTY

Location

Gallatin County is one of Montana's most productive agricultural regions. It extends from the town of Sixteen and near the head-waters of the Missouri River on the north boundary, to the south of the northern boundary of Yellowstone National Park. The 2013 population of the county is estimated at 92,614, a 3.5% increase since the 2010 Census, over its 2,605.84 square miles in size. There are 34 people per square mile.

The topography of consists of a level to rolling agricultural valley formed by the Bridger, Gallatin, and Madison Ranges of mountains. Several rivers, creeks, and streams meander through the county. The portion of the mountains within Gallatin County is home to several national parks, providing year round recreational uses. Gallatin County is bounded on the north by Broadwater and Meagher Counties, on the east by Park County, on the south by Yellowstone National Park, and the west by Madison, Jefferson, and Broadwater Counties. Much of the area within Gallatin County is under agricultural production, with the foothills and mountains used as rangeland and recreational lands. The acreage of Gallatin County is owned by 42.9% Federal ownership, 3.8% is State owned, and 52.4% is Private ownership (0.8% water).

Rural residential subdivision and development, suburban development, and small tract intensive subdivision exponentially increased during 2005-2007. The building boom slowed during the recession in 2008 and began to pick up in late 2012. The Bozeman area has never had such a limited amount of rental units available for the increased demand of growth. Many bank-owned

subdivisions were purchased in 2013 and new home construction has reported a 12% appreciation for homes in the Bozeman area year-to-date 2013.

Water Supply

Water used for crop production in Gallatin County comes from three sources: rainfall, local rivers and streams and ground water sources. Most irrigation water comes from surface water sources like rivers or streams. The actual amount applied in any one year from any one of these sources may vary considerably, depending on rainfall and local stream runoffs. The Gallatin Valley requires irrigation water for approximately 112,000 acres, or 12% of all agricultural acreage, maintained and regulated by numerous irrigation ditch companies.

Recreational water is in abundance and runs through both public and private lands. There are several primary fishing rivers within Gallatin County. The Main, East, and West Gallatin Rivers course through the county, as well as portions of the Madison River and the Missouri River. The Missouri River headwaters begin here with the confluence of the Jefferson River, Madison River, and the Gallatin River just north of Three Forks, Montana.

Climate

Bozeman's average yearly temperature is 56.3 degrees Fahrenheit, with temperatures ranging from 65-85 degrees in the summer to 0-45 degrees in the winter. Located at an elevation of 4,793 feet above sea level, winters can be brisk, with plenty of snowfall (83.5 inches average per year). The average temperature is 12.0 degrees in January, but is ever changing. Cold snaps from the arctic can bring days of below zero weather; however, those days are often followed by Chinook winds which bring above average warmth. Spring comes slow and late to the Gallatin Valley. Over 1/3 of the area's annual precipitation comes in May and June, and snow is not uncommon even in these spring months. Once summer arrives, the days are usually sunny and warm, with the mean August temperature at 81.2 degrees Fahrenheit. Growing seasons average 107 days with 115 days down on the croplands of the valley-floor; the last killing frost is usually at the end of May, and the first killing frost of the autumn usually arrives at the beginning of September.

Climate data for Bozeman - Montana State University

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Average high °F	31.7	35.5	42.7	53.9	63	71.6	81.3	80.3	69.3	57.6	42.2	33.6	55.23
Average low °F	12.0	15.3	21.4	30.4	38.4	45.2	51.1	49.5	41.2	32.9	22.2	14.5	31.18
Precipitation inches	0.87	0.73	1.34	1.89	2.89	2.91	1.35	1.25	1.71	1.54	1.12	0.88	18.48

Source #1: NOAA (normal, 1971-2000)

AREA & REGIONAL DATA

Recreational and Aesthetic Features

In September 2007, Bozeman was recognized as a micropolitan "best little city." Outside magazine in 2012 awarded Bozeman the second best North American snow skiing destination, and has in the past listed Bozeman as one of the great sporting towns in the nation. Two downhill ski resorts, Bridger Bowl and Big Sky, are less than an hour's drive from the city and cater to all levels of skiing ability. In addition to downhill skiing, two cross-country ski areas with groomed trails, as well as miles of unmaintained wilderness trails, make this sport a natural in the area.

The National Forest Reserve includes 37% or 597,244 acres of Gallatin County's total acreage, providing opportunities for hiking, camping, kayaking, canoeing, biking, hunting and world class blue ribbon trout fly-fishing on the Gallatin, Madison, and Jefferson Rivers. Located at the edge of mountains and prairie, the landscape laced with pristine streams and rivers, Bozeman offers access to a diversity of wildlife habitats and species. The National Forests are important to the area for timber production and rangeland grazing, competing with the recreational use.

Yellowstone National Park has only 4% of land located in Montana, yet three of the five entrances are from Montana communities, creating strong economic importance to each community area, as well as Montana's tourism economy. In 2012 Yellowstone National Park had a record 3.45 million visitors, and 66% of these visitors entered the Park through Montana (33% from the West entrance in Gallatin County). In addition to the Yellowstone National Park, wild lands managed by the U.S. National Forest Service, the Montana Department of Fish, Wildlife and Parks, the U.S. Fish and Wildlife Service, and private agricultural interests provide wildlife hunting, photographic, and viewing opportunities for many species. Elk, bighorn sheep, mule and white-tailed deer, coyote, pronghorn antelope, bald and golden eagles, moose, mountain goat, black and grizzly bear, and an array of less obvious but no less remarkable animals still find suitable range and habitat here.

Each autumn, birds of prey concentrate along the Bridger Mountains north of Bozeman in their migration south, with 17 species of raptors observed here between late August and early November. This site hosts the largest concentration of migrating golden eagles in the lower 48 states, with daily counts of over 200 eagles possible during early October. The season starts with a trickle of ospreys and falcons, climaxes with hundreds of golden eagles and sharp-shinned hawks, and trails off with bald eagles and rough-legged hawks.

Within the city limits, the City of Bozeman Recreation Department provides a full range of after-school and summer programs for children and adults. Throughout the community there are 23 parks and recreation areas, indoor and outdoor swimming pools, 17 public tennis courts, and three golf courses (one public, two private).

Population

In the past the general area has been regarded as a stable community that experiences large influxes of tourists and part-time residents during the summer and fall months. The recreational features of the area are world renowned. Much of the attraction of the area is related to natural resource features, including national forest and public lands related to the general Greater Yellowstone Ecosystem. Recent reports published by the Greater Yellowstone Coalition, based in Bozeman, Montana, indicate that the twenty counties surrounding the national park are experiencing rapid growth. This ecosystem area, which covers approximately 18 million acres in Wyoming, Montana, and Idaho, encompasses all or part of twenty counties, two national parks and six national forests. The GYC notes that the type of development occurring in the area over the past ten to twenty years has been fiscally demanding on counties and local governments. Recent studies in the Gallatin Valley area indicate that for every dollar derived from residential property tax, county governments and schools spend an average of $1.45 to provide services.

AREA & REGIONAL DATA

Educational and Cultural Activities

Bozeman is the home of Montana State University-Bozeman, a regional center for research and the development of new technology. Nearly 15,500 undergraduate and graduate students from all 50 states and 47 foreign countries are enrolled at MSU-Bozeman. The university is a four-year public, comprehensive land grant institution offering programs in basic sciences, agriculture, architecture, business, nursing, education and engineering. The university, on its 1,170-acre campus, employs 700 faculty members, with another 500 professionals engaged in academic research and extension activities at the university. Summer courses, computerized study, night and late afternoon classes are available for students of all ages through the Extended Studies program.

The U.S. Department of Education twice named Bozeman High School as one of the outstanding schools in America, and the middle school also recently received that distinction. The average Bozeman student scores 1,015 on the Scholastic Aptitude Test -- 115 points above the national average. Over 96% of all BHS students graduate, in comparison with 71% nationwide.

Bozeman's seven elementary schools have each developed their own unique focus, while maintaining an excellent basic education. Hawthorne is the "School for the Arts;" Longfellow is teaching Spanish throughout the curriculum; Irving is a designated "International School;" and Emily Dickinson offers integrated programs for multiply handicapped children. Along with these public schools, the Bozeman area also has several private schools.

The Museum of the Rockies showcases renowned exhibits, including a recently excavated Tyrannosaurs Rex skeleton, and offers daily shows at the Taylor Planetarium. Permanent exhibits on geology, archaeology, history and paleontology interpret the natural and cultural history of the region.

There are two libraries available to residents and visitors to the area. Bozeman Public Library has 59,000 volumes, while MSU-Bozeman's campus library, open to the public, has over 600,000 volumes and journals.

Entertainment opportunities include performances by the university theater department, the Bozeman Symphony, Bozeman Intermountain Opera, the Montana Ballet Company, the Shakespeare in the Parks program, and the Vigilante Theater Company. The Emerson Cultural Center is a frequent host to visiting performers, from modern dance performances to Native American traditional drumming and dance events. Annual events of interest occurring in Bozeman include the Montana Winter Fair, the College National Finals Rodeo, the Sweet Pea Festival, MSU Indian Club-hosted Powwow and the Christmas Stroll.

Access and Transportation

Gallatin County's transportation corridors provide access to areas throughout the United States and Canada; providing a central located to all marketing sectors. The Yellowstone International Airport underwent a major expansion in 2011 and continues to add flights to major hubs throughout the country and connections to the world, supporting a growing community of business commuters residing in Gallatin County.

Overnight service via the U.S. Postal Service, Federal Express, and UPS are available. Manhattan, Belgrade, and Bozeman are all located along Interstate 90, a major east-west corridor, and US Highway 191, a major roadway to Yellowstone National Park runs north-south through the county. Bozeman is also served by Montana Rail Link (formerly Burlington Northern), Greyhound bus lines, and local bus and taxi services.

AREA & REGIONAL DATA

Future

Rural residential development and suburban development, as well as rural recreational investment properties have dominated the market in the past. With the number of sales down at the present time there is no one land class or use that is dominating the market. The highest and best use of rural foothill, valley agricultural, and river bottom land areas have transitioned from agricultural uses to subdivision, development, exclusive homesites, and recreational investment uses. This trend will likely continue as Bozeman and the Gallatin Valley has been one the new trendy areas for relocation. However, many of the pre-platted subdivisions that were in agricultural areas have never been developed and the return of the highest and best use to agriculture, speculative investment, and/or rural recreational is a common theme right now. Agriculture will continue to be a major industry in Gallatin County as there are long-time family farmers that are well entrenched and they also continue to purchase add-on plottage to expand their operations. Gallatin County is a mixed use county where all residents are trying to manage the uses in the area.

Area Prestige

This area has become well known for its recreation attributes. It has outstanding elk, bear, deer, antelope and game bird hunting, as well as blue-ribbon trout fishing in numerous rivers and streams. Agriculturally, it is a well-established dairy, alfalfa hay, potato, and wheat grain area. Most of the wheat is of very high quality and used mainly for human consumption. The alfalfa hay is, also, of very high quality, and is used for milk cow and beef cattle hay. Beef cattle are grown in the area via cow/calf operations.

AREA & REGIONAL DATA

Economic Forces

Gallatin County is sustained by agriculture, mining, forestry, tourism, and the university, and recently by construction.

Unemployment Rate

Area	Year	Time Period	Labor Force	No. of Employed	No. of Unemployed	Unemployment Rate
GALLATIN COUNTY	2013	Aug	52,953	51,115	1,838	3.5

Law enforcement, government and Montana State University are the three top employers in the county by business that employ the greatest number of individuals.

Agriculture

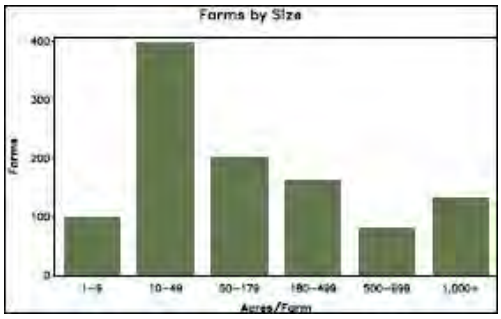
Agricultural lands are 46% of Gallatin County's total acreage of 1,685,600 acres.

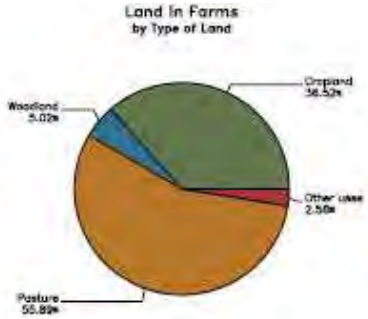
	2007 Census	
Number of Farms	1,071	(42% Full-Time Farms)
Average Farm size	725 acres	

Montana Ag Stats 2010-11		State Ranking / 56 Counties
Products Sold	$122.753 million	7th
Crops Sold (61.8%)	$ 75.887 million	7th
Livestock Sold (38.2%)	$ 38.674 million	12th

Spring Wheat	35,400 acres	59.3 bu/ac	15th
Winter Wheat	20,700 acres	59.6 bu/ac	17th
Barley	27,500 acres	68.3 bu/ac	5th
Potatoes	3,850 acres	340 cwt/ac	1st
Alfalfa Hay	42,000 acres	3.50 ton/ac	9th
Other Hay	11,000 acres	2.00 ton/ac	22nd
Milk Cows	4,000 head		1st
Beef Cows	51,000 head		20th
Sheep	2,700 head		28th

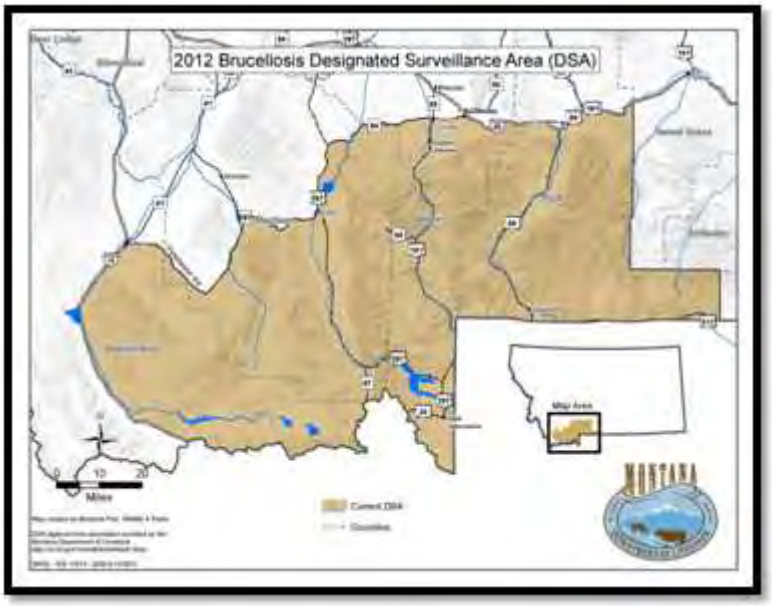
AREA & REGIONAL DATA





Gallatin County hay is of high quality and is used as milk cow hay on dairies throughout the county. The hay is also used as winter feed for beef cattle.

Bovine brucellosis is a contagious, infectious and communicable disease which results in the abortion of the fetus. Brucellosis infects elk, bison, domestic buffalo, and domestic cattle and is transmitted between the species. All 50 U.S. states are currently designated Class Free for brucellosis, yet the Greater Yellowstone Area is the only known location where brucellosis is still present in the U.S. Thus, the Brucellosis Designated Surveillance Area has been defined to monitor the level of transmission of brucellosis from wildlife to livestock. The USDA estimates a State Class status downgrade from Brucellosis Free would cost Montana producers 5.9 to 11.9 million dollars each year.



AREA & REGIONAL DATA

Health Care

Bozeman Deaconess Hospital opened its new facility in June of 1986, and is a modern, well-equipped hospital with acute-care beds. Services include respiratory therapy, sleep lab, home care/hospice, radiology, special imaging, laboratory, obstetrics and nursery, inpatient and retail pharmacy, physical therapy, cancer treatment, and cardiopulmonary rehabilitation services. Occupational therapy and speech therapy services are offered through contracts. Major expansions in 1992 -1994, 1998 - 1999, 2004-2006, and 2010 have added substantial professional medical space to the facility and most major medical practices are now located at the medical complex. This community of professionals is served directly by the downtown business area, as the complex is located in the eastern end of town and away from other, potentially competitive, commercial areas on Bozeman's west side.

Zoning

Gallatin County does have 22 Zoning Districts installed throughout the county regulating residential growth. There is no county zoning in the Gallatin County that affects the subject property, however, if building is being considered in the county a septic system permit is required by the county and a state plumbing and electrical permit is required as well.

Government Considerations

State Data

Montana's July 2013 population estimate is reported at 1,015,165 people residing in the state an increase of 13.8% over 2000 and is a 2.4% increase from the 2010 Census. Population density measuring people per square mile was 6.8, dropping from 48th to 49th nationally. The total land area of Montana is approximately 145,546 square miles or over 93 million acres, with 64.1% of the state contained in farm and ranch lands, a total of 28,600 farms, averaging 2,056 acres, as reported from USDA in 2012. Montana's 2012 agricultural sector output was approximately 4.743 billion dollars, and the states number one industry. It is estimated that 80% of Montana's population is employed by agriculture and small businesses, which constitute 90% of the state's business community. Of these small businesses, 80% have one or two owners and less than ten employees.

The Montana Tourism Commission reported 10.8 million tourists visited Montana in 2012, spending an average of $308 per tourist and a total of $3.2 billion to the Montana economy.

The state of Montana owns approximately 6% of the state lands, and the federal government owns 29.1%. Indian reservations hold 5.3% of the state, with the remaining 58.7% privately held, with the remaining 0.8% being water. Of the 29.1% federal ownership, approximately 18% is under National Forest Service control, with 8.7% under the Bureau of Land Management and approximately 3% contained in other divisions.

Taxes

The State of Montana, through the Department of Revenue, is responsible for valuing all taxable real estate and personal property in the state. This property valuation is accomplished by appraisal/assessment offices located in each county in Montana. The amount of property tax is determined by multiplying the assessed value by a tax rate, set by legislature, to determine its taxable value. Taxable value is then multiplied by the mill levy established by the various taxing jurisdictions- city and county government, school districts, and others- that provide services in the area.

AREA & REGIONAL DATA

Montana Agriculture

Of the approximately 60 million acres in use as farm and ranch lands, 66% is comprised of rangeland, with 30% containing croplands. The total number of farms and ranches in the state of Montana has continually decreased since 1933, when there were 53,000 units. The Montana 2013 Agriculture Statistics estimated there are approximate 28,600 farms and ranches located in the state. The average size of farms and ranches in the state is approximately 2,056 acres. Agriculture continues to be Montana's number one industry in 2012, a 9% increase from 2011. The 2012 value of crop production (60.3%) increased to $2.3 billion, a 16% increase from 2011. The 2012 value of livestock (39.7%) increased to $1.6 billion. Net government payments decreased 20% in 2012 to $239 million.

Montana ranked second in the country for land in farms with 58.8 million acres in 2012 (down 2 million acres since 2010). Texas ranked first with 130.4 million acres and Kansas ranked third with 46.2 million acres. Montana ranked thirty-first for number of farms with 28,600 while Texas ranked first with 247,500 farms. Montana ranked second behind Wyoming for average farm size with 2,056 acres.

Montana ranked third for all wheat production in 2012, accounting for 8.6% percent of the U.S. total, surpassed by North Dakota and Kansas. Montana ranked second for durum wheat, fifth for winter wheat, and second for other spring wheat production, accounting for 17.6 percent, 5.1 percent, and 17.7 percent, respectively, of the nation's total. For durum and spring wheat production, North Dakota ranked first. Kansas ranked first for winter wheat production, followed by Texas, Oklahoma, Washington, and Colorado. Montana accounted for 19.9 percent of the nation's barley, ranking third behind North Dakota and Idaho.

Montana ranked first in lentils and second in dry edible peas. With safflower production, accounting for 10.4 percent of the U.S. total. Montana ranked sixth for sugar beet production with 4.1 percent of the U.S. total, behind Minnesota, North Dakota, Idaho, and Michigan. Montana ranked third for 2012 for alfalfa hay production with 5.8 percent of the nation's total, behind California, South Dakota, and Idaho and ranked eighth in the nation for all hay produced.

Montana ranked eighth for all sheep and lamb inventory on January 1, 2013 with 235,000 head and 4.4 percent of the U.S. total, preceded by Texas, California, South Dakota, and Wyoming. Montana ranked sixth for wool production with 1.93 million pounds or 6.8 percent of the U.S. total.

Montana's all cattle and calves inventory on January 1, 2013, ranked eleventh in the nation with 2.6 million head, or 2.9 percent of the U.S. inventory (up 100,000 hd. since 2012). Montana ranked eighth for all cows with 1.52 million head, accounting for 4 percent of the U.S. total, and sixth for beef cows with 1.506 million head, accounting for 5.1 percent of the U.S. inventory.

AREA & REGIONAL DATA

Montana's Rank in the Nation's Agriculture

ITEM	TOTAL	UNIT	PERIOD OR DATE	RANK	% U.S. Total
Number of farms and ranches	28,600	farms/ranches	2012	31	1.3
Land in farms and ranches	58,800,000	acres	2012	2	6.4
Average Farm Size	2,056	acres	2012	2	N/A
INCOME FROM CASH RECEIPTS, EXCLUDING GOVERNMENT PAYMENTS					
Total	3,370,943	thousand dollars	2011	33	1.0
Crops	2,004,721	thousand dollars	2011	28	1.0
Livestock	1,366,222	thousand dollars	2011	31	0.9
LIVESTOCK INVENTORY					
All Cattle and Calves	2,600,000	head	Jan. 1, 2013	11	2.9
All Cows	1,520,000	head	Jan. 1, 2013	8	4.0
Beef Cows	1,506,000	head	Jan. 1, 2013	6	5.1
Milk Cows	14,000	head	Jan. 1, 2013	38	0.2
Cattle on Feed	38,000	head	Jan. 1, 2013	23	0.3
All Sheep and Lambs	235,000	head	Jan. 1, 2013	8	4.4
Breeding Sheep	210,000	head	Jan. 1, 2013	6	5.3
Meat and Other Goats	6,700	head	Jan. 1, 2013	39	0.3
Milk Goats	2,400	head	Jan. 1, 2013	32	0.7
Hogs and Pigs	175,000	head	Dec. 1, 2012	22	0.3
Chickens	550,000	head	Dec. 1, 2012	35	0.1
LIVESTOCK PRODUCTION					
Calf Crop	1,500,000	head	2012	7	4.4
Lamb Crop	210,000	head	2012	6	6.1
Pig Crop	452,000	head	2012	24	0.4
Wool Production	1,930,000	pounds	2012	6	6.8
Egg Production	119,000,000	eggs	2012	35	0.1
Honey Production	7,748,000	pounds	2012	6	5.3
CROP PRODUCTION					
All Wheat	194,750,000	bushels	2012	3	8.6
Winter Wheat	84,630,000	bushels	2012	5	5.1
Durum Wheat	14,420,000	bushels	2012	2	17.6
Other Spring Wheat	95,700,000	bushels	2012	2	17.7
Barley	41,870,000	bushels	2012	3	19.0
Oats	810,000	bushels	2012	21	1.3
All Hay	4,120,000	tons	2012	8	3.4
Alfalfa Hay	3,000,000	tons	2012	3	5.8
Other Hay	1,120,000	tons	2012	24	1.7
All Dry Beans	466,000	cwt	2012	10	1.5
Pinto Beans	213,000	cwt	2012	9	1.6
Garbanzo Beans	253,000	cwt	2012	3	7.6
Lentils	2,145,000	cwt	2012	1	40.5
Dry Edible Peas	4,395,000	cwt	2012	2	40.4
Austrian Winter Peas	69,000	cwt	2012	1	41.3
Fall Potatoes	3,744,000	cwt	2012	13	0.8
Sugar Beets	1,292,000	tons	2012	6	3.7
Flaxseed	117,000	bushels	2012	3	2.0
Safflower	18,576,000	pounds	2012	2	10.4
Canola	61,380,000	pounds	2012	4	2.5

AREA & REGIONAL DATA

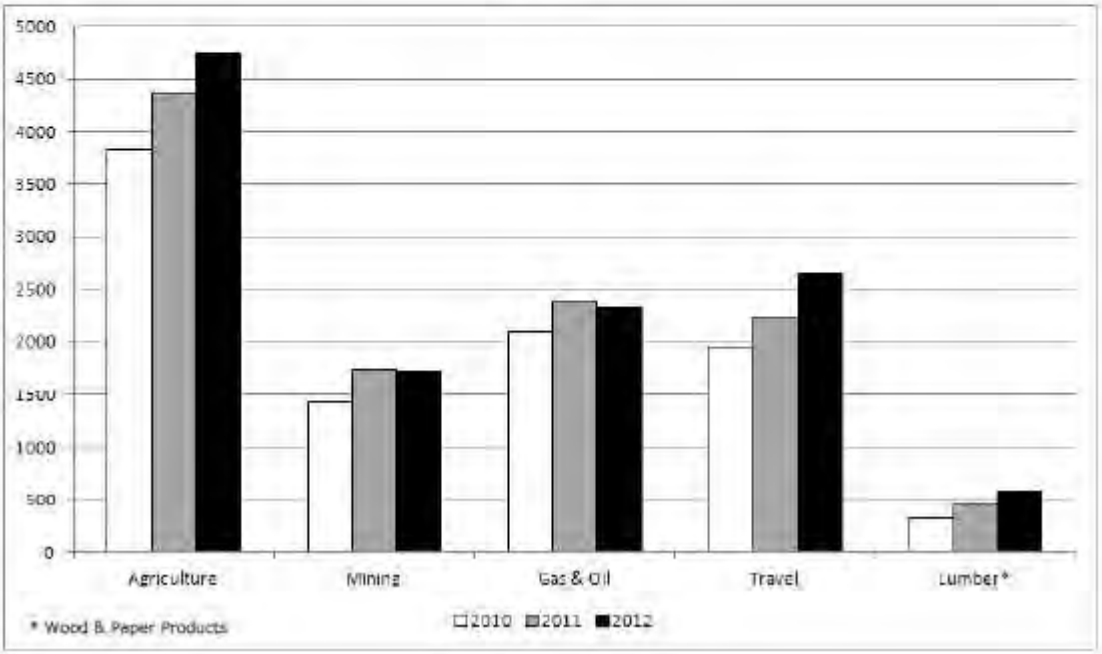
Selected Montana Industries Comparison

Industry	2010	2011	2012 s/	2012/2011
	Million Dollars			Percent
Agriculture 1/	3,832.5	4,368.0	4,743.6	109
Mining 2/	1,429.5	1,741.4	1,717.5	99
Gas & Oil 2/	2,086.9	2,392.0	2,329.7	97
Travel 3/	1,954.2	2,228.8	2,643.9	119
Wood & Paper Products 4/	325.0	466.0	580.0	125

1/ Value of agricultural sector production plus net government transactions. 2/ Gross value, Montana Department of Revenue. 3/ Non-resident Direct Economic Impact, Institute for Tourism and Recreation Research, The University of Montana. 4/ Bureau of Business and Economic Research, The University of Montana. S/ 2012 preliminary.

Montana Selected Industries Comparison

2010-2012



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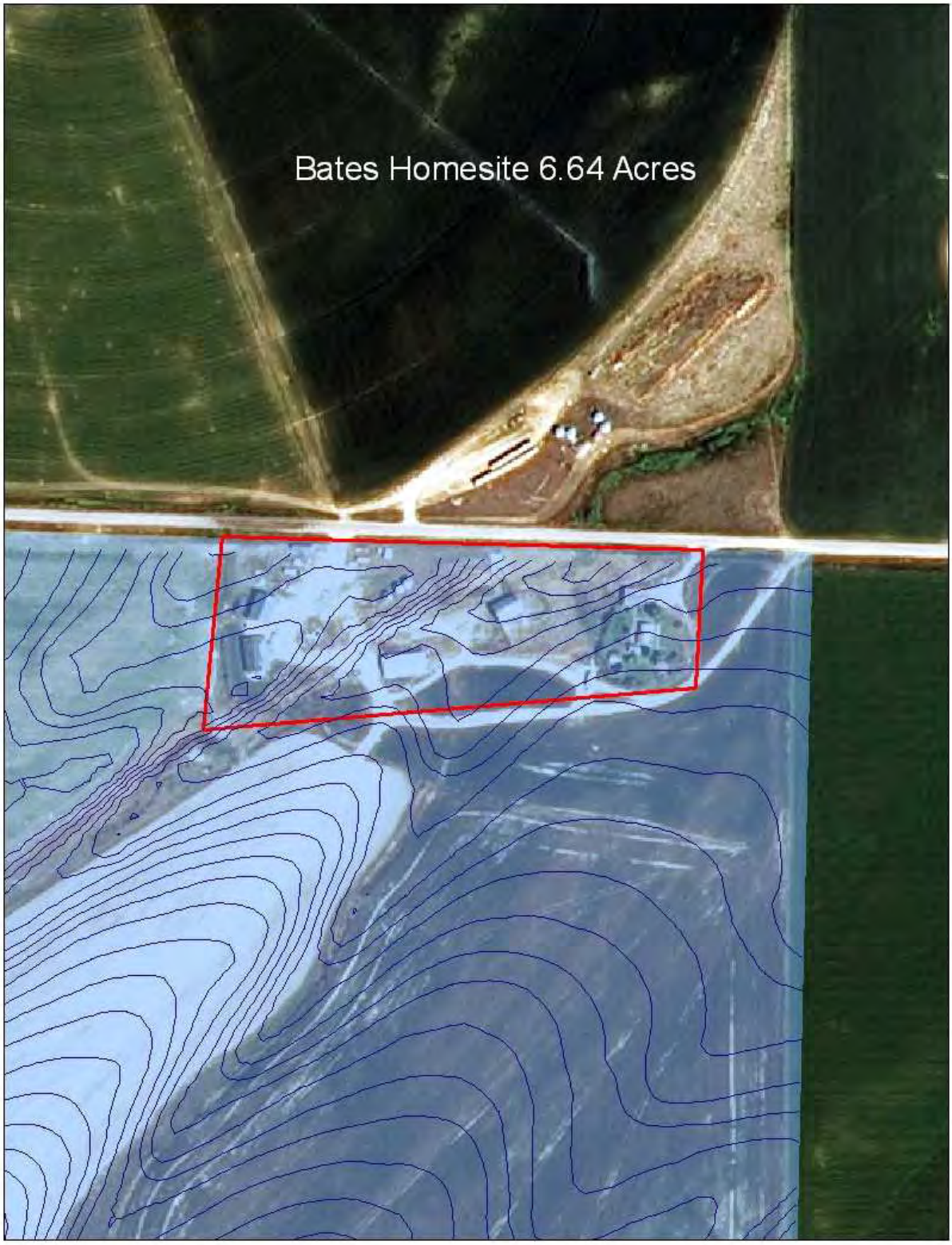


Map Addendum

Property Description: *(Location, use and physical characteristics)* The subject property is an estimated 6.64 acres. The subject is being appraised under two hypothetical conditions and one extraordinary assumption. The hypothetical conditions are that the subject property is a legal tract and available to sell on the open market and that the property is vacant and not improved with wells, septic systems, and improvements which include two houses. The extraordinary assumption is that the subject property is actually 6.64 acres. Should any of these assumptions change, the appraiser reserves the right to correct this appraisal. The subject property is located two miles west of Amsterdam. It is located on a bluff overlooking the Gallatin Valley and has a steep drainage that bisects the western portion of the property. There is no live water except for seasonal drainages on the subject property. There are a few trees in the southeast corner of the property but these have been planted over the years and are not original to the property. Without the improvements the property would be an open rolling rangeland unit conducive for a rural homesite. The subject is surrounded by dry crop and irrigated farm ground. The subject could potentially be farm ground but the steep coulee through the center would limit the available farm ground slightly.

Land Use	Deeded Acres	Unit Type	Unit Size	
Irrg Land				(0.0%)
Dry Cropland				(0.0%)
Tame Pasture				(0.0%)
Hay Land				(0.0%)
Rangeland				(0.0%)
Farmstead				(0.0%)
Roads/waste				(0.0%)
Site	1.00	Site		(100.0%)
Leases				(0.0%)
Recreation				(0.0%)
Total Deeded Acres	1.00	**Total Units**	0.00	**(100 %)**

Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Location		X		
Legal Access		X		
Physical Access		X		
Contiguity		X		
Shape/Ease Mgt.		X		
Adequacy Utilities		X		
Services		X		
Rentability		X		
Compatibility		X		
Market Appeal		X		

FEMA Zone/Date 9/2/2011

Building Location

Climatic: 12-18 " Annual Precipitation 4500 ' to 4700 ' Elevation 110 Frost-Free Days

Utilities: Well Water NW Electric Septic Sewer Propane Gas Cnty Lnk Telephone

Distance To: 2 Schools 25 Hospital 8 Markets 8 Major Hwy. 25 Service Center

Comments Hypothetically there is no developed water on the property, no fences, no septic, and no improvements.

There are no hazards or detriments that materially affect the value of the subject property. The subject is susceptible to the area weather but the surrounding area receives the same type of weather. The weed liability on the property is average for this unit in this area. Given the date of inspection, grass and weeds have not yet started growing so the amount and type that might exist is unknown. Should this be of concern, a weed specialist should be engaged to inspect the weeds during the growing season in order to estimate the expected liability. This appraisal assumes that the weeds are not toxic and the appraiser reserves the right to update the appraisal should the area found to be hazardous. The Appraiser is not an expert in either the detection of hazardous or toxic substances or structural engineering, and did not conduct an environmental audit of the subject property. The property is being appraised assuming there are no toxic or hazardous substances present or associated with the subject property that would affect value. The Appraiser reserves the right to reassess the situation and adjust values if deemed necessary.

History

[X] Ownership Longer Than 3 Years

	Owner	Recording/Reference	Date	Price Paid	Terms
Previous:				$	
Present:				$	

Currently: [ ] Optioned [ ] Under Contract Contract Price: $ _____
Buyer: _____ [ ] Currently Listed Listing Price: $ _____ Listing Date: _____

Zoning

Current Zoning: None Zoning Conformity: [ ] Yes [ ] No
Zoning Change: [X] Unlikely [ ] Probable To: _____
Comments:

Taxes

Tax Basis:
[X] Agricultural
[ ] _____
[ ] _____
Parcel #: _____

Assessment Year	
Land	$
Building(s)	$
_____	$
Total Assessed Value	$ 0

Forecast:
Current Tax $ _____
Estimated/Stabilized $ _____
Or (1.00 Ac.) =$ 0.00 /acre

Trend: [ ] Up [X] Down [ ] Stable

Comments: The subject property is owned by the State of Montana and thus is exempt from property taxes. As such, no information is available.

Highest & Best Use Analysis

Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

Analysis: *(Discuss legally permissible, physically possible, financially feasible, and maximally productive uses)*
There are no legal limitations currently affecting the subject property. It is legally available for many different uses. Given the configuration of the property and its location, it could legally support several different uses. The physically possible uses of the subject property would be open to an industrial use, a commercial use, or a rural homesite. The subject property does not have any recreational amenities that would warrant the property's use as a recreational unit. A financially feasible use is one that proves to be the most financially rewarding use of the property. The area does not demonstrate a need or use for a commercial type use (hotel, motel, resort) facility or industrial use. The highest and best use of the subject property "as vacant" would appear to be a rural homesite. This proves to be the most financially feasible and maximally productive use of the subject property "as vacant".

Highest and Best Use: "As if" Vacant Rural Homesite
"As Improved" N/A

Discussion: Since the subject is being appraised "as if vacant" the Highest and Best Use of the subject property "as improved" is not applicable.

Value Methods

Valuation Methods: [ ] Cost Approach [ ] Income Approach [X] Sales Comparison Approach
(Explain and support exclusion of one or more approaches) All three approaches to value have been considered for the subject property, however, the Sales Comparison Approach is the only approach that is felt to be reliable enough to use in this particular market. Rural Residential properties in the market area do not have any viable economic use relative to rental values. As described, while some are used for agricultural grazing the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of properties, and cannot support land values commanded in this investment oriented market. As such, a valuation of the subject property by the Income Approach is not applicable. Furthermore, since the subject is being appraised as if unimproved, the Cost Approach becomes a redundancy of the Sales Comparison Approach and thus not applicable to this appraisal.

Photo viewing east along the north boundary of proposed lot.

Photo viewing north along west boundary.

Photo viewing south along west boundary of proposed lot.

Photo viewing east along possible south boundary of lot.

Photo viewing northwest towards southwest corner of proposed lot.

Photo viewing north across property from the south boundary.

Photo viewing northeast across property from the south boundary.

Same as previous photo but viewing more east to northeast.

Photo viewing east along proposed south boundary.

Photo viewing west along south boundary.

Photo viewing northwest across subject property.

Photo viewing north across subject property from the south boundary.

Same as previous photo but viewing more northeast.

Photo viewing east along south boundary.

Photo viewing north along proposed east boundary

Photo viewing south along proposed east boundary.

Photo viewing southwest across subject property from the proposed east boundary.

Photo viewing west along the north boundary from the northeast corner.

Photo viewing west along north boundary.

Photo viewing southeast towards the northeast corner.

Photo viewing south across subject from the north boundary.

Photo viewing southwest across subject property from the north boundary.

Photo viewing east along the subject's north boundary.

Photo viewing southwest along the subject's north boundary and towards the northwest corner.

Sales Comparison Approach (1-5)

Sale Data

Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
Grantor (Seller)		Confidential	Confidential	Confidential	Confidential	Confidential
Grantee (Buyer)		Confidential	Confidential	Confidential	Confidential	Confidential
Source		Broker	Broker	MLS, Broker	Broker/MLS	MLS/Broker
Date	Eff 03/14	02/14	02/14	11/13	03/13	02/13
Eff Unit Size/Unit	1.00 / Site	1	1	1	1	1
Sale Price		100,000	75,000	247,500	129,000	60,000
Finance Adjusted		Cash	Cash	Cash	Cash	Cash
CEV Price		100,000	75,000	247,500	129,000	60,000
Multiplier						
Expense Ratio						

Sale Comparison

The Appraiser has cited sales of similar property to the subject and considered these in the market analysis. The description below includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and the sales documented. When significant items are superior to the property appraised, a negative adjustment is applied. If the item is inferior, a positive adjustment is applied. Thus, each sale is adjusted for the measurable dissimilarities and each sale producing a separate value indication. The indications from each sale are then reconciled into one indication of value for this approach.

CEV Price/ Site		100,000.00	75,000.00	247,500.00	129,000.00	60,000.00
LAND AND IMPROVEMENT ADJUSTMENTS						
Land Adjustment		0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment		0.00	0.00	-162,500.00	-10,213.00	0.00
Adjusted Price		100,000.00	75,000.00	85,000.00	118,787.00	60,000.00
TIME ADJUSTMENTS						
☐ Yr ☒ Mo	Periods	0	0	0	0	0
☐ Smpl ☒ Cmp	Rate	0.00	0.00	0.00	0.00	0.00
☐ Auto ☒ Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
	Time Adj. Price	100,000.00	75,000.00	85,000.00	118,787.00	60,000.00
OTHER ADJUSTMENTS						
Property Aesthetics		Superior	Superior	Superior	Superior	Similar
	Adjustment	-	-	-	-	+
Size	6.64 Acres	6.4	1.00	1.82	6.34	4.17
	Adjustment	o	-	-	o	o
Location		Superior	Superior	Similar	Superior	Similar
	Adjustment	-	-	o	-	o
	Adjustment					
	Adjustment					
Net Adjustments		0	0	-162,500	-10,213	0
ADJUSTED PRICE		100,000	75,000	85,000	118,787	60,000

Analysis/Comments: *(Discuss positive and negative aspects of each sale as they affect value)*

No time adjustment could be extracted from the market data. The area surrounding the subject property is a very tightly held farming area and vary rarely sold, much less subdivided and sold as rural homesites. Thus, smaller acreage sales closer to Belgrade, Manhattan, and Churchill were used to determine a value for the subject property. Given that the subject is already improved, proves that it's highest and best use as a rural homesite is valid and a site value is used to determine the market value of the subject property. Thus, smaller acreage rural homesites were sought in the area market. It has become evident in this market as well as others that the market is struggling to right itself since the decline in the economy with the market being very inconsistent. The appraiser attempted to do quantitative adjustments but due to the inconsistent market data, no consistent adjustments could be extracted. Thus, the appraiser is using qualitative adjustments. Four of the five sales are superior to the subject for property aesthetics. Sale 5 is the most similar to the subject for terrain, views, and overall quality of property. Sale 1 at $100,000/site is similar to the subject for size, but superior for property aesthetics as the parcel is level and close to town. Continue Next Page.

Sales Comparison Approach Summary:

Property Basis (Value Range): $ to $

Unit Basis: $ 65,000.00 / Acre X 1.00 Site = $ 65,000.00

Multiplier Basis: $ X (multiple) = $

Sales Comparison Indication:

$ 65,000

Sales Comparison Comments

Sale 2 at $75,000/site is a smaller property, closer to Bozeman with good subdivision roads and superior for overall property amenities. Sale 2 is slightly superior to the subject. Sale 3 at $85,000/site is also slightly superior to the subject for location and property aesthetics/amenities. Sale 3 sold improved with direct access off of a paved road. Property has good views similar to the subject but superior for the overall property amenities/aesthetics. Sale 4 at $118,787/site also sold improved with a small shop. Sale 4 is superior to the subject for location, similar for size, and overall superior to the subject for property aesthetics and amenities. Sale 5 at $60,000/site is similar to the subject for location and size but inferior for property aesthetics/amenities. Sale 5 required intensive dirt work before the property could be built on as the property had a steep south facing slope. Once the qualitative adjustments are made the subject property is between Sale 5 at $60,000/site to Sale 2 at $75,000/site. The two larger sales, Sales 1 and 4, at $100,000 and $118,787/site respectively at similar for size but highly superior for location and overall property aesthetics. Therefore, the subject property is between Sales 2 and 5 with more weight give to Sale 5 as it is most comparable to the subject property as the buyers had to bring in electric, septic, and phone into the property prior to building, as well as Sale 5 is most comparable for terrain and location. A final opinion of value is concluded slightly above at $65,000 due to the larger size of the subject property.

Sale 1 sold for $100,000 for a 6.4 acre site. Sale 1 is located two miles west of Belgrade and approximately six miles east of the subject property. Property was listed separately and/or together with three other six acre lots for $350,000. The four lots by themselves were listed for $100,000 each. Electric and phone already to lots. Property is located near commercial use but area allows for single family homes and also storage units. Sale 1 is a level lot that had electricity and phone already to the site. Sale 1 is superior to the subject property for property aesthetics and location and similar for size. Overall, Sale 1 is superior to the subject and sets the high end of the range.

Sale 2 sold for $75,000 for a one acre site. Sale 2 is located one mile south of Belgrade and approximately nine miles east of the subject property. Sale 2 is superior for property aesthetics and amenities, location, and size. Sale 2 was originally listed for $79,900 and sold for $75,000 or 6.13% off list price. Property is located in a designated subdivision with power, phone, and septic already in place as there was a single wide mobile home on site at the time of the sale. Mobile was uninhabitable. Terrain is level and offers nice views of Bridger Mountains. Overall, Sale 2 is superior to the subject.

Sale 3 sold for $85,000 for the 1.82 acre site. Sale 3 is located six miles west of Belgrade and two miles north of the subject property. Sale 3 has frontage on Chruchill Road. Living area is above the garage. The garage is 2,200 sf, finished, heated with 16' ceilings, two large bay doors, 400 amp 3 phase power, its own bath with tile shower and office. Living area is two bedroom, two bath, with forced air heat, hardwood floors, tile floors, vaulted ceilings, walk in closets, surround sound, smart wiring, and air condition. Deck on north side of house overlooking farm ground and the Bridger Mnts. No covenants. Horses are allowed as is a home business. Overall, Sale 3 is superior to the subject property.

Sale 4 sold for $118,787 for the 6.34 acre site. Sale 4 is located two miles south of Churchill and two miles southeast of the subject property. Sale 4 was originally listed for $159,000 and was on the market for 228 days. Property offers nice views of the surrounding farm land and of the Bridger Mountains. Property is improved with a small shop that has two garage doors, is insulated, concrete floor, work bench, and a cement pad behind the shop. Shop has no heat and power is not hooked up. The covenants allow manufactured or modular homes. Sale 4 appears to be high of the area market and might have had some buyer motivation at the time of the sale. Overall, Sale 4 is superior to the subject property for property aesthetics and amenities as well as location. Sale 4 sets the extreme high of the bracketed range.

Sale 5 sold for $60,000 for the 4.17 acre site. Sale 5 is located at the south side of the town of Churchill and approximately two miles east of the subject property. Sale 5 was on the market for 37 days and was originally listed for $89,900. Property did not have electric, phone, well, or septic at the time of the sale. The property required some intensive dirt work prior to building as the property was a south facing slope. Overall, this property is very comparable to the subject property and is relied upon heavily when concluding a final opinion of value.

Reconciliation and Opinion of Value

Summary

Cost Approach	$	0
Income Approach	$	
Sales Comparison Approach	$	65,000

Discussion & Correlation of Values

Analysis of Each Approach and Opinion of Value: The COST APPROACH is most applicable when appraised property's improvements are new and represent the highest and best use of the land. Additionally, the Cost Approach is useful when there is a good bank of open land sales that are dependable and reliable and when the costing information is from excellent sources. Three of the five sales were unimproved, the remaining two sales had the land values extracted after the building contributory values were determined through costing information and through interviews with buyers and sellers. There was good costing data available through Marshall and Swift Valuation Guide, area builders, and local contractors. Since the subject property is being appraised as if unimproved, the cost approach becomes a redundancy of the Sales Comparison Approach and thus not applicable to this appraisal.
The SALES COMPARISON APPROACH is based on a direct comparison of similar properties which have sold in the subject area or a competing area. Given the nature of the market similar properties for direct pairings were not available for adjustments for all factors of value but there was the ability to identify market supported adjustments for the components or factors affecting value as identified. The Sales Comparison Approach was utilized in this report and is felt to be a reliable approach to value given that it is relied upon heavily by buyers and sellers and the nature of the quantity and quality of data available.
The INCOME APPROACH is based on the stabilized net income potential of the land and market indicated capitalization rates representing buyers' expected returns on similar properties. Properties in the area have minimal economic use relative to rental values and rents cannot support value trends in this market which has transitioned from agricultural uses to a higher use of rural homesites. While some are used for agricultural grazing and fee hunting, the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of the properties. As such, a valuation of properties such as the subject utilizing the Income Approach is not appropriate. Therefore, the Income Approach is not applicable.

The appraiser employed one of the three traditional methods of estimating the market value of the subject property.
The sales used are sales that possess features and characteristics generally similar to those of the appraised property. This sales data was used within the sales comparison to value and reflect a relatively narrow range that lends a high degree of confidence to the final appraised value. In the final analysis, the sales comparison is deemed to be the most accurate and reliable method of valuation for the appraised property because it is felt that it is more representative of the area market. The concluded value considers the fee simple ownership rights of the real property described herein and is in terms of cash including land and buildings.

Allocation of Value

Opinion Of Value - *(Estimated Marketing Time* 6-18 *months, see attached)* **$** 65,000

Cost of Repairs **$** _____

Cost of Additions **$** _____

Allocation: *(Total Deeded Units:* 1.00 *)*

Land:	$ 65,000	$ 65,000 /	Site	(100 %)
Land Improvements:	$	$ 0 /		(0 %)
Structural Improvement Contribution:	$	$ 0 /		(0 %)

Value Estimate of Non-Realty Items:

Value of Personal Property *(local market basis)*	$			
Value of Other Non-Realty Interests:	$			
Non-Realty Items:	$	$ 0 /		(0 %)
Leased Fee Value *(Remaining Term of Encumbrance)*	$	$ 0 /		(0 %)
Leasehold Value	$	$ 0 /		(0 %)
Overall Value	$ 65,000	$ 65,000 /	Site	(**100** %)

Assumptions and Limiting Conditions

The certification of the Appraiser(s) appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. The Appraiser(s) assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser(s) have made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.

3. The Appraiser(s) are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.

4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.

5. The Appraiser(s) have, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser(s) have relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser(s) assume no responsibility for such conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.

6. While the Appraiser(s) [X] have [ ] have not inspected the subject property and [X] have [ ] have not considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser(s) are not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.

7. Information, estimates, and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).

8. Unless specifically cited, no value has been allocated to mineral rights or deposits.

9. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:

   a. All water rights to the property have been secured or perfected, that there are no adverse easements or encumbrances, and the property complies with Bureau of Reclamation or other state and federal agencies;
   b. Irrigation and domestic water and drainage system components, including distribution equipment and piping, are real estate fixtures;
   c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage is secured with the title to real estate; and
   d. Title to all such property conveys with the land.

10. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser(s) are affiliated.

11. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client specified in the report without the written consent of the Appraiser.

12. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.

13. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.

14. EXCLUSIONS. The Appraiser(s) considered and used the three independent approaches to value (cost, income, and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.

15. SCOPE OF WORK RULE. The scope of work was developed based on information from the client. This appraisal and report was prepared for the client, at their sole discretion, within the framework of the intended use. The use of the appraisal and report for any other purpose, or use by any party not identified as an intended user, is beyond the scope of work contemplated in the appraisal, and does not create an obligation for the Appraiser.

16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.

17. Other Contingent and Limiting Conditions:

Appraiser Certification

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

1. the statements of fact contained in this report are true and correct.
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions, and conclusions.
3. I have [X] no [ ] the specified present or prospective interest in the property that is the subject of this report and I have [X] no [ ] the specified personal interest with respect to the parties involved.
4. I have performed [X] no [ ] the specified services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. my engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*
9. I [X] have [ ] have not made a personal inspection of the property that is the subject of this report.
10. [X] no one [ ] the specified persons provided significant real property appraisal assistance to the person signing this certification.

Effective Date of Appraisal: Mar 7, 2014

Opinion of Value: $ 65,000

Appraiser:

Signature: Katie Rickett

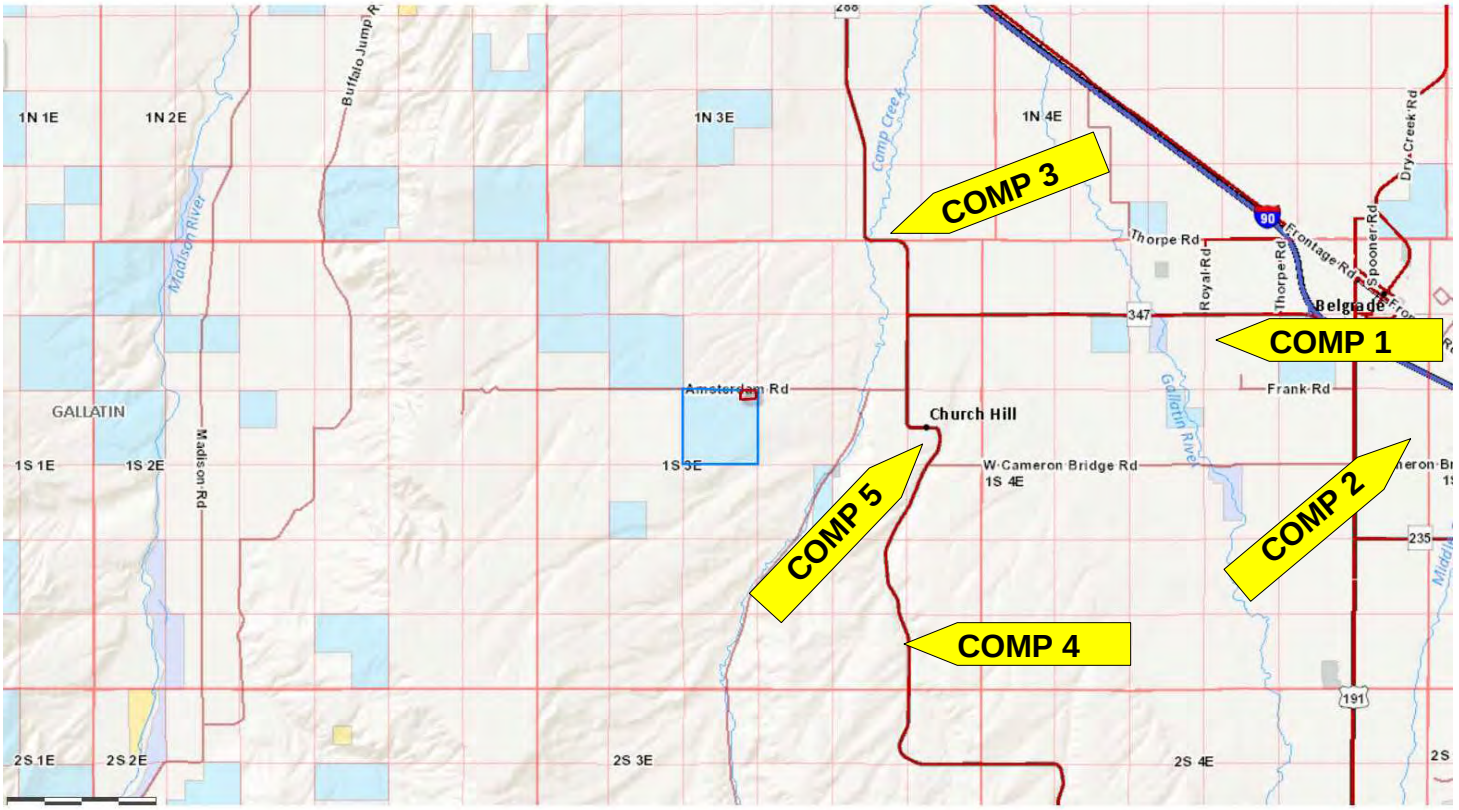
Name: Katie Rickett, ARA
License #:
Certification #: MT Certified General REA-RAG-LIC-650
ASFMRA ASFMRA Member # 1664

Date Signed: March 14, 2014

Property Inspection: [X] Yes [ ] No
Inspection Date: Mar 7, 2014

Appraiser has [X] inspected [X] verified [X] analyzed the sales contained herein.

Map Addendum



Sale Analysis

Index # **Database #** 1282 **Sale #** 1 Unimproved Sale

Grantor	Confidential	Sales Price	100,000	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Homesite
Deeded Acres	6.40	Net Sale Price	100,000	Document #	2475255
Sale Date/DOM	02/27/14 / 6	$/Deeded Acre	15,625.00	MLS #	195380
Prior Sale Date		Financing	Cash	Surface Water	None
Prior CEV Price		% Fin. Adj.		Irrg. Water	None
Analysis Code		CEV Price	100,000	Terrain	Level
Source	Broker	SCA Unit Type	Site	Influences	Views
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	None
Highest & Best Use	Rural Homesite	SCA $/Unit	100,000.00	Amenities	
Address	Countryside Lane	Multiplier Unit		Ac/AUM	
City	Belgrade	Multiplier No.		Pasture Quality	
County	Gallatin	Legal Access	Yes	Cropland Quality	
State/Zip	MT / 59714	Physical Access	Yes		
Region/Area/Zone	/ /	View	Average	Tax ID/Recording	00RFF47352
Location	1.5 West of Belgrade	Utilities	Yes	Sec/Twp/Rge	10 / 1S / 4E

Legal Description: T1S, R4E, Section 10: Parcel 3 of COS 1779C.

West on Amsterdam Road to Countryside Lane, turn south property on the east.

Land-Mix Analysis

Land Mix Analysis

Land Use	Ratios	Acres	$/Acre	Unit Size	Unit Type	$/Unit	Total Unit Value
Irrg Land	%	Ac.				X $ = $	
Dry Cropland	%	Ac.				X $ = $	
Hayland	%	Ac.				X $ = $	
Tame Pasture	%	Ac.				X $ = $	
Rangeland	%	Ac.				X $ = $	
Farmstead	%	Ac.				X $ = $	
Roads/Waste	%	Ac.				X $ = $	
Site	%	1.00 Ac.	100,000.00			X $ = $	100,000
Leases	%	Ac.				X $ = $	
Recreational	%	Ac.				X $ = $	
Totals		1.00 Ac.	100,000.00			X $ = $	100,000

CEV Price $ 100,000 **- Land Contribution $** 100,000 **= Improvement Contribution $**

Income Analysis

Income Analysis

Income Estimate Basis: ☐ Cash ☐ Share ☐ Owner/Operator

Income Source ☐ Actual ☐ Estimated	Units	Unit Measure	Stabilized Yield	Total Production: Stabilized $/Unit	Total Production: Gross Income	Cash/Share/Owner Income: Share %	Cash/Share/Owner Income: Income $
Rangeland							
Hay							

Improvements ☐ Improvements Included in Land Rent /mo /yr

Stabilized Gross Income = $

Expense Items:		**Expenses (cont.):**		**Expenses (cont.):**	
Real Estate Tax	$		$		$
Insurance	$		$		$
Maintenance	$		$		$
Management	$		$		$

Total Expenses / Stabilized G.I. = Expense Ratio % **Total Expenses = $**

Net Income / CEV Price 100,000 = Cap Rate % **Net Income = $**

Index # **Database #** 1282 **Sale #** 1

Improvement Analysis

Improvement Analysis

Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
Type										
Size										
Unit										
Utility										
Condition										
Age										
Remaining Life										
RCN/Unit										
RCN										
% Physical Depreciation										
RCN Remainder After Phys. Depr.										
% Functional Obsolescence										
RCN Rem. After Phys./Funct. Depr.										
% External Obsolescence										
Total Impt. Contribution										
Contribution $/Unit										

Physical Depreciation _____% Functional Obsolescence _____% External Obsolescence _____% Total Depreciation _____ %
Total RCN $ _____ Total Improvement Contribution: $ _____ Improvement As % of Price _____ %

Comments

Property was listed separately and together with three other six acre lots for $350,000. The four lots by themselves were listed for $100,000 each. Electric and phone already to lots. Property is located near commercial use but area allows for single family homes and also storage units.

Index # _____ **Database #** _____ **Sale #** 1

Southeast across sale property.

Sales Comparison Approach - Land Adjustment for Sale# 1

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #1 1 **Land Adjustment Amt. $** 0.00

Land Use	Sale Acres	$/Acre	Sale Unit Type	Sale Units	$/Unit	Subj. Acres	$/Acre	Subj. Unit	$/Unit	Total
Irrg Land										
Dry Cropland										
Tame Pasture										
Hay Land										
Rangeland										
Farmstead										
Roads/waste										
Site	1.00	100,000.00				1.00	100,000.00			100,000
Leases										
Recreation										

Sale Land Contrib. 100,000.00 **/ Eff. Unit Size** 1.00 **=** 100,000.00 **Total** 100,000 **/ Eff. Unit Size** 1.00 **=** 100,000.00

Sales Comparison Approach - Improvement Adjustment for Sale# 1

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the $/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #1 1 **Improvement Adjustment Amt. $:** 0.00 **/** Site

Sale Impt.	Utl/Cond.	Size	X	$/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	$/Unit	Contrib. Value
	/		X $		=$		/		X $		=$
	/		X $		=$		/		X $		=$
	/		X $		=$		/		X $		=$
	/		X $		=$		/		X $		=$
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	/		X $		=$		/		X $		=$
	/		X $		=$		/		X $		=$

Sale Effective Unit Size: 1.00 $ 0

Total Improvement Value = $ 0.00 / Site

Subject Effective Unit Size: 1.00 $

Total Improvement Value = $ 0.00 / Site

Index # **Database #** 1281 **Sale #** 2 Unimproved Sale

Sale Analysis

Grantor	Confidential	Sales Price	75,000	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential
Deeded Acres	1.00	Net Sale Price	75,000	Document #	2475130
Sale Date/DOM	02/25/14 / 18	$/Deeded Acre	75,000.00	MLS #	194885
Prior Sale Date		Financing	Cash	Surface Water	None
Prior CEV Price		% Fin. Adj.		Irrg. Water	None
Analysis Code		CEV Price	75,000	Terrain	Level
Source	Broker	SCA Unit Type	Site	Influences	Views
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	None
Highest & Best Use	Rural Homesite	SCA $/Unit	75,000.00	Amenities	
Address	950 Ketchikan	Multiplier Unit		Ac/AUM	
City	Belgrade	Multiplier No.		Pasture Quality	
County	Gallatin	Legal Access	Yes	Cropland Quality	
State/Zip	MT / 59714	Physical Access	Yes		
Region/Area/Zone	/ /	View	Average	Tax ID/Recording	00RFF24753
Location	1 S. Belgrade	Utilities	Yes	Sec/Twp/Rge	13 / 1S / 4E

Legal Description: T1S, R4E, Section 13: Yukon Subdivision Phase 2. Block 1, Lot 17

Land-Mix Analysis

Land Mix Analysis

Land Use	Ratios	Acres	$/Acre	Unit Size	Unit Type	$/Unit	Total Unit Value
Irrg Land	%	Ac.				X $ = $	
Dry Cropland	%	Ac.				X $ = $	
Hayland	%	Ac.				X $ = $	
Tame Pasture	%	Ac.				X $ = $	
Rangeland	%	Ac.				X $ = $	
Farmstead	%	Ac.				X $ = $	
Roads/Waste	%	Ac.				X $ = $	
Other	%	1.00 Ac.	75,000.00			X $ = $	75,000
Leases	%	Ac.				X $ = $	
Recreational	%	Ac.				X $ = $	
Totals		1.00 Ac.	75,000.00			X $ = $	75,000

CEV Price $ 75,000 **- Land Contribution $** 75,000 **= Improvement Contribution $**

Income Analysis

Income Analysis

Income Estimate Basis: ☐ Cash ☐ Share ☐ Owner/Operator

Income Source ☐ Actual ☐ Estimated	Units	Unit Measure	Stabilized Yield	Total Production: Stabilized $/Unit	Total Production: Gross Income	Cash/Share/Owner Income: Share %	Cash/Share/Owner Income: Income $
Rangeland							
Hay							

Improvements ☐ Improvements Included in Land Rent /mo /yr

Stabilized Gross Income = $

Expense Items:		**Expenses (cont.):**		**Expenses (cont.):**	
Real Estate Tax	$		$		$
Insurance	$		$		$
Maintenance	$		$		$
Management	$		$		$

Total Expenses / Stabilized G.I. = Expense Ratio % **Total Expenses = $**

Net Income / CEV Price 75,000 = Cap Rate % **Net Income = $**

Index # **Database #** 1281 **Sale #** 2

Improvement Analysis

Improvement Analysis

Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
Type										
Size										
Unit										
Utility										
Condition										
Age										
Remaining Life										
RCN/Unit										
RCN										
% Physical Depreciation										
RCN Remainder After Phys. Depr.										
% Functional Obsolescence										
RCN Rem. After Phys./Funct. Depr.										
% External Obsolescence										
Total Impt. Contribution										
Contribution $/Unit										

Physical Depreciation _____% Functional Obsolescence _____% External Obsolescence _____% Total Depreciation _____ %
Total RCN $ _____ Total Improvement Contribution: $ _____ Improvement As % of Price _____ %

Comments

The property was originally listed for $79,900 and sold for $75,000 or 6.13% off list price. Property is located in a designated subdivision with power, phone, and septic already in place as there was a single wide mobile home on site at the time of the sale. Mobile was uninhabitable. Terrain is level and offers nice views of Bridger Mountains.

Index # _____ **Database #** _____ **Sale #** 2

Photo viewing northeast across lot. Trailer was given no value at the time of the sale as it was uninhabitable.

Sales Comparison Approach - Land Adjustment for Sale# 2

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #2	2		Land Adjustment Amt. $		0.00					
Land Use	**Sale Acres**	**$/Acre**	**Sale Unit Type**	**Sale Units**	**$/Unit**	**Subj. Acres**	**$/Acre**	**Subj. Units**	**$/Unit**	**Total**
Irrg Land										
Dry Cropland										
Tame Pasture										
Hay Land										
Rangeland										
Farmstead										
Roads/waste										
Site	1.00	75,000.00				1.00	75,000.00			75,000
Leases										
Recreation										
Sale Land Contrib.	75,000.00	**/ Eff. Unit Size**	1.00	**=**	75,000.00	**Total**	75,000	**/ Eff. Unit Size**	1.00	**=** 75,000.00

Sales Comparison Approach - Improvement Adjustment for Sale# 2

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the $/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #2 2 **Improvement Adjustment Amt. $:** 0.00 **/** Site

Sale Impt.	Utl/Cond.	Size	X	$/Unit		Contrib. Value	Subject Impt.	Utl/Cond.	Size	X	$/Unit		Contrib. Value
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	
	/		X	$	=$			/		X	$	=$	

Sale Effective Unit Size: 1.00 $ 0
Total Improvement Value = $ 0.00 / Site

Subject Effective Unit Size: 1.00 $
Total Improvement Value = $ 0.00 / Site

Index # **Database #** 1178 **Sale #** 3 Improved Sale

Sale Analysis

Grantor	Confidential	Sales Price	247,500	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential
Deeded Acres	1.82	Net Sale Price	247,500	Document #	2468724
Sale Date/DOM	11/22/13 / 26	$/Deeded Acre	135,989.01	MLS #	193755
Prior Sale Date		Financing	Cash	Surface Water	None
Prior CEV Price		% Fin. Adj.		Irrg. Water	None
Analysis Code		CEV Price	247,500	Terrain	Level
Source	MLS, Broker	SCA Unit Type	Site	Influences	Views
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	N/A
Highest & Best Use	Rural Homesite	SCA $/Unit	247,500.00	Amenities	
Address	5050 Churchill	Multiplier Unit		Ac/AUM	
City	Belgrade	Multiplier No.		Pasture Quality	
County	Gallatin	Legal Access	Paved	Cropland Quality	
State/Zip	MT / 59714	Physical Access	Yes		
Region/Area/Zone	/ /	View	Good	Tax ID/Recording	REE19645
Location	5 S. Manhattan	Utilities	Yes	Sec/Twp/Rge	35 / 1N / 3E

Legal Description: T1N, R3E, Section 35: Parcel 1 of COS 2584A

Land-Mix Analysis

Land Mix Analysis

Land Use	Ratios	Acres	$/Acre	Unit Size	Unit Type	$/Unit	Total Unit Value
Irrg Land	%	Ac.				X $ = $	
Dry Cropland	%	Ac.				X $ = $	
Hayland	%	Ac.				X $ = $	
Tame Pasture	%	Ac.				X $ = $	
Rangeland	%	Ac.				X $ = $	
Farmstead	%	Ac.				X $ = $	
Roads/Waste	%	Ac.				X $ = $	
Site	%	1.00 Ac.	85,000.00			X $ = $	85,000
Leases	%	Ac.				X $ = $	
Recreational	%	Ac.				X $ = $	
Totals		1.00 Ac.	30,141.84			X $ = $	85,000

CEV Price $ 247,500 **- Land Contribution $** 85,000 **= Improvement Contribution $** 162,500

Income Analysis

Income Analysis

Income Estimate Basis: ☐ Cash ☐ Share ☐ Owner/Operator

Income Source ☐ Actual ☐ Estimated	Units	Unit Measure	Stabilized Yield	Total Production: Stabilized $/Unit	Total Production: Gross Income	Cash/Share/Owner Income: Share %	Cash/Share/Owner Income: Income $
Rangeland							
Hay							

Improvements ☐ Improvements Included in Land Rent /mo /yr

Stabilized Gross Income = $

Expense Items:		**Expenses (cont.):**		**Expenses (cont.):**	
Real Estate Tax	$		$		$
Insurance	$		$		$
Maintenance	$		$		$
Management	$		$		$

Total Expenses / Stabilized G.I. = Expense Ratio % **Total Expenses = $**

Net Income / CEV Price 247,500 = Cap Rate % **Net Income = $**

Index # **Database #** 1178 **Sale #** 3

Improvement Analysis

Replacement Cost

Improvement Analysis

Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
Type	House	Garage								
Size	1,550	2,200								
Unit	sf	sf								
Utility	A	A								
Condition	A	A								
Age	12	12								
Remaining Life	48	48								
RCN/Unit	130.00	18.00								
RCN	201,500	39,600								
% Physical Depreciation	20	20								
RCN Remainder After Phys. Depr.	161,200	31,680								
% Functional Obsolescence										
RCN Rem. After Phys./Funct. Depr.	161,200	31,680								
% External Obsolescence	15	15								
Total Impt. Contribution	137,020	26,928								
Contribution $/Unit	88.40	12.24								

Physical Depreciation 20 % Functional Obsolescence ____ % External Obsolescence 15 % Total Depreciation 32 %

Total RCN $ 241,100 Total Improvement Contribution: $ 163,948 Improvement As % of Price 66 %

Comments

Lot has frontage on Chruchill Road. Living area is above the garage. The garage is 2,200 sf, finished, heated with 16' ceilings, two large bay doors, 400 amp 3 phase power, its own bath with tile shower and office. Living area is two bedroom, two bath, with forced air heat, hardwood floors, tile floors, vaulted ceilings, walk in closets, surround sound, smart wiring, and air condition. Deck on north side of house overlooking farm ground and the Bridger Mnts. No covenants. Horses are allowed as is a home business.

Index # _____ **Database #** 1178 **Sale #** 3

Sales Comparison Approach - Land Adjustment for Sale# 3

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #3 3 **Land Adjustment Amt. $** 0.00

Land Use	Sale Acres	$/Acre	Sale Unit Type	Sale Units	$/Unit	Subj. Acres	$/Acre	Subj. Units	$/Unit	Total
Irrg Land										
Dry Cropland										
Tame Pasture										
Hay Land										
Rangeland										
Farmstead										
Roads/waste										
Site	1.00	85,000.00				1.00	85,000.00			85,000
Leases										
Recreation										

Sale Land Contrib. 85,000.00 **/ Eff. Unit Size** 1.00 **=** 85,000.00 **Total** 85,000 **/ Eff. Unit Size** 1.00 **=** 85,000.00

Sales Comparison Approach - Improvement Adjustment for Sale# 3

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the $/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #3 3 **Improvement Adjustment Amt. $:** -162,500.00 **/** Site

Sale Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value
House	A / A	1,550	X $ 88.40	=$ 137,020		/		X $	=$
Garage	A / A	2,200	X $ 12.24	=$ 26,928		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$

Sale Effective Unit Size: 1.00 $ 162,500 — Subject Effective Unit Size: 1.00 $

Total Improvement Value = $ 162,500.00 / Site — **Total Improvement Value = $** 0.00 / Site

Sale Analysis

Index # **Database #** 983 **Sale #** 4 Improved Sale

Grantor	Confidential	Sales Price	129,000	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential
Deeded Acres	6.34	Net Sale Price	129,000	Document #	2444799D
Sale Date/DOM	03/28/13 / 228	$/Deeded Acre	20,347.00	MLS #	184742
Prior Sale Date		Financing	Cash	Surface Water	None
Prior CEV Price		% Fin. Adj.		Irrg. Water	None
Analysis Code		CEV Price	129,000	Terrain	Sloping
Source	Broker/MLS	SCA Unit Type	Site	Influences	Views
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	None
Highest & Best Use	Rural Development	SCA $/Unit	129,000.00	Amenities	
Address	Harvey Lane	Multiplier Unit		Ac/AUM	
City	Manhattan	Multiplier No.		Pasture Quality	
County	Gallatin	Legal Access	Gravel Rd	Cropland Quality	
State/Zip	MT / 59741	Physical Access	Yes		
Region/Area/Zone	/ /	View	Good	Tax ID/Recording	RFE58589
Location	S. Churchill	Utilities	Yes	Sec/Twp/Rge	35 / 1S / 3E

Legal Description: T1S, R3E, Section 35: Minor Sub 408A

Land-Mix Analysis

Land Mix Analysis

Land Use	Ratios	Acres	$/Acre	Unit Size	Unit Type	$/Unit	Total Unit Value
Irrg Land	%	Ac.				X $ = $	
Dry Cropland	%	Ac.				X $ = $	
Hayland	%	Ac.				X $ = $	
Tame Pasture	%	Ac.				X $ = $	
Rangeland	%	Ac.				X $ = $	
Farmstead	%	Ac.				X $ = $	
Roads/Waste	%	Ac.				X $ = $	
Site	%	1.00 Ac.	118,787.00			X $ = $	118,787
Leases	%	Ac.				X $ = $	
Recreational	%	Ac.				X $ = $	
Totals		1.00 Ac.	118,787.00			X $ = $	118,787

CEV Price $ 129,000 **- Land Contribution $** 118,787 **= Improvement Contribution $** 10,213

Income Analysis

Income Analysis

Income Estimate Basis: ☐ Cash ☐ Share ☐ Owner/Operator

Income Source ☐ Actual ☐ Estimated	Units	Unit Measure	Stabilized Yield	Total Production: Stabilized $/Unit	Total Production: Gross Income	Cash/Share/Owner Income: Share %	Cash/Share/Owner Income: Income $
Rangeland							
Hay							

Improvements ☐ Improvements Included in Land Rent /mo /yr

Stabilized Gross Income = $

Expense Items:		**Expenses (cont.):**		**Expenses (cont.):**	
Real Estate Tax	$		$		$
Insurance	$		$		$
Maintenance	$		$		$
Management	$		$		$

Total Expenses / Stabilized G.I. = Expense Ratio % **Total Expenses = $**

Net Income / CEV Price 129,000 = Cap Rate % **Net Income = $**

Index # **Database #** 983 **Sale #** 4

Improvement Analysis

Improvement Analysis

Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
Type	Shop									
Size	1,050									
Unit	sf									
Utility	A									
Condition	A									
Age	8									
Remaining Life	32									
RCN/Unit	12.00									
RCN	12,600									
% Physical Depreciation	20									
RCN Remainder After Phys. Depr.	10,080									
% Functional Obsolescence										
RCN Rem. After Phys./Funct. Depr.	10,080									
% External Obsolescence										
Total Impt. Contribution	10,080									
Contribution $/Unit	9.60									

Physical Depreciation 20 % Functional Obsolescence ____ % External Obsolescence ____ % Total Depreciation 20 %

Total RCN $ 12,600 Total Improvement Contribution: $ 10,080 Improvement As % of Price 8 %

Comments

Property was originally listed for $159,000 and was on the market for 228 days. Property offers nice views of the surrounding farm land and of the Bridger Mountains. Property is improved with a small shop that has two garage doors, is insulated, concrete floor, work bench, and a cement pad behind the shop. Shop has no heat and power is not hooked up. The covenants allow manufactured or modular homes.

Index # _____ **Database #** 983 **Sale #** 4

Photo of Sale Property.

Sales Comparison Approach - Land Adjustment for Sale# 4

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #4 4 **Land Adjustment Amt. $** 0.00

Land Use	Sale Acres	$/Acre	Sale Unit Type	Sale Units	$/Unit	Subj. Acres	$/Acre	Subj. Units	$/Unit	Total
Irrg Land										
Dry Cropland										
Tame Pasture										
Hay Land										
Rangeland										
Farmstead										
Roads/waste										
Site	1.00	118,787.00				1.00	118,787.00			118,787
Leases										
Recreation										

Sale Land Contrib. 118,787.00 **/ Eff. Unit Size** 1.00 **=** 118,787.00 **Total** 118,787 **/ Eff. Unit Size** 1.00 **=** 118,787.00

Sales Comparison Approach - Improvement Adjustment for Sale# 4

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the $/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #4 4 **Improvement Adjustment Amt. $:** -10,213.00 **/** Site

Sale Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value
Shop	A / A	1,050	X $ 9.60	=$ 10,080		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$

Sale Effective Unit Size: 1.00 $ 10,213 Subject Effective Unit Size: 1.00 $

Total Improvement Value = $ 10,213.00 / Site **Total Improvement Value = $** 0.00 / Site

Sale Analysis

Index # **Database #** 984 **Sale #** 5 Unimproved Sale

Grantor	Confidential	Sales Price	60,000	Property Type	Rural Homesite
Grantee	Confidential	Other Contrib.		Primary Land Use	Rural Residential
Deeded Acres	4.17	Net Sale Price	60,000	Document #	2440104D
Sale Date/DOM	02/06/13 / 37	$/Deeded Acre	14,374.70	MLS #	187516
Prior Sale Date		Financing	Cash	Surface Water	None
Prior CEV Price		% Fin. Adj.		Irrg. Water	None
Analysis Code		CEV Price	60,000	Terrain	Sloping
Source	MLS/Broker	SCA Unit Type	Site	Influences	Views
Motivation	Open Market	Eff. Unit Size	1.00	Public Land Boundary	N/A
Highest & Best Use	Rural Homesite	SCA $/Unit	60,000.00	Amenities	
Address	455 Windmill	Multiplier Unit		Ac/AUM	
City	Manhattan	Multiplier No.		Pasture Quality	
County	Gallatin	Legal Access	County gravel	Cropland Quality	
State/Zip	MT / 59741	Physical Access	Yes		
Region/Area/Zone	/ /	View	Average	Tax ID/Recording	RFE64031
Location	Chruchill	Utilities	Yes	Sec/Twp/Rge	13 / 1S / 3E

Legal Description: T1S, R3E, Section 13: Tract A-1 of COS 2631 less COS M-425

Land-Mix Analysis

Land Mix Analysis

Land Use	Ratios	Acres		$/Acre	Unit Size	Unit Type		$/Unit		Total Unit Value
Irrg Land	%		Ac.				X $		= $	
Dry Cropland	%		Ac.				X $		= $	
Hayland	%		Ac.				X $		= $	
Tame Pasture	%		Ac.				X $		= $	
Rangeland	%		Ac.				X $		= $	
Farmstead	%		Ac.				X $		= $	
Roads/Waste	%		Ac.				X $		= $	
Site	%	1.00	Ac.	60,000.00			X $		= $	60,000
Leases	%		Ac.				X $		= $	
Recreational	%		Ac.				X $		= $	
Totals		1.00	Ac.	60,000.00			X $		= $	60,000

CEV Price $ 60,000 **- Land Contribution $** 60,000 **= Improvement Contribution $**

Income Analysis

Income Analysis

Income Estimate Basis: ☐ Cash ☐ Share ☐ Owner/Operator

Income Source ☐ Actual ☐ Estimated	Units	Unit Measure	Stabilized Yield	Total Production: Stabilized $/Unit	Total Production: Gross Income	Cash/Share/Owner Income: Share %	Cash/Share/Owner Income: Income $
Rangeland							
Hay							

Improvements ☐ Improvements Included in Land Rent /mo /yr

Stabilized Gross Income = $

Expense Items:		**Expenses (cont.):**		**Expenses (cont.):**	
Real Estate Tax	$		$		$
Insurance	$		$		$
Maintenance	$		$		$
Management	$		$		$

Total Expenses / Stabilized G.I. = Expense Ratio % **Total Expenses = $**

Net Income / CEV Price 60,000 = Cap Rate % **Net Income = $**

Index # **Database #** 984 **Sale #** 5

Improvement Analysis

Improvement Analysis

Item:	Impt. #1	Impt. #2	Impt. #3	Impt. #4	Impt. #5	Impt. #6	Impt. #7	Impt. #8	Impt. #9	Impt. #10
Type										
Size										
Unit										
Utility										
Condition										
Age										
Remaining Life										
RCN/Unit										
RCN										
% Physical Depreciation										
RCN Remainder After Phys. Depr.										
% Functional Obsolescence										
RCN Rem. After Phys./Funct. Depr.										
% External Obsolescence										
Total Impt. Contribution										
Contribution $/Unit										

Physical Depreciation _____% Functional Obsolescence _____% External Obsolescence _____% Total Depreciation _____ %
Total RCN $ _____ Total Improvement Contribution: $ _____ Improvement As % of Price _____ %

Comments

Property was originally listed for $89,900 and was on the market for 37 days. Terrain on the property is sloping and south facing.

Index # _____ **Database #** 984 **Sale #** 5

ABOVE: Photo viewing east across property

BELOW: Photo viewing southeast across property.

Sales Comparison Approach - Land Adjustment for Sale# 5

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.

Sales Comparison - Sale #5 5 **Land Adjustment Amt. $** 0.00

Land Use	Sale Acres	$/Acre	Sale Unit Type	Sale Units	$/Unit	Subj. Acres	$/Acre	Subj. Units	$/Unit	Total
Irrg Land										
Dry Cropland										
Tame Pasture										
Hay Land										
Rangeland										
Farmstead										
Roads/waste										
Site	1.00	60,000.00				1.00	60,000.00			60,000
Leases										
Recreation										
Sale Land Contrib. 60,000.00	**/ Eff. Unit Size** 1.00	**=** 60,000.00				**Total** 60,000	**/ Eff. Unit Size** 1.00	**=** 60,000.00		

Sales Comparison Approach - Improvement Adjustment for Sale# 5

Compare each set of sale improvements to the subject improvements making judgments regarding utility and condition. Then arrive at an improvement adjustment for each sale on a per acre or per unit basis. These adjustments are shown on the Sales Comparison Grid.
Note: Appraiser must manually enter the $/Unit for the Subject Improvements -- either individually or as a lump sum.

Sales Comparison - Sale #5 5 **Improvement Adjustment Amt. $:** 0.00 **/** Site

Sale Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value	Subject Impt.	Utl/Cond.	Size	X $/Unit	Contrib. Value
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$
	/		X $	=$		/		X $	=$

Sale Effective Unit Size: 1.00 $ 0
Total Improvement Value = $ 0.00 / Site

Subject Effective Unit Size: 1.00 $
Total Improvement Value = $ 0.00 / Site

ADDENDA

Exhibit 1 – Contract & Letter of Engagement

Exhibit 2 – Taxes

Exhibit 3 – Water Rights (Will Convey with Sell) & FEMA Maps

Exhibit 4 – Soil Maps

Exhibit 5 - Qualifications of Appraisers

EXHIBIT 1

FOR DNRC USE ONLY

Maximum amount under this agreement: $1,500

Source of Funds

Fund Name	Fund No.
Land Banking Private Closing Costs	02031

Subclass	Org. No.	Percent
555HA	6043-59	100%

Approved

No. 147047
Division J.G.
Legal THB
F.S.O. CJL

TRUST LAND MANAGEMENT DIVISION

APPRAISAL OF POTENTIAL LAND BANKING SALE PARCEL IN GALLATIN COUNTY

THIS CONTRACT is entered into by and between the State of Montana/Department of Natural Resources and Conservation, (State/DNRC), whose address and phone number are P.O. Box 201601, (406) 444-2074 and Terra Western Associates, (Contractor), whose address and phone number are P.O. Box 691, Belgrade, MT 59714 and (406) 388-0570.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is upon contract execution, through April 30, 2014, 2014, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has executed it in Section 35. **The appraisal report is to be completed and forwarded to Montana DNRC, Emily Cooper, and P.O. Box 201601, Helena, MT 59620-1601 by March 31, 2014.**

2. SERVICES AND/OR SUPPLIES

Contractor agrees to provide to the State the following: The Contractor shall be responsible for providing a credible appraisal, in a summary report format, conducted and prepared in compliance with the current Uniform Standards of Professional Appraisal Practice, for the parcel in Gallatin County, as described in Attachment B, Montana DNRC Trust Land Management Division Supplemental Appraisal Instructions.

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

1) The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value for the 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.

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

3. CONSIDERATION/PAYMENT

3.1 Payment Schedule. In consideration of the appraisal report to be provided, together with all the tasks and services described herein above, the State shall pay Contractor **One Thousand Five Hundred Dollars ($1,500.00)**. Upon the successful completion of all tasks and services described herein above, the Contractor shall submit an invoice with the submission of the final appraisal report to the DNRC for payment for services rendered. The Contractor shall, at no additional expense to the State, correct unsatisfactory work before payment is made. Payment shall be made within 30 days of the Contractor's submission of an invoice to DNRC. In any instance, the DNRC's total cumulative payments to the Contractor under this contract shall not exceed One Thousand Five Hundred Dollars ($1,500.00).

3.2 Payment Terms. Unless otherwise noted in the solicitation document, the State has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

3.3 Reference to Contract. The contract number MUST appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

4. ACCESS AND RETENTION OF RECORDS

4.1 Access to Records. Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 22, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

4.2 Retention Period. Contractor shall create and retain all records documenting the Summary Appraisal Report for a period of eight years after either the completion date of this contract or termination of the contract should such action arise.

5. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract.

6. HOLD HARMLESS/INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the State, its elected and appointed officials, officers, agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of Contractor's negligent acts, errors, or omissions in work or services performed under this Contract, including but not limited to, the negligent acts, errors, or omissions of any Subcontractor or anyone directly or indirectly employed by any Subcontractor for whose acts Subcontractor may be liable.

7. REQUIRED INSURANCE

7.1 General Requirements. Contractor shall maintain for the duration of this contract, at its sole cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

7.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with 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 in excess of Contractor's insurance and shall not contribute with it.

7.3 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of $50,000 per person (personal injury), $100,000 per accident occurrence (personal injury), and $100,000 per accident occurrence (property damage), OR combined single limits of $100,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

7.4 Specific Requirements for Professional Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of **$500,000** per occurrence and **$500,000** aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If "occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of this contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

7.5 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

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

7.7 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage's, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. Contractor must notify the State immediately of any material change in insurance coverage, including but not limited to changes in limits, coverage's, and status of policy. The Contractor must provide the State with copies of insurance policies upon request.

8. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This

insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the Department of Natural Resources and Conservation PO Box 201601, Helena, MT 59620-1601.

9. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and without discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin of the persons performing this contract.

10. DISABILITY ACCOMMODATIONS

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

11. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at http://sos.mt.gov.

12. OWNERSHIP OF WORK PRODUCT

Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the State may reasonably request, to perfect the State's ownership of any Work Product.

12.1 Copy of Work Product. Contractor shall, at no cost to the State, deliver to the State, upon the State's request during the term of this contract or at its expiration or termination, a current copy of all Work Product in the form and on the media in use as of the date of the State's request, or such expiration or termination.

12.2 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the State (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, Contractor fails to disclose to the State such Contractor Pre-Existing Materials, Contractor shall grant the State a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing

Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the State to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided herein or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

13. CONTRACT TERMINATION

13.1 Termination for Cause with Notice to Cure Requirement. The State may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

13.2 Reduction of Funding. The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

14. EVENT OF BREACH – REMEDIES

14.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- products or services furnished fail to conform to any requirement;
- failure to submit any report required by this contract;
- failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior State approval and breaching Section 27.1 obligations; or
- voluntary or involuntary bankruptcy or receivership.

14.2 Event of Breach by State. The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

14.3 Actions in Event of Breach. Upon the Contractor's material breach, the State may:

- terminate this contract under section 21; or
- treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the State's material breach, the Contractor may:

- terminate this contract after giving the State written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 14 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period; or
- treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.

15. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

16. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than 5 working days after the onset. If the notice is not provided within the 5 day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

17. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department of Natural Resources and Conservation prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

18. LIAISONS AND SERVICE OF NOTICES

18.1 Contract Liaisons. All project management and coordination on the State's behalf must be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the State's liaison and Contractor's liaison.

Emily Cooper, Lands Section Supervisor is the State's liaison.
(Address): P.O. Box 201601
(City, State, ZIP): Helena, MT 59620-1601
Telephone: (406) 444-4165
Cell Phone:
Fax: (406) 444-2684
E-mail: ecooper@mt.gov

Katie Rickett, ARA is Contractor's liaison.
(Address): P.O. Box 691
(City, State, ZIP): Belgrade, MT 59714
Telephone: (406) 388-0570
Cell Phone: (406) 570-4450
Fax: (406) 388-0573
E-mail: Katie@terrawestern.com

18.2 Notifications. The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three (3) business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

19. MEETINGS

19.1 Technical or Contractual Problems. Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings, two consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the contract.

20. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees, for a reasonable period of time after the expiration or termination of this project or contract. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

21. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

22. TAX EXEMPTION

The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

23. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

24. SEVERABILITY CLAUSE

A declaration by any court or any other binding legal source that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually and materially dependent.

25. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

25.1 Contract. This contract consists of eight numbered pages, Attachment A - Scope of Work and Attachment B – Supplemental Appraisal Instructions, pages 9-13. In the event of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same order as this contract.

25.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by all the parties.

26. WAIVER

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

27. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

STATE OF MONTANA
Dept. of Natural Resources & Conservation
Trust Land Management Division
P.O. Box 201601
Helena, MT 59620-1601

BY: John Grimm, Chief – Real Estate Mgt Bureau
(Name/Title)

(Signature)

DATE: 2/27/14

TERRA WESTERN ASSOCIATES
P.O. Box 691
Belgrade, MT

FEDERAL ID #: 81-0525109

BY: Pete Pidatt / Appraiser
(Name/Title)

(Signature)

DATE: 2-20-14

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 properties at a level that will allow the appraiser to render a credible opinion of value about the properties. 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. Comparables sales used should preferably have sales dates within one year of the appraisal and should not be over three years old. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county.

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 Property (Located in Gallatin County):

Sale #	Acres ±	Legal
692	8	PT N½N½NE¼NE¼, Section 16, T1S-R3E

Area Office Contact Information:
Craig Campbell – DNRC Bozeman Unit Manager
2273 Boot Hill Court, Suite 110
Bozeman, MT 59715
Phone: 406/586-5243
Fax: 406/586-9726

Lessee Contact Information:

Parcel	Lease #	Lessee	Phone#
692	5435	Dan & Nancy Bates and Ron & Sherry Bates	(406) 282-7978

The following will be located in the body of the contract:

The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value(s) for the 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.

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

The DNRC will provide access to the state parcel record, as maintained by the land offices, including but not limited to aerial photos, land improvements, current lease data (lease #, name of lessee, acres, costs, etc.), property issues. The local land office will provide the contact information to the appraiser in order for the appraiser to obtain access to the proponent's property.

Location Map of Parcel

Land Banking Sale Aerial Photos

Sale #692

PT N½N½NE¼NE¼, Section 16, T1S-R3E
Dan & Nancy Bates and Ron & Sherry Bates

EXHIBIT 2

Welcome to the official website of Gallatin County MONTANA

Amsterdam / Churchill ♦ Belgrade ♦ Big Sky ♦ Bozeman ♦ Four Corners ♦ Gallatin Gateway ♦ Manhattan ♦ Three Forks ♦ West Yellowstone

New Search | History | Payoff | Help

Property/Parcel TaxID: RFE63976

Status: Current

Receipt:

2013 Owner(s):
STATE OF MONTANA

Mailing Address:
GENERAL DELIVERY
HELENA, MT 59601

Levy District:
0376-15, 75 Amsterdam-AF-GP

2013 Value:

Market:	$114,276
Taxable:	$0
Vet Exempt:	$0
Net Taxable:	$0

Detail

2013 Taxes:

First Half:	$0.00
Second Half:	$0.00
Total:	$0.00

Detail

2013 Payments:

First Half:	$0.00
Second Half:	$0.00
Total:	$0.00

2013 Legal Records:

Geo Code: 06-0902-16-1-01-01-0000
TRS: T01 S, R03 E, Sec. 16
Legal: S16, T01 S, R03 E, ACRES 640

Note:

TO OBTAIN PAYMENTS, CLICK ON "HISTORY"

Only one search criterion is required (e.g. Parcel # or Owner Name). Entering additional criteria will result in an incomplete search.

ATTENTION: For Owner Name Searches, you must search LastName FirstName.

Website data last updated 3/11/2014.

Payments can be sent to:
Gallatin County Treasurer
311 West Main, Room 103
Bozeman, MT 59715

Please direct any questions to:
(406)582-3030 or treasurer@gallatin.mt.gov

EXHIBIT 3

DNRC Water Right Query System

[Modify Existing Search][New Search]

Click here for Water Right Data Explanations

If you have problems, contact the DNRC Waterrights Help.

Click on column headings to sort.

Water Right	A	WR Type	Status	Purpose	Priority Date yyyymmdd(hhmm)	Src	Src Name	Means of Diversion	Owner
41H 8154 00	A	STATEMENT OF CLAIM	ACTV	STOCK	19110415	G	GROUNDWATER	WELL	MONTANA, STATE OF BOARD OF LAND COMMISSION
41H 8155 00	A	STATEMENT OF CLAIM	ACTV	DOMESTIC	19110415	G	GROUNDWATER	WELL	MONTANA, STATE OF BOARD OF LAND COMMISSION

Download Data

Page 1 of 1 »» 2 Total Records

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STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
1424 9TH AVENUE P.O.BOX 201601 HELENA, MONTANA 59620-1601

GENERAL ABSTRACT

Water Right Number: 41H 8154 00 STATEMENT OF CLAIM
Version: -- ORIGINAL RIGHT
Version Status: ACTIVE

Owners: MONTANA, STATE OF BOARD OF LAND COMMISSIONERS
TRUST LAND MANAGEMENT DIVISION
PO BOX 201601
HELENA, MT 59620 1601

Priority Date: April 15, 1911
Enforceable Priority Date: April 15, 1911

Type of Historical Right: USE

Purpose (use): STOCK

Maximum Flow Rate: 6 GPM

Maximum Volume: THIS WATER RIGHT INCLUDES THE AMOUNT OF WATER CONSUMPTIVELY USED FOR STOCKWATERING PURPOSES AT THE RATE OF 30 GALLONS PER DAY PER ANIMAL UNIT. ANIMAL UNITS SHALL BE BASED ON REASONABLE CARRYING CAPACITY AND HISTORICAL USE OF THE AREA SERVICED BY THIS WATER SOURCE.

Source Name: GROUNDWATER
Source Type: GROUNDWATER

Points of Diversion and Means of Diversion:

ID	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
1		NENENE	16	1S	3E	GALLATIN

Period of Diversion: JANUARY 1 to DECEMBER 31
Diversion Means: WELL

Period of Use: JANUARY 1 TO DECEMBER 31

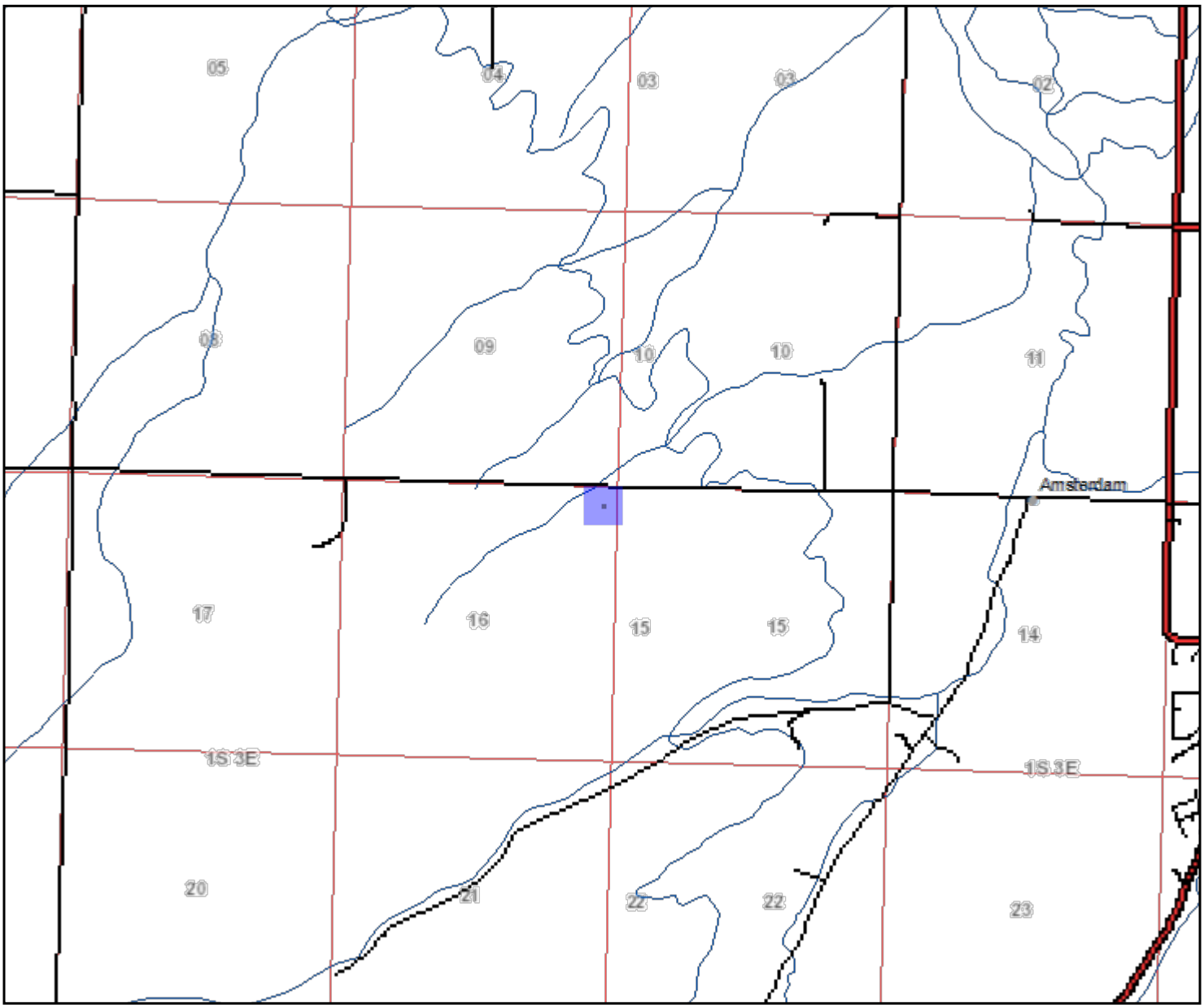
Purpose (use): STOCK
Place of Use: (1 total records)

ID	Acres	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
1			NENENE	16	1S	3E	GALLATIN

Geocodes/Valid:

Remarks:
STARTING IN 2008, PERIOD OF DIVERSION WAS ADDED TO MOST CLAIM ABSTRACTS, INCLUDING THIS ONE.

Water Right Number: 41H 8154 00



STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
1424 9TH AVENUE P.O.BOX 201601 HELENA, MONTANA 59620-1601

GENERAL ABSTRACT

Water Right Number: 41H 8155 00 STATEMENT OF CLAIM
Version: -- ORIGINAL RIGHT
Version Status: ACTIVE

Owners: MONTANA, STATE OF BOARD OF LAND COMMISSIONERS
TRUST LAND MANAGEMENT DIVISION
PO BOX 201601
HELENA, MT 59620 1601

Priority Date: April 15, 1911
Enforceable Priority Date: April 15, 1911

Type of Historical Right: USE

Purpose (use): DOMESTIC

Maximum Flow Rate: 6 GPM

Maximum Volume: 2.00 AC-FT
Households: 1

Maximum Acres: 0.50

Source Name: GROUNDWATER
Source Type: GROUNDWATER

Points of Diversion and Means of Diversion:

ID	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
1		NENENE	16	1S	3E	GALLATIN

Period of Diversion: JANUARY 1 to DECEMBER 31
Diversion Means: WELL

Period of Use: JANUARY 1 TO DECEMBER 31

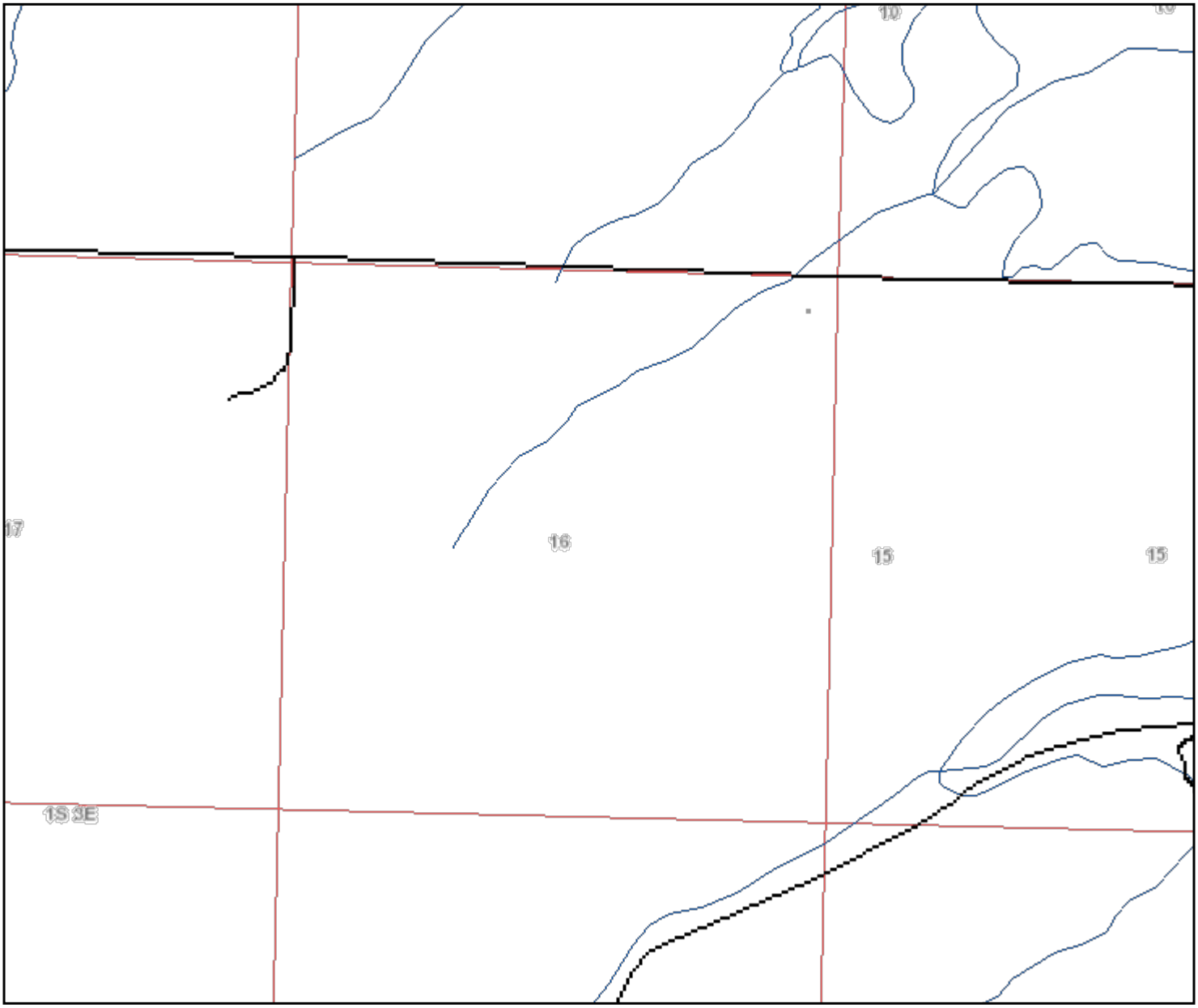
Purpose (use): DOMESTIC
Place of Use: (1 total records)

ID	Acres	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
1	0.50		NENENE	16	1S	3E	GALLATIN
Total:	0.50						

Geocodes/Valid:

Remarks:
STARTING IN 2008, PERIOD OF DIVERSION WAS ADDED TO MOST CLAIM ABSTRACTS, INCLUDING THIS ONE.

Water Right Number: 41H 8155 00



Groundwater Information Center
Montana Bureau of Mines and Geology
Montana Tech of The University of Montana
1300 West Park Street - Natural Resources Building Room 329
Butte Montana 59701-8997
Ph: (406) 496-4336 Fx: (406) 496-4343

GWIC Data > Well Construction Data > Township: 01S Range: 03E Sec: 16

The following data were returned from the GWIC databases for the area you requested. For a more detailed description of the data view the GWIC Metadata report. If you notice data entry errors or have questions please let us know by sending us an Email at **GWIC@mtech.edu**. If you wish to view a one page report for a particular site, click the hyperlinked **Gwic Id** for that well. Scroll to the right of your screen to view all the data. All data displayed on the screen may not show up when printed.

Retrieval Statistics*

Field	Max	Min	Avg
Total Depth (ft)	413.00	413.00	413.00
Static Water Level (ft)	217.00	217.00	217.00
Yield (gpm)	20.00	20.00	20.00

*** These statistics do not take any geographic, topographic, or geologic factors into consideration. Negative swl values are reported for water levels that are above land surface.**

Did you know about...

Other GWIC data

Thanks, Just take me back to the menu.

Other MBMG data

MBMG has 388 publications available for GALLATIN county.
MBMG has 0 abandoned mine record(s) for this request area.

Gwic Id	PDF	DNRC WR	Site Name	Twn	Rng	Sec	Q Sec	Ver?	Type	Td	Swl	Pwl	Rwl	Yield	Test	Date	Use
237314			BATES DAN	01S	03E	16	AA	No	WELL	413.00	217.00		217.00	20.00	AIR	8/1/2007	DOMESTIC

End of Report.
1 record(s) listed.

Items of Note:

[1]This report is restricted to site types of **WELL, BOREHOLE, SPRING, COAL BED METHANE WELL, PETWELL, PIEZOMETER**.

[2]A single well record (a distinct GWIC Id) may be represented by more than one line in this report if more than one performance test was conducted on the well at the time of drilling.

Explanation of Columns:

GWIC Id = Key field for the GWIC database. Links to one page reports.
PDF = Are scanned documents available through the Document Manager?

- = Yes, click on the icon to download the PDF file.
- = No, well was submitted electronically. No paper record exists.
- = No, record does have a known well log but it is not scanned yet.
- = No, record may or may not have a document to scan. Metadata is unclear.
- = No, record was created from a source other than a well log. No paper record exists.

DNRC WR = Water right number assigned to this site by Department of Natural Resources and Conservation.
Site Name = Current owner name assigned to GWIC record.
Location = Location of site in Montana township, range, section, and quarter-section coordinates.
Ver? = Has this location been verified by field staff?
Type = Type of site assigned to GWIC record.
Td = **T**otal **d**epth of well in feet below ground.
Swl = **S**tatic **w**ater **l**evel in feet above/below ground - Negative values are reported for water levels that are above land surface.
Pwl = **P**umping **w**ater **l**evel in feet below ground.
Rwl = **R**ecovery **w**ater **l**evel in feet below ground.
Yield = Yield in gallons per minute.
Test = Type of performance test reported.
Date = Completion date of well/borehole.
Use = Reported use of water.

MONTANA WELL LOG REPORT

This well log reports the activities of a licensed Montana well driller, serves as the official record of work done within the borehole and casing, and describes the amount of water encountered. This report is compiled electronically from the contents of the Ground Water Information Center (GWIC) database for this site. Acquiring water rights is the well owner's responsibility and is NOT accomplished by the filing of this report.

Other Options

Return to menu
Plot this site on a topographic map

Site Name: BATES DAN
GWIC Id: 237314

Section 1: Well Owner(s)

1) BATES, DAN (MAIL)
8400 AMSTERDAM ROAD
MANHATTAN MT 59741 [08/01/2007]

Section 2: Location

Township	Range	Section	Quarter Sections
01S	03E	16	NE¼ NE¼

County	Geocode
GALLATIN	

Latitude	Longitude	Geomethod	Datum
45.755697	111.352223	TRS-TWN	NAD27

Ground Surface Altitude	Method	Datum	Date

Addition	Block	Lot

Section 3: Proposed Use of Water

DOMESTIC (1)

Section 4: Type of Work

Drilling Method: ROTARY
Status: NEW WELL

Section 5: Well Completion Date

Date well completed: Wednesday, August 01, 2007

Section 6: Well Construction Details

Borehole dimensions

From	To	Diameter
0	413	6

Casing

From	To	Diameter	Wall Thickness	Pressure Rating	Joint	Type
1.5	390	6	0.25		WELDED	A53B STEEL

There are no completion records assigned to this well.

Annular Space (Seal/Grout/Packer)

From	To	Description	Cont. Fed?
0	20	BENTONITE	Y

Section 7: Well Test Data

Total Depth: 413
Static Water Level: 217
Water Temperature:

Air Test *

20 gpm with drill stem set at 400 feet for 2 hours.
Time of recovery 1 hours.
Recovery water level 217 feet.
Pumping water level _ feet.

** During the well test the discharge rate shall be as uniform as possible. This rate may or may not be the sustainable yield of the well. Sustainable yield does not include the reservoir of the well casing.*

Section 8: Remarks

Section 9: Well Log

Geologic Source

Unassigned

From	To	Description
0	22	WIND BLOWN SILT AND CLAY
22	64	GRAVELS AND CLAY
64	81	BROWN SANDY CLAY
81	97	GRAVELS AND SAND
97	218	BROWN SAND AND CLAY
218	225	PEA GRAVELS AND SAND
225	238	BROWN CLAY AND SAND
238	255	HEAVING SAND
255	269	BROWN CLAY AND MUDSTONE
269	367	HEAVING SAND AND STRINGERS OF PEA GRAVELS
367	392	MUDSTONE AND CLAY
392	399	GREY SANDSTONE
399	409	BROWN MUDSTONE
409	413	CEMENTED GRAVELS AND SAND

Driller Certification

All work performed and reported in this well log is in compliance with the Montana well construction standards. This report is true to the best of my knowledge.

Name: CURT SAMPSON
Company: BRIDGER DRILLING INC
License No: WWC-560
Date Completed: 8/1/2007

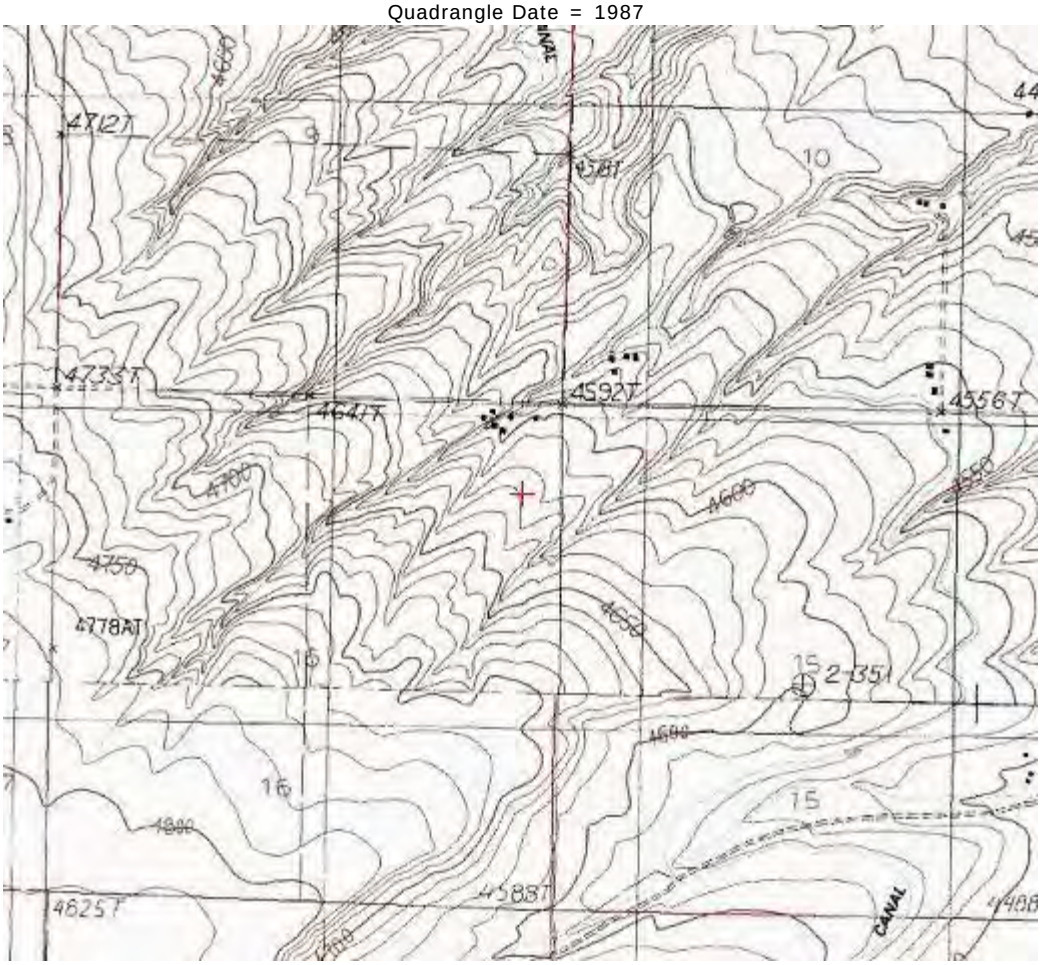
Montana Topographic Map Finder

The map is 1.86 miles wide.

Choose Image Type

Topographic Map | Refresh

Quadrangle Date = 1987



Map Size: Extra Large | Large | Small | Refresh

Click Here to view other map data for this area.

Select a Map Control, then click on the map

Map Controls

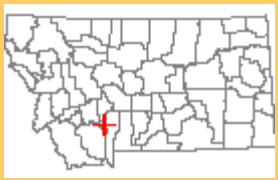
ZoomIn | ZoomOut | New Center

Zoom Factor: 3

State View

Map Center Coordinates at Red +	
Datum: NAD83 NAD27	
Decimal Degrees Lat 45.7557 Long -111.35223	
State Plane E 455957 N 169038	
UTM Zone 12 E 472606 N 5066747	
US National Grid 12T VR 72606 66747	
TRS T1S R3E S16	
Hydrologic Unit 10020008 Gallatin River	
Download 24K quadrangle:	Manhattan
Download 100K quadrangle:	Bozeman

Click the small map to move the main map center.

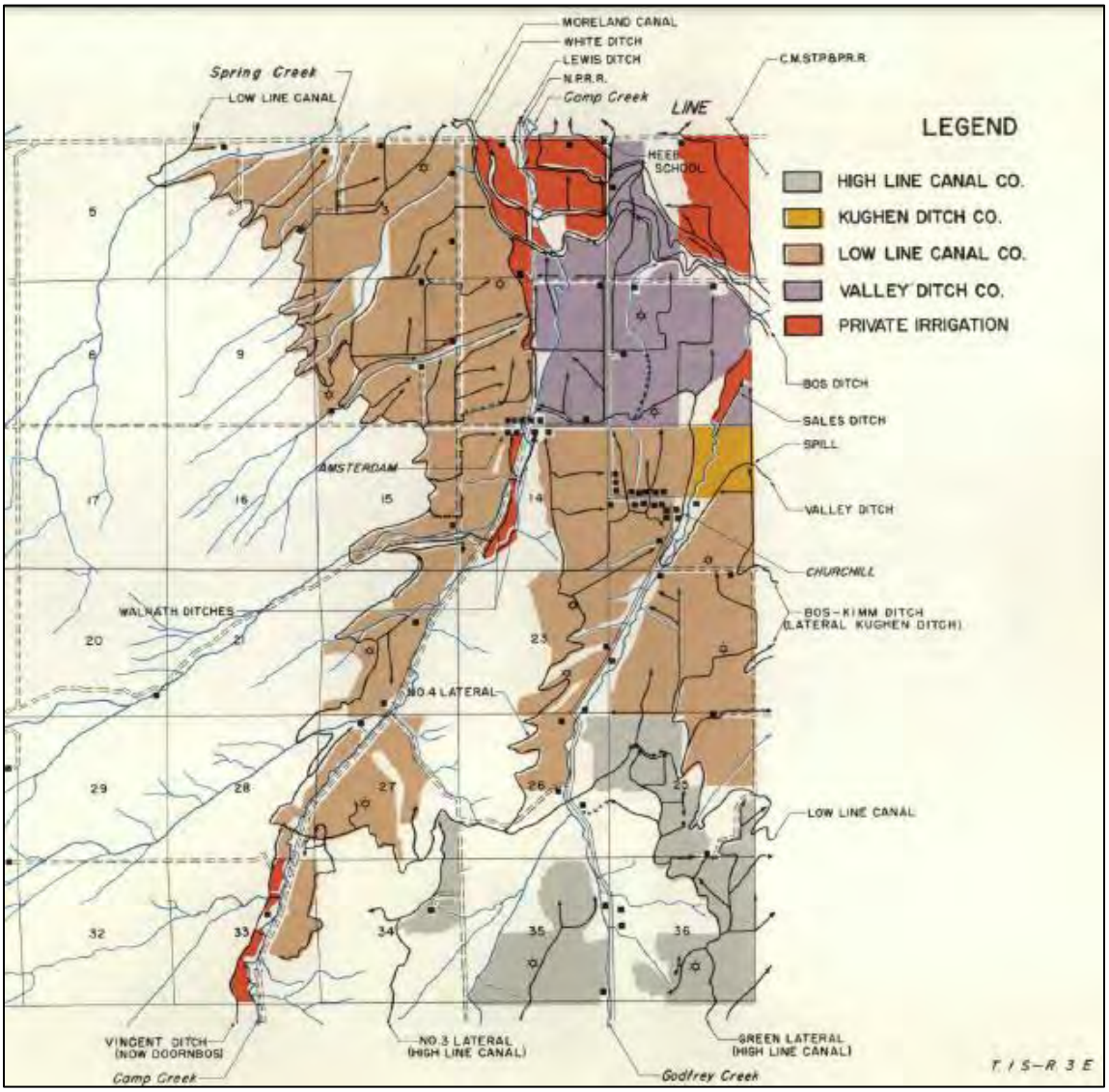


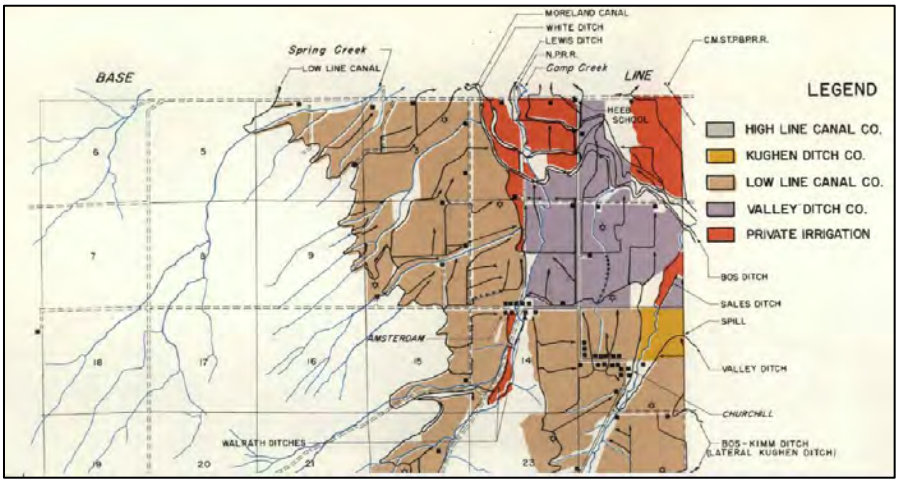
Legend | Help

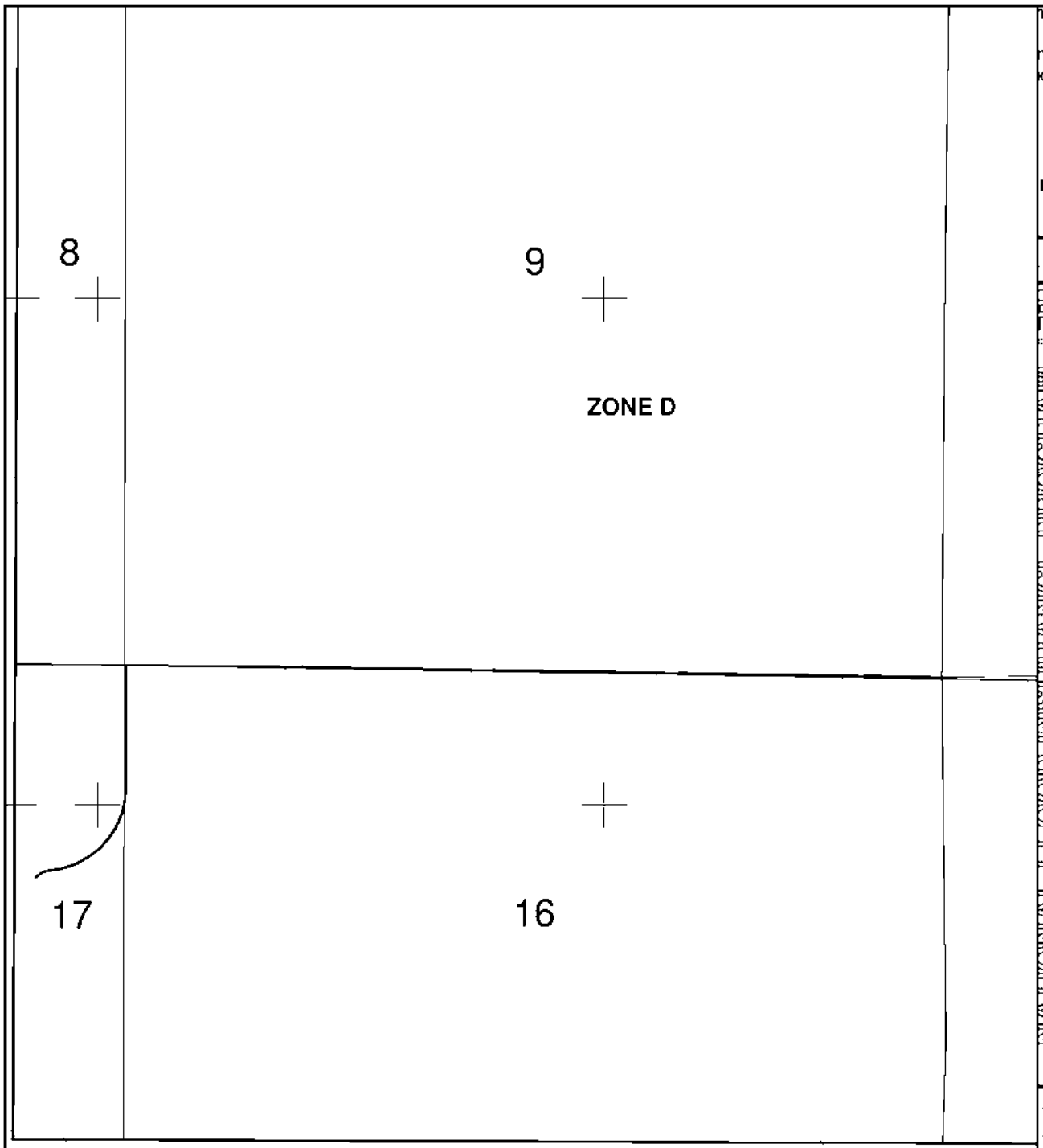
Search Tools

Technical questions about the application can be directed to geoinfo@mt.gov
Please let us know if you have problems with the Topofinder!!

Gallatin County Water Resource Survey – T1S, R3E







he Flood Insurance Study report for this jurisdiction.

nce is available in this community, contact your insurance
d Insurance Program at 1-800-638-6620.

MAP SCALE 1" = 1000'

0 300 600 METERS

PANEL 0565D

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

GALLATIN COUNTY, MONTANA

AND INCORPORATED AREAS

PANEL 565 OF 1725

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
GALLATIN COUNTY	300027	0565	D

Notice to User: The **Map Number** shown below should be used when placing map orders, the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
30031C0565D

EFFECTIVE DATE
SEPTEMBER 2, 2011

Federal Emergency Management Agency

LEGEND

SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

ZONE A No Base Flood Elevations determined.

ZONE AE Base Flood Elevations determined.

ZONE AH Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined.

ZONE AO Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.

ZONE AR Special Flood Hazard Area formerly protected from the 1% annual chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance or greater flood.

ZONE A99 Area to be protected from 1% annual chance flood by a Federal flood protection system under construction; no Base Flood Elevations determined.

ZONE V Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations determined.

ZONE VE Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined.

FLOODWAY AREAS IN ZONE AE

The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

OTHER FLOOD AREAS

ZONE X Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

OTHER AREAS

ZONE X Areas determined to be outside the 0.2% annual chance floodplain.

ZONE D Areas in which flood hazards are undetermined, but possible.

he Flood Insurance Study report for this jurisdiction.

nce is available in this community, contact your insurance
d Insurance Program at 1-800-638-6620.

MAP SCALE 1" = 1000'

0 300 600 METERS

PANEL 0565D

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

GALLATIN COUNTY, MONTANA

AND INCORPORATED AREAS

PANEL 565 OF 1725

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
GALLATIN COUNTY	300027	0565	D

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.

MAP NUMBER
30031C0565D

EFFECTIVE DATE
SEPTEMBER 2, 2011

Federal Emergency Management Agency

OTHER AREAS

ZONE X Areas determined to be outside the 0.2% annual chance floodplain.

ZONE D Areas in which flood hazards are undetermined, but possible.

COASTAL BARRIER RESOURCES SYSTEM (CBRS) AREAS

OTHERWISE PROTECTED AREAS (OPAs)

CBRS areas and OPAs are normally located within or adjacent to Special Flood Hazard Areas.

Floodplain boundary

Floodway boundary

Zone D boundary

CBRS and OPA boundary

Boundary dividing Special Flood Hazard Areas of different Base Flood Elevations, flood depths or flood velocities.

513 Base Flood Elevation line and value; elevation in feet*

(EL 987) Base Flood Elevation value where uniform within zone; elevation in feet*

* Referenced to the North American Vertical Datum of 1988 (NAVD 88)

A — A Cross section line

23 — 23 Transect line

97°07'30", 32°22'30" Geographic coordinates referenced to the North American Datum of 1983 (NAD 83)

4275000mN 1000-meter Universal Transverse Mercator grid ticks, zone 12

6000000 M 5000-foot grid ticks: Alabama State Plane coordinate system, east zone (FIPSZONE 0101), Transverse Mercator

DX5510 × Bench mark (see explanation in Notes to Users section of this FIRM panel)

• M1.5 River Mile

MAP REPOSITORIES

Refer to Map Repositories list on Map Index

EFFECTIVE DATE OF COUNTYWIDE
FLOOD INSURANCE RATE MAP
September 2, 2011
EFFECTIVE DATE(S) OF REVISION(S) TO THIS PANEL

he Flood Insurance Study report for this jurisdiction.

nce is available in this community, contact your insurance
d Insurance Program at 1-800-638-6620.

MAP SCALE 1" = 1000'

0 300 600 METERS

PANEL 0565D

NATIONAL FLOOD INSURANCE PROGRAM

FIRM

FLOOD INSURANCE RATE MAP

GALLATIN COUNTY, MONTANA

AND INCORPORATED AREAS

PANEL 565 OF 1725

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
GALLATIN COUNTY	300027	0565	D

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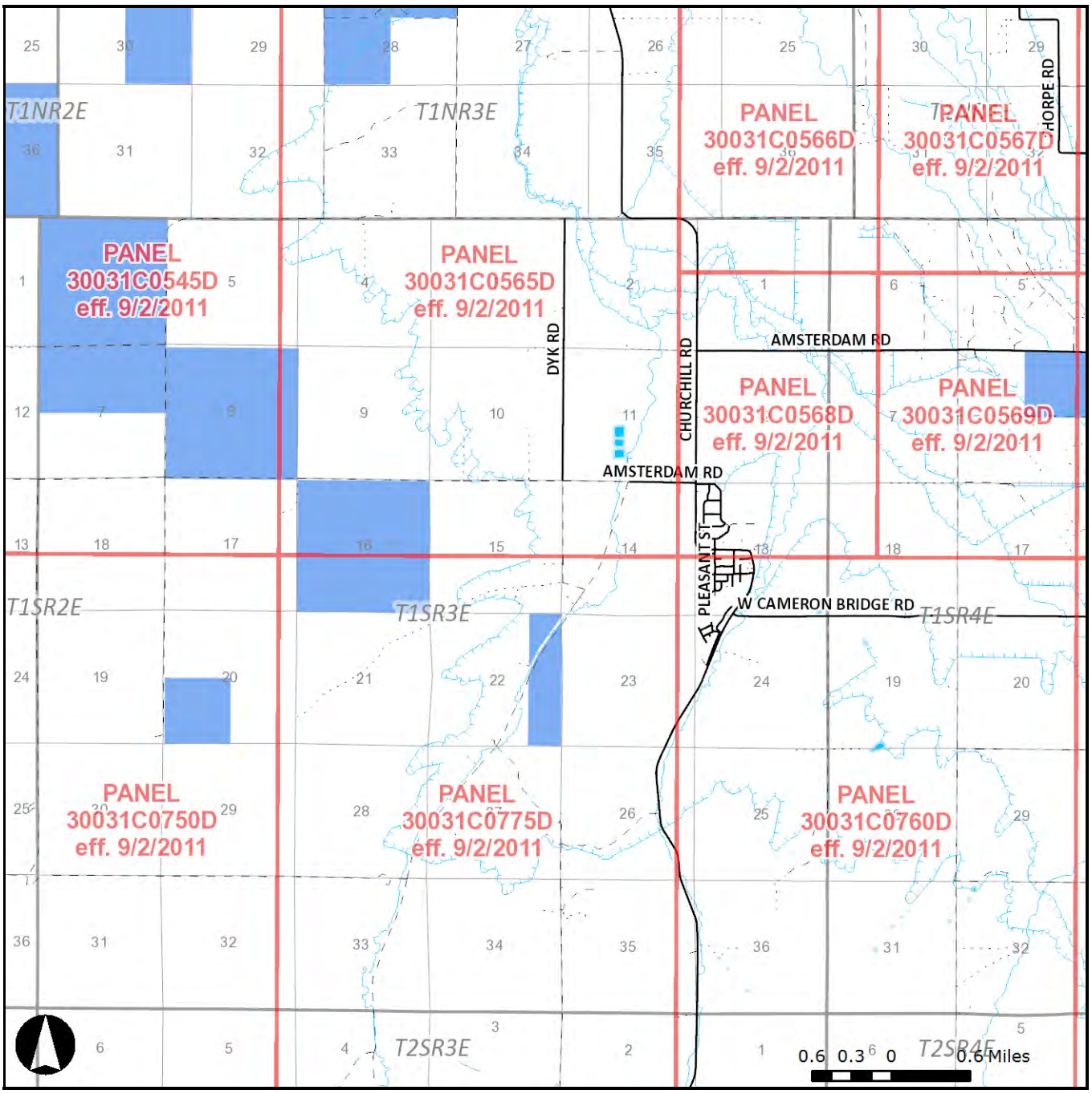
MAP NUMBER
30031C0565D

EFFECTIVE DATE
SEPTEMBER 2, 2011

Federal Emergency Management Agency

Gallatin County FEMA Layers



FIRM Panels

Flood Hazard Boundaries

Other Boundaries

Limit Lines

SFHA / Flood Zone Boundary

Flood Hazard Zones

1% Annual Chance Flood Hazard

Regulatory Floodway

Special Floodway

Area of Undetermined Flood Hazard

Roads

Paved

Unpaved

Alley/Driveway

Rail Line

Parcels

Sections

Townships

Rivers

Lakes

Land Owner

Local Government

State of Montana

U.S. Bureau of Land Management

U.S. Forest Service

U.S. Park Service

City Boundaries

Gallatin County FEMA Layers

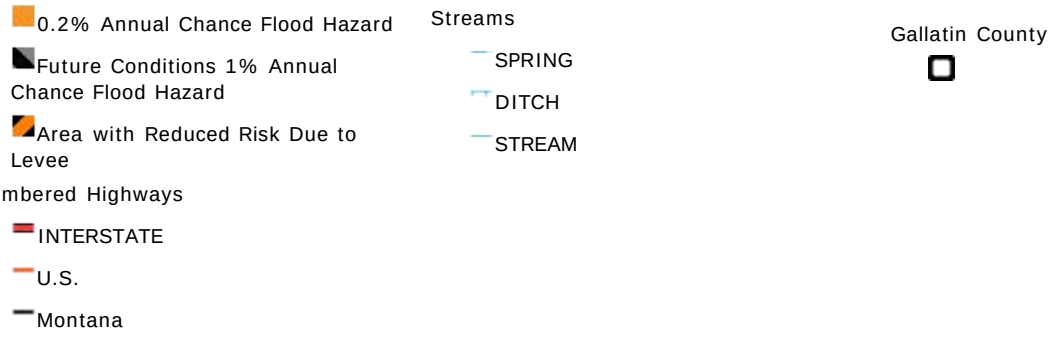
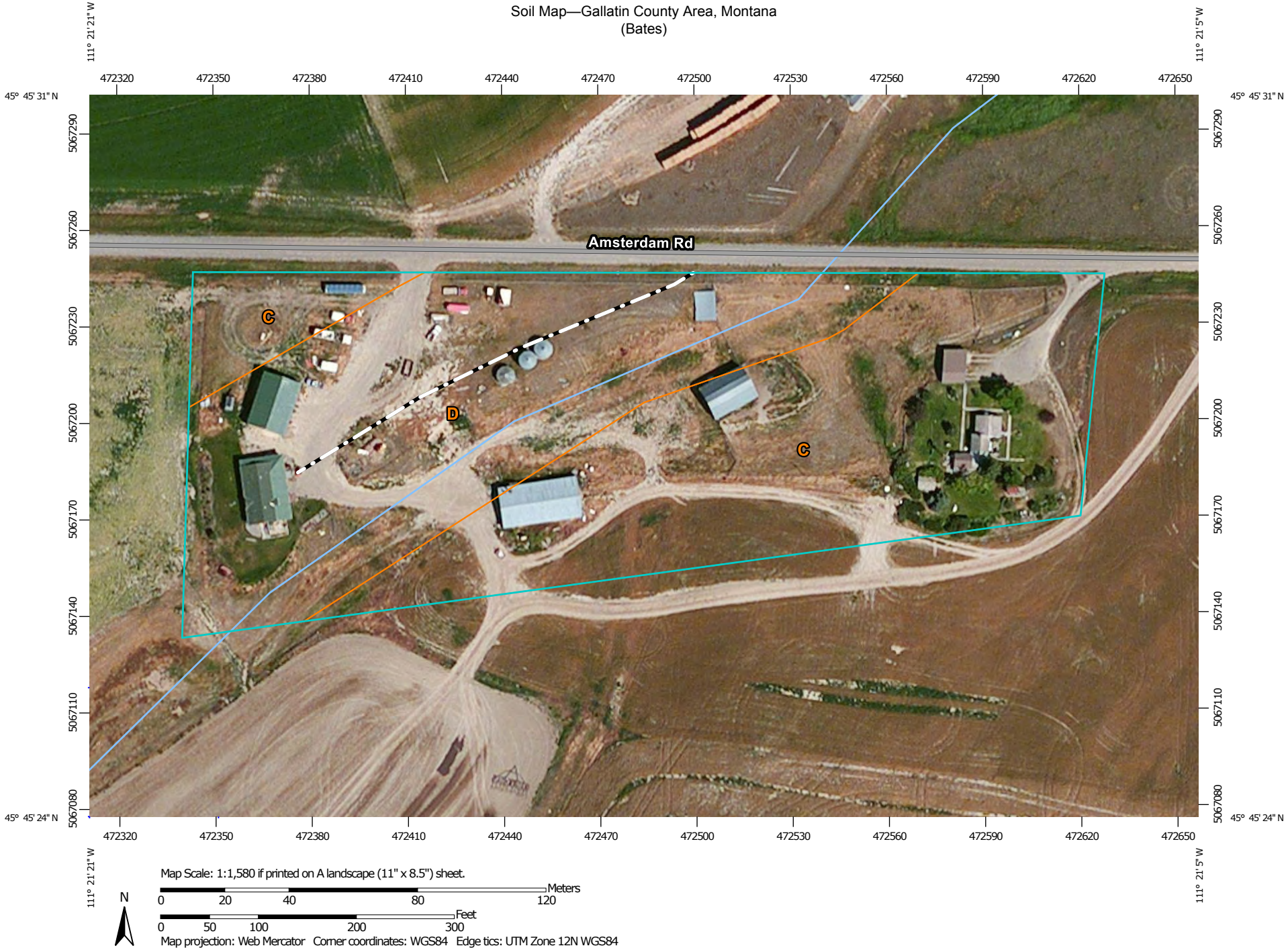


EXHIBIT 4

Soil Map—Gallatin County Area, Montana
(Bates)



MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
- Blowout
- Borrow Pit
- Clay Spot
- Closed Depression
- Gravel Pit
- Gravelly Spot
- Landfill
- Lava Flow
- Marsh or swamp
- Mine or Quarry
- Miscellaneous Water
- Perennial Water
- Rock Outcrop
- Saline Spot
- Sandy Spot
- Severely Eroded Spot
- Sinkhole
- Slide or Slip
- Sodic Spot
- Spoil Area
- Stony Spot
- Very Stony Spot
- Wet Spot
- Other
- Special Line Features

Water Features
- Streams and Canals

Transportation
- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

Background
- Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Gallatin County Area, Montana
Survey Area Data: Version 17, Dec 10, 2013

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 28, 2011—Aug 10, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Gallatin County Area, Montana (MT622)			
Map Unit Symbol	**Map Unit Name**	**Acres in AOI**	**Percent of AOI**
36C	Brocko silt loam, 4 to 8 percent slopes	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	3.1	47.4%
Totals for Area of Interest		**6.6**	**100.0%**

Soil Taxonomy Classification—Gallatin County Area, Montana
(Bates)

Map Scale: 1:1,580 if printed on A landscape (11" x 8.5") sheet.

N

Meters: 0 20 40 80 120

Feet: 0 50 100 200 300

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 12N WGS84

MAP LEGEND

Area of Interest (AOI)

Area of Interest (AOI)

Soils

Soil Rating Polygons

Coarse-silty, mixed, superactive, frigid Aridic Calciustepts

Coarse-silty, mixed, superactive, frigid Typic Calciustolls

Not rated or not available

Soil Rating Lines

Coarse-silty, mixed, superactive, frigid Aridic Calciustepts

Coarse-silty, mixed, superactive, frigid Typic Calciustolls

Not rated or not available

Soil Rating Points

Coarse-silty, mixed, superactive, frigid Aridic Calciustepts

Coarse-silty, mixed, superactive, frigid Typic Calciustolls

Not rated or not available

Water Features

Streams and Canals

Transportation

Rails

Interstate Highways

US Routes

Major Roads

Local Roads

Background

Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

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Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

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Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

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The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Soil Taxonomy Classification

Soil Taxonomy Classification— Summary by Map Unit — Gallatin County Area, Montana (MT622)				
Map unit symbol	**Map unit name**	**Rating**	**Acres in AOI**	**Percent of AOI**
36C	Brocko silt loam, 4 to 8 percent slopes	Coarse-silty, mixed, superactive, frigid Aridic Calciustepts	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	Coarse-silty, mixed, superactive, frigid Aridic Calciustepts	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	Coarse-silty, mixed, superactive, frigid Typic Calciustolls	3.1	47.4%
Totals for Area of Interest			**6.6**	**100.0%**

Description

This rating presents the taxonomic classification based on Soil Taxonomy.

The system of soil classification used by the National Cooperative Soil Survey has six categories (Soil Survey Staff, 1999 and 2003). Beginning with the broadest, these categories are the order, suborder, great group, subgroup, family, and series. Classification is based on soil properties observed in the field or inferred from those observations or from laboratory measurements. This table shows the classification of the soils in the survey area. The categories are defined in the following paragraphs.

ORDER. Twelve soil orders are recognized. The differences among orders reflect the dominant soil-forming processes and the degree of soil formation. Each order is identified by a word ending in sol. An example is Alfisols.

SUBORDER. Each order is divided into suborders primarily on the basis of properties that influence soil genesis and are important to plant growth or properties that reflect the most important variables within the orders. The last syllable in the name of a suborder indicates the order. An example is Udalfs (Ud, meaning humid, plus alfs, from Alfisols).

GREAT GROUP. Each suborder is divided into great groups on the basis of close similarities in kind, arrangement, and degree of development of pedogenic horizons; soil moisture and temperature regimes; type of saturation; and base status. Each great group is identified by the name of a suborder and by a prefix that indicates a property of the soil. An example is Hapludalfs (Hapl, meaning minimal horizonation, plus udalfs, the suborder of the Alfisols that has a udic moisture regime).

SUBGROUP. Each great group has a typic subgroup. Other subgroups are intergrades or extragrades. The typic subgroup is the central concept of the great group; it is not necessarily the most extensive. Intergrades are transitions to other orders, suborders, or great groups. Extragrades have some properties that are not representative of the great group but do not indicate transitions to any other taxonomic class. Each subgroup is identified by one or more adjectives preceding the name of the great group. The adjective Typic identifies the subgroup that typifies the great group. An example is Typic Hapludalfs.

FAMILY. Families are established within a subgroup on the basis of physical and chemical properties and other characteristics that affect management. Generally, the properties are those of horizons below plow depth where there is much biological activity. Among the properties and characteristics considered are particle-size class, mineralogy class, cation-exchange activity class, soil temperature regime, soil depth, and reaction class. A family name consists of the name of a subgroup preceded by terms that indicate soil properties. An example is fine-loamy, mixed, active, mesic Typic Hapludalfs.

SERIES. The series consists of soils within a family that have horizons similar in color, texture, structure, reaction, consistence, mineral and chemical composition, and arrangement in the profile.

References:

Soil Survey Staff. 1999. Soil taxonomy: A basic system of soil classification for making and interpreting soil surveys. 2nd edition. Natural Resources Conservation Service. U.S. Department of Agriculture Handbook 436.

Soil Survey Staff. 2006. Keys to soil taxonomy. 10th edition. U.S. Department of Agriculture, Natural Resources Conservation Service. (The soils in a given survey area may have been classified according to earlier editions of this publication.)

Rating Options

Aggregation Method: Dominant Condition

Component Percent Cutoff: None Specified

Tie-break Rule: Lower


111° 21' 21" W
111° 21' 5" W
45° 45' 31" N
45° 45' 24" N
472320
472350
472380
472410
472440
472470
472500
472530
472560
472590
472620
472650
5067290
5067260
5067230
5067200
5067170
5067140
5067110
5067080
Amsterdam Rd
36C
36D
451C
Map Scale: 1:1,580 if printed on A landscape (11" x 8.5") sheet.
N
Meters
0 20 40 80 120
Feet
0 50 100 200 300
Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 12N WGS84

MAP LEGEND

Area of Interest (AOI)

- Area of Interest (AOI)

Soils

Soil Rating Polygons

- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained
- Prime farmland if protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated
- Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and drained
- Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if subsoiled, completely removing the root inhibiting soil layer
- Prime farmland if irrigated and the product of I (soil erodibility) x C (climate factor) does not exceed 60
- Prime farmland if irrigated and reclaimed of excess salts and sodium
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available

Soil Rating Lines

- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained
- Prime farmland if protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated
- Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and drained
- Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if subsoiled, completely removing the root inhibiting soil layer
- Prime farmland if irrigated and the product of I (soil erodibility) x C (climate factor) does not exceed 60
- Prime farmland if irrigated and reclaimed of excess salts and sodium
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available

Soil Rating Points

- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained
- Prime farmland if protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated
- Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and drained
- Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if subsoiled, completely removing the root inhibiting soil layer
- Prime farmland if irrigated and the product of I (soil erodibility) x C (climate factor) does not exceed 60
- Prime farmland if irrigated and reclaimed of excess salts and sodium
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available

Water Features

MAP INFORMATION

Streams and Canals

Transportation

Rails

Interstate Highways

US Routes

Major Roads

Local Roads

Background

Aerial Photography

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Gallatin County Area, Montana
Survey Area Data: Version 17, Dec 10, 2013

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 28, 2011—Aug 10, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Farmland Classification

Farmland Classification— Summary by Map Unit — Gallatin County Area, Montana (MT622)				
Map unit symbol	**Map unit name**	**Rating**	**Acres in AOI**	**Percent of AOI**
36C	Brocko silt loam, 4 to 8 percent slopes	Farmland of statewide importance	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	Farmland of local importance	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	Farmland of statewide importance	3.1	47.4%
Totals for Area of Interest			**6.6**	**100.0%**

Description

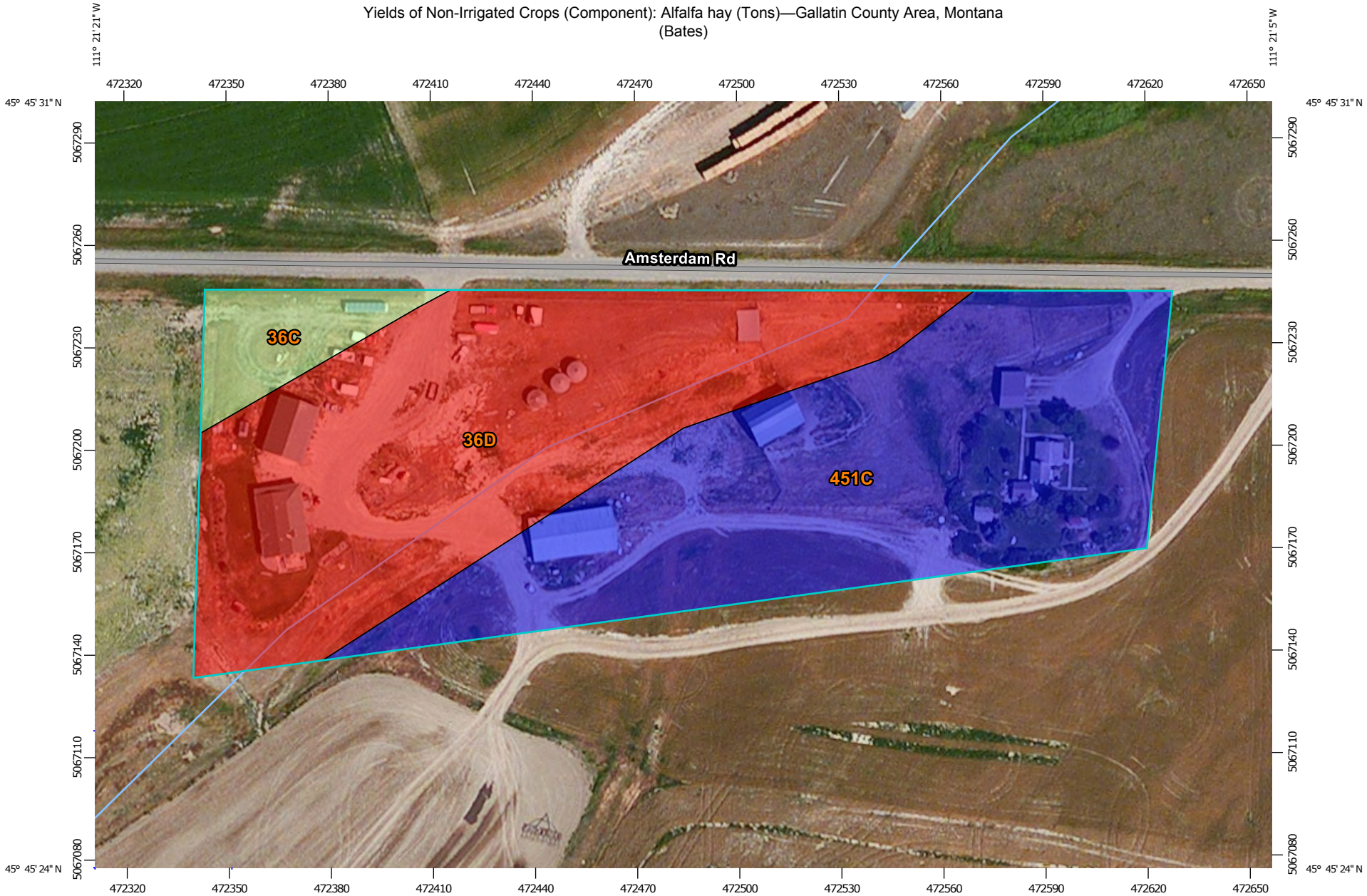
Farmland classification identifies map units as prime farmland, farmland of statewide importance, farmland of local importance, or unique farmland. It identifies the location and extent of the soils that are best suited to food, feed, fiber, forage, and oilseed crops. NRCS policy and procedures on prime and unique farmlands are published in the "Federal Register," Vol. 43, No. 21, January 31, 1978.

Rating Options

Aggregation Method: No Aggregation Necessary

Tie-break Rule: Lower

Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)—Gallatin County Area, Montana
(Bates)



MAP LEGEND

Area of Interest (AOI)

Area of Interest (AOI)

Background

Aerial Photography

Soils

Soil Rating Polygons

- <= 0.97
- > 0.97 and <= 1.28
- > 1.28 and <= 1.80
- Not rated or not available

Soil Rating Lines

- <= 0.97
- > 0.97 and <= 1.28
- > 1.28 and <= 1.80
- Not rated or not available

Soil Rating Points

- <= 0.97
- > 0.97 and <= 1.28
- > 1.28 and <= 1.80
- Not rated or not available

Water Features

- Streams and Canals

Transportation

- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Gallatin County Area, Montana
Survey Area Data: Version 17, Dec 10, 2013

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 28, 2011—Aug 10, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)

Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)— Summary by Map Unit — Gallatin County Area, Montana (MT622)				
Map unit symbol	**Map unit name**	**Rating**	**Acres in AOI**	**Percent of AOI**
36C	Brocko silt loam, 4 to 8 percent slopes	1.28	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	0.97	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	1.80	3.1	47.4%
Totals for Area of Interest			**6.6**	**100.0%**

Description

These are the estimated average yields per acre that can be expected of selected nonirrigated crops under a high level of management. In any given year, yields may be higher or lower than those indicated because of variations in rainfall and other climatic factors.

In the database, some states maintain crop yield data by individual map unit component and others maintain the data at the map unit level. Attributes are included in this application for both, although only one or the other is likely to contain data for any given geographic area. This attribute uses data maintained at the map unit component level.

The yields are actually recorded as three separate values in the database. A low value and a high value indicate the range for the soil component. A "representative" value indicates the expected value for the component. For these yields, only the representative value is used.

The yields are based mainly on the experience and records of farmers, conservationists, and extension agents. Available yield data from nearby areas and results of field trials and demonstrations also are considered.

The management needed to obtain the indicated yields of the various crops depends on the kind of soil and the crop. Management can include drainage, erosion control, and protection from flooding; the proper planting and seeding rates; suitable high-yielding crop varieties; appropriate and timely tillage; control of weeds, plant diseases, and harmful insects; favorable soil reaction and optimum levels of nitrogen, phosphorus, potassium, and trace elements for each crop; effective use of crop residue, barnyard manure, and green manure crops; and harvesting that ensures the smallest possible loss.

The estimated yields reflect the productive capacity of each soil for the selected crop. Yields are likely to increase as new production technology is developed. The productivity of a given soil compared with that of other soils, however, is not likely to change.

Rating Options

Crop: Alfalfa hay

Yield Units: Tons

Aggregation Method: Weighted Average

Component Percent Cutoff: *None Specified*

Tie-break Rule: Higher

Interpret Nulls as Zero: Yes

Range Production (Normal Year)—Gallatin County Area, Montana
(Bates)

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Background
- Aerial Photography

Soils

Soil Rating Polygons
- <= 1014
- > 1014 and <= 1016
- > 1016 and <= 1612
- Not rated or not available

Soil Rating Lines
- <= 1014
- > 1014 and <= 1016
- > 1016 and <= 1612
- Not rated or not available

Soil Rating Points
- <= 1014
- > 1014 and <= 1016
- > 1016 and <= 1612
- Not rated or not available

Water Features
- Streams and Canals

Transportation
- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

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Soil Survey Area: Gallatin County Area, Montana
Survey Area Data: Version 17, Dec 10, 2013

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Date(s) aerial images were photographed: Jul 28, 2011—Aug 10, 2011

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Range Production (Normal Year)

Range Production (Normal Year)— Summary by Map Unit — Gallatin County Area, Montana (MT622)				
Map unit symbol	**Map unit name**	**Rating (pounds per acre per year)**	**Acres in AOI**	**Percent of AOI**
36C	Brocko silt loam, 4 to 8 percent slopes	1016	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	1014	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	1612	3.1	47.4%
Totals for Area of Interest			**6.6**	**100.0%**

Description

Total range production is the amount of vegetation that can be expected to grow annually in a well managed area that is supporting the potential natural plant community. It includes all vegetation, whether or not it is palatable to grazing animals. It includes the current year's growth of leaves, twigs, and fruits of woody plants. It does not include the increase in stem diameter of trees and shrubs. It is expressed in pounds per acre of air-dry vegetation. In a normal year, growing conditions are about average. Yields are adjusted to a common percent of air-dry moisture content.

In areas that have similar climate and topography, differences in the kind and amount of vegetation produced on rangeland are closely related to the kind of soil. Effective management is based on the relationship between the soils and vegetation and water.

Rating Options

Units of Measure: pounds per acre per year

Aggregation Method: Weighted Average

Component Percent Cutoff: None Specified

Tie-break Rule: Higher

Interpret Nulls as Zero: Yes

Rangeland Productivity

In areas that have similar climate and topography, differences in the kind and amount of vegetation produced on rangeland are closely related to the kind of soil. Effective management is based on the relationship between the soils and vegetation and water.

This table shows, for each soil that supports rangeland vegetation, the ecological site and the potential annual production of vegetation in favorable, normal, and unfavorable years. An explanation of the column headings in the table follows.

An *ecological site* is the product of all the environmental factors responsible for its development. It has characteristic soils that have developed over time throughout the soil development process; a characteristic hydrology, particularly infiltration and runoff, that has developed over time; and a characteristic plant community (kind and amount of vegetation). The hydrology of a site is influenced by development of the soil and plant community. The vegetation, soils, and hydrology are all interrelated. Each is influenced by the others and influences the development of the others. The plant community on an ecological site is typified by an association of species that differs from that of other ecological sites in the kind and/or proportion of species or in total production. Descriptions of ecological sites are provided in the Field Office Technical Guide, which is available in local offices of the Natural Resources Conservation Service (NRCS).

Total dry-weight production is the amount of vegetation that can be expected to grow annually on well managed rangeland that is supporting the potential natural plant community. It includes all vegetation, whether or not it is palatable to grazing animals. It includes the current year's growth of leaves, twigs, and fruits of woody plants. It does not include the increase in stem diameter of trees and shrubs. It is expressed in pounds per acre of air-dry vegetation for favorable, normal, and unfavorable years. In a favorable year, the amount and distribution of precipitation and the temperatures make growing conditions substantially better than average. In a normal year, growing conditions are about average. In an unfavorable year, growing conditions are well below average, generally because of low available soil moisture. Yields are adjusted to a common percent of air-dry moisture content.

Range management requires knowledge of the kinds of soil and of the potential natural plant community. It also requires an evaluation of the present range similarity index and rangeland trend. Range similarity index is determined by comparing the present plant community with the potential natural plant community on a particular rangeland ecological site. The more closely the existing community resembles the potential community, the higher the range similarity index. Rangeland trend is defined as the direction of change in an existing plant community relative to the potential natural plant community. Further information about the range similarity index and rangeland trend is available in the "National Range and Pasture Handbook," which is available in local offices of NRCS or on the Internet.

The objective in range management is to control grazing so that the plants growing on a site are about the same in kind and amount as the potential natural plant community for that site. Such management generally results in the optimum production of vegetation, control of undesirable brush species, conservation of water, and control of erosion. Sometimes, however, an area with a range similarity index somewhat below the potential meets grazing needs, provides wildlife habitat, and protects soil and water resources.

Reference:
United States Department of Agriculture, Natural Resources Conservation Service, National range and pasture handbook.

Report—Rangeland Productivity

Rangeland Productivity–Gallatin County Area, Montana				
Map unit symbol and soil name	Ecological site	Total dry-weight production		
		Favorable year	Normal year	Unfavorable year
		Lb/ac	*Lb/ac*	*Lb/ac*
36C—Brocko silt loam, 4 to 8 percent slopes				
Brocko	Limy (ly) 9-14" P.z.	1,300	1,000	600
36D—Brocko silt loam, 8 to 15 percent slopes				
Brocko	Limy (ly) 9-14" P.z.	1,300	1,000	600
451C—Quagle-Brodyk silt loams, 4 to 8 percent slopes				
Quagle	Limy (ly) 15-19" P.z.	2,000	1,600	1,200
Brodyk	Limy (ly) 15-19" P.z.	2,000	1,600	1,200

Data Source Information

Soil Survey Area: Gallatin County Area, Montana
Survey Area Data: Version 17, Dec 10, 2013

Hydrologic Soil Group—Gallatin County Area, Montana
(Bates)

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils

Soil Rating Polygons
- A
- A/D
- B
- B/D
- C
- C/D
- D
- Not rated or not available

Soil Rating Lines
- A
- A/D
- B
- B/D
- C
- C/D
- D
- Not rated or not available

Soil Rating Points
- A
- A/D
- B
- B/D
- C
- C/D
- D
- Not rated or not available

Water Features
- Streams and Canals

Transportation
- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

Background
- Aerial Photography

MAP INFORMATION

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Warning: Soil Map may not be valid at this scale.

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Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov
Coordinate System: Web Mercator (EPSG:3857)

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Hydrologic Soil Group

Hydrologic Soil Group— Summary by Map Unit — Gallatin County Area, Montana (MT622)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
36C	Brocko silt loam, 4 to 8 percent slopes	B	0.4	5.7%
36D	Brocko silt loam, 8 to 15 percent slopes	B	3.1	46.9%
451C	Quagle-Brodyk silt loams, 4 to 8 percent slopes	B	3.1	47.4%
Totals for Area of Interest			**6.6**	**100.0%**

Description

Hydrologic soil groups are based on estimates of runoff potential. Soils are assigned to one of four groups according to the rate of water infiltration when the soils are not protected by vegetation, are thoroughly wet, and receive precipitation from long-duration storms.

The soils in the United States are assigned to four groups (A, B, C, and D) and three dual classes (A/D, B/D, and C/D). The groups are defined as follows:

Group A. Soils having a high infiltration rate (low runoff potential) when thoroughly wet. These consist mainly of deep, well drained to excessively drained sands or gravelly sands. These soils have a high rate of water transmission.

Group B. Soils having a moderate infiltration rate when thoroughly wet. These consist chiefly of moderately deep or deep, moderately well drained or well drained soils that have moderately fine texture to moderately coarse texture. These soils have a moderate rate of water transmission.

Group C. Soils having a slow infiltration rate when thoroughly wet. These consist chiefly of soils having a layer that impedes the downward movement of water or soils of moderately fine texture or fine texture. These soils have a slow rate of water transmission.

Group D. Soils having a very slow infiltration rate (high runoff potential) when thoroughly wet. These consist chiefly of clays that have a high shrink-swell potential, soils that have a high water table, soils that have a claypan or clay layer at or near the surface, and soils that are shallow over nearly impervious material. These soils have a very slow rate of water transmission.

If a soil is assigned to a dual hydrologic group (A/D, B/D, or C/D), the first letter is for drained areas and the second is for undrained areas. Only the soils that in their natural condition are in group D are assigned to dual classes.

Rating Options

Aggregation Method: Dominant Condition

Component Percent Cutoff: None Specified

Tie-break Rule: Higher

EXHIBIT 5

KATHLEEN RICKETT, ARA

P.O. Box 691
Belgrade, MT 59714
406/388-0570 Office 406/388-0573 Fax 406/570-4450 Cell
Montana Certified General Appraiser # REA-RAG-LIC-650
Accredited Rural Appraiser (ARA) & Member of ASFMRA Accredited #1664
Katie@terrawestern.com

EDUCATION

Colorado State University, Fort Collins, Colorado

Bachelor of Science Degree: Equine Science (Science Concentration) 1996

University of Colorado at Boulder Continuing Education, Boulder, Colorado

Registered Real Estate Appraiser.

*NCRE 200-411 Registered Appraiser (40 hours) 1998 *NCRE 201-411 Basic Appraisal Applications (24 hours) 1998 *NCRE 208-411 Standards and Ethics (16 hours) 1998

American Society of Farm Managers and Rural Appraisers (ASFMRA):

* A-10, 6/20-26/1999, Austin, TX (40 Hours) * A-20, 8/23-28/1999, St. Cloud, MN (44 Hours) * A-12, 1/14-15/00, Billings, MT (16 Hours) * ALL215, 9/7-9/00, Manhattan Beach, CA (30 Hours) * A-12 Part 1 ASFMRA Ethics & Part 3- USPAP (7 Hours); 2/4-5/03 * ASFMRA- Federal Land Exchange & Acquisitions Course 4/7-9/03 (20 Hours) * A-25, 4/27-29/04, Boise, Idaho (20 Hours) * A-29, 4/30- 5/1/04, Boise, Idaho (15 Hours) * ASFMRA- Timber & Timberland Valuation, 1/31/05, Portland, OR (8 Hours) * UASFLA- "Yellow Book", 2/1/05, Portland, OR (8 Hours) * ASFMRA- Appraising Agricultural Land in Transition, 2/28-3/1/06 (12 Hours) * A-27- Income Capitalization, Indianapolis, IN, 3/15-18/06 (28 Hours) * A-114, USPAP Course, 10/27/06, Great Falls, MT (7 Hours) * A-30, 6/3-9/07, Denver, CO. (47.5 Hours) * Valuation of Conservation Easements, 1/ 14-18/08, ASFMRA & AI (33 Hours) * A-114, 7 Hour USPAP Update Course, 2/6/08, Billings, MT (7 Hours) * UASFLA- "Yellow Book", 10/14-16/08, Billings, MT (22 Hours) * Uniform Agricultural Appraisal Report, 5/8-9/08, Piedmont, SD (16 Hours) *What's Missing in Appraisal Reports, 2/ 4/09, Bozeman, MT (4 Hours) *Wind Leases-The Basic Rights of Ownership, 2/4/09, Bozeman, MT (2 Hours) * Update of Montana Water Rights, 2/4/09, Bozeman, MT (2 Hours) *ASFMRA- Code of Ethics Webinar, 8/11/09 (4 Hours) * A-114, 7 Hour USPAP 2010-2011 Update Course, 2/4/10, Billings, MT (7 Hours) * iKuw Adobe Acrobat 9 Professional, 4/16/2011 (12 Hours) * ASFMRA AFO/CAFO, 2/9/11, Bozeman, MT (4 Hours) * ASFMRA- Ag Trends in Ag Finance, 2/9/11, Bozeman, MT (2 Hours) * McKissock-Appraising Manufactured Homes, 9/8/11, Online, (7 Hours) *McKissock- Appraising FHA Today, 9/7/11, Online, (7 Hours) *GIS for Real Estate and Appraisal, 2/8/2012 Billings, MT (4 Hours) * Montana Access and Easement Law, 2/8/2012 Billings, MT (4 Hours) * A-114, 2012-2013 USPAP Update Course 2/7/2012 , Billings, MT (7 Hours)* Cost Approach Online, 6/13 (A120) (30 Hours) * ASFMRA Ethics, 2/14 (4 Hours) * DNRC Water Rights, 2/2014 (4 Hours) * 7- Hour National USPAP Update 2/14 (7 Hours)

EXPERIENCES

JK Appraisal & Consulting, LLC: Belgrade, MT Owner, President, (11/07 to Current)
* Responsibilities encompass all aspects of appraising duties. Specializing in agriculture, recreational, and other types of rural properties, including Federal acquisitions compliant with Uniform Standards for Federal Land Acquisitions a.k.a. Yellow Book appraisals; rural properties, inholdings, & conservation easements; Full narratives and Ag-Ware Form reports.

Associate Appraiser: Associate Appraiser with Terra Western Associates (11/07 to Current) Bozeman, MT
* Responsibilities encompass all aspects of appraising duties. Specializing in agricultural, recreational, conservation easements, and other types of rural properties. Services include real estate appraisal, financial feasibility consulting, cash flow projections, and day-to-day management consulting.

Qualified Appraiser: United State Forest Service, Bozeman, MT (3/00- 10/12/07)
* Responsibilities encompassed all aspects of appraising duties. Specializing in Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) Appraisals for Federal acquisitions, land exchanges, right-of-ways, and inholdings.

Apprentice Appraiser: Hall-Widdoss & Co., Inc. South Dakota (8/98-3/2000)
* Hall-Widdoss & Co., Inc. has been conducting business since 1983. Covering the States of Montana, Idaho, Wyoming, Nebraska, and the Dakotas. The firm specializes in urban investment property, agriculture, recreational, and subdivision land appraisals. Appraisal work involved market value estimates for commercial, industrial, rural, recreational, mountain development, gaming (casino), mineral, and residential properties. The firm also has a vast experience with government trades and acquisitions. My duties included the mapping of legal descriptions, entering, confirming, and analyzing sales data, collection of courthouse information, and general property research. I completed numerous residential appraisals, aided with the development of appraisals performed for proposed acquisition/condemnation by DM&E Railroad; surface rights appraisals for Peabody Coal Company and various others. These included farms, ranches, and rural properties in Wyoming and South Dakota. I held South Dakota license number 666SR-2002 as a State Registered Appraiser

Apprentice Appraiser: Agribiz Appraisal & Consulting, Inc., Kim Colvin, ARA, President; Luther Appraisal Services, George Luther, Jr., ARA.
* Subcontracted to perform basic appraisal duties. Researching sales, mapping of legal descriptions, proof reading reports, verifying sales with buyers, sellers, and agents. Also performed courthouse research, as well as, meeting with realtors to obtain sales information. Began to perform rural appraisals, using the three approaches to value.

Apprentice Appraiser: O'Neil & Co.: (1/98-7/98)
* During my employment I researched recent sales through the use of the Multiple Listing Service and the courthouse. I assisted in several appraisals by helping with measurements, pictures, and walk through of the subject property. I also observed and participated in the development of reports. I learned how to determine soil quality and productivity through the use of soil surveys and aerial photos.