

HELMBRECHT APPRAISING, LLC

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November 5, 2010

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

Subject: State of Montana
Agricultural Property
Toole County, MT

Dear Mr. Konency,

After inspection of the above property and based upon facts contained in the attached report it is the conclusion of the undersigned that the market value of the subject property, as of October 21, 2010 is indicated at: **\$ 95,700**

Sale # 589	<u>40</u> Acres Pasture	@ \$150/acre =	\$ 6,000
Sale # 626	<u>120</u> Acres Pasture	@ \$150/acre =	\$18,000
Sale # 605	<u>78</u> Acres Pasture	@ \$150/acre =	\$11,700
Sale # 606	<u>40</u> Acres Pasture	@ \$300/acre =	\$12,000
Sale # 607	<u>40</u> Acres Pasture	@ \$300/acre =	\$12,000
Sale # 624	<u>40</u> Acres Pasture	@ \$300/acre =	\$12,000
Sale # 625	<u>40</u> Acres Pasture	@ \$300/acre =	\$12,000
Sale # 608	<u>40</u> Acres Pasture	@ \$300/acre =	\$12,000
438 Acres Pasture @ \$218.50/acre = \$95,700			

This Summary Narrative Appraisal Report is based upon the assumptions and limiting conditions within the report. Liens and encumbrances, if any, have been disregarded. I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct. Employment in and compensation for making this report are in no way contingent upon the value reported. Material pertinent to the process of valuation of this property is contained in the files of the appraiser. I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property. Thank you for the privilege of serving you.

Sincerely,


John C. Helmbrecht

Montana Certified General Appraiser #738

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SUMMARY OF SALIENT FACTS

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	October 21, 2010
DATE OF REPORT:	November 5, 2010
APPRAISAL FORMAT:	Summary Appraisal Report
INTENDED USERS:	The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) only. No other intended users have been identified.
INTENDED USE:	Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential sale of said subject property only. No other intended use has been identified.
PROPERTY RIGHTS APPRAISED:	Property rights appraised are fee simple ownership rights, subject to outstanding reservation for rights-of-way or other recorded exclusions. Sub-surface mineral rights are not appraised nor has title to such rights been researched.
HIGHEST & BEST USE:	Highest and best use of the 8 Sales parcels that are the subject of this report is Native Pasture for the grazing of livestock, also the current use of the parcels.

SUMMARY OF SALIENT FACTS (continued)

LOCATION OF PROPERTY: The property consists of eight separate non contiguous parcels of native range pasture located in Toole County, Montana in two general areas:

Sale #605 is 8 miles southeast of Shelby, Toole County, MT. Location is approximately 8 miles east southeast of Shelby via paved State Highway 2, paved F Bridge road, gravel Frethiem Road and field trail along the Marias River northwest to the property.

Sales #589 and 626 are 25 miles southeast of Shelby, Toole County, MT. Location is approximately 25 miles southeast of Shelby via paved Highway 2, paved F Bridge and Ledger Roads to Bootlegger Trail, then two miles north to within ¼ mile of Sale #589 and field trail to Sale #626

Sales #606, 607, 608, 624, & 625 are 34 miles northeast of Shelby, Toole County, MT. Location is approximately 30 - 36 miles northeast of Shelby via paved I-15 to Sunburst, then 30 miles east and north via Nine Mile, Miner's Coulee and Gold Butte Roads, to or near the parcels.

LOCATION OF PROPERTY: All of the subject parcels are not located on public roads and are not accessible to the general public. All are appraised with legal access by hypothetical condition. No apparent market data was available at the time of the appraisal to support any consideration of this issue. Accessibility to the parcels was, however, considered in the valuation process when and if it was deemed necessary.

IMPROVEMENTS: There are no improvements on the subject property other than partial perimeter fencing.

REAL ESTATE TAXES: Not Taxed

PROPERTY DESCRIPTION: The subject consists of eight parcels in basically two different general areas of Toole County. **Sales # 589, 626 and 605** which are 40, 120 and 78 acres of native pasture respectively. These three non contiguous sales are located in the breaks area of the Marias River in southern Toole County. Portions of the parcels are steep and have limited production capabilities. **Sales #606, 607, 624, 625 and 608** which are 40 acres of native pasture and non contiguous, are located in northern Toole County in the Sweetgrass Hills area. These parcels are considered to be more productive than **Sales # 589, 626 and 605**, with higher elevation and more rainfall. All parcels are in Toole County, MT

SUMMARY OF SALIENT FACTS (continued)

OPINION OF VALUE:	Comparable Sales Approach	\$ 95,700
	Income Approach	\$ 95,100
	Cost Approach	\$ 95,700

FINAL OPINION OF VALUE:

Sale # 589	<u>40</u> Acres Pasture	@ \$150/acre = \$ 6,000
Sale # 626	<u>120</u> Acres Pasture	@ \$150/acre = \$18,000
Sale # 605	<u>78</u> Acres Pasture	@ \$150/acre = \$11,700
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Sale # 608	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
438 Acres Pasture @ \$218.50/acre = \$95,700		

PURPOSE OF THE APPRAISAL AND SUMMATION OF THE APPRAISAL PROBLEMS

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

Market Value Defined:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised and each acting in what he considers his own best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Appraisal Problem Consists of:

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

DISTRIBUTION OF MARKET VALUE

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

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

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

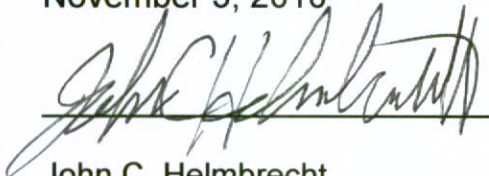
- (1) the highest and best reasonably available use and its value for such use, provided current use may not be presumed to be the highest and best use;
- (2) the machinery, equipment, and fixtures forming part of the real estate taken; and
- (3) any other relevant factors as to which evidence is offered.

USPAP CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, .
8. I have made a personal inspection of the property that is the subject of this report.
9. No one made significant real property appraisal assistance to the person signing this report.

November 5, 2010

A handwritten signature in black ink, appearing to read "John C. Helmbrecht", is written over a horizontal line.

John C. Helmbrecht

Montana Certified General Appraiser #738

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

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

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

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (continued)

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

HIGHEST AND BEST USE

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

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

"HIGHEST AND BEST USE"

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

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

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

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

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

It is that use found to be:

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

HIGHEST AND BEST USE (continued)

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

The definition applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. These definitions imply a recognition of the contribution of existing specific uses to the community environment or to community development goals in addition to increasing the wealth of individual property owners.

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

It is the opinion of the appraiser that the highest and best use of the subject property that is legal, possible, feasible and maximally productive is its current use as native pasture for the grazing of livestock.

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

THE APPRAISAL PROCESS

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

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

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

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

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

When possible, the appraiser will normally utilize each approach.

SCOPE OF THE APPRAISAL

The property was inspected by John C. Helmbrecht on October 20th and 21st, 2010. All accessible areas of the property were inspected. No off trail travel was deemed appropriate or necessary.

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

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

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

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

INTENDED USE OF THE APPRAISAL

Intended use is to provide the clients with a credible opinion of current fair market value of the appraised subject property for use in the decision making process concerning the potential sale of the said subject property only. No other use has been identified.

INTENDED USER OF THE APPRAISAL

The intended users of this appraisal report are The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation only. No other user has been identified.

OWNERS OF RECORD AND LEGAL DESCRIPTION

OWNERS OF RECORD

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

LEGAL DESCRIPTION

Sale # 589

Township 30 North, Range 3 East, M.P.M.

Section 34: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale # 626

Township 30 North, Range 3 East, M.P.M.

Section 34: SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

Containing: 120 acres

Sale # 605

Township 34 North, Range 2 West, M.P.M.

Section 36: LOTS 1, 6 AND 9, NE $\frac{1}{4}$ NE $\frac{1}{4}$, LYING EAST OF BNSF RR

Containing: 78 acres

Sale # 606

Township 36 North, Range 2 East, M.P.M.

Section 10: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

Sale # 607

Township 36 North, Range 2 East, M.P.M.

Section 24: SW $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

Sale # 624

Township 36 North, Range 2 East, M.P.M.

Section 10: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale # 625

Township 36 North, Range 2 East, M.P.M.

Section 10: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

Sale # 608

Township 36 North, Range 2 East, M.P.M.

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

Containing: 40 acres

Totaling 438 total deeded acres in Toole County, Montana.

TOOLE COUNTY GENERAL AREA DATA

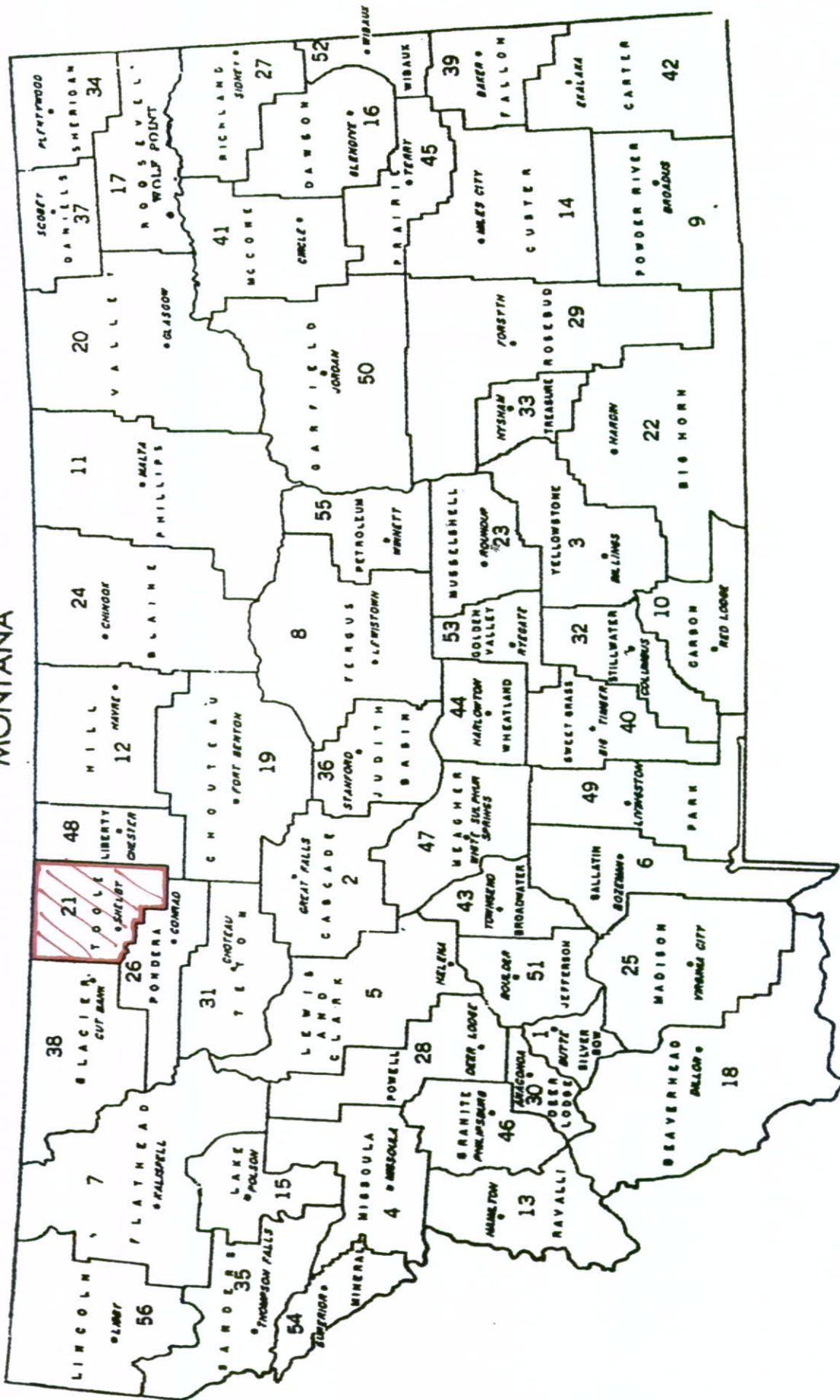
The subject property is located in Toole County, MT. Toole County is located in the northwestern part of Montana, east of the Continental Divide. Interstate Highway 15 provides north-south access to the area. US Highway 89 and State Highway 44 provide east-west access across Pondera county and Highway 2 provides east-west access to Toole County. Conrad, the county seat, is located in the east-central part of the county. There are five communities in Toole County: Shelby (the county seat), Kevin, Naismith, Sunburst and Sweetgrass.

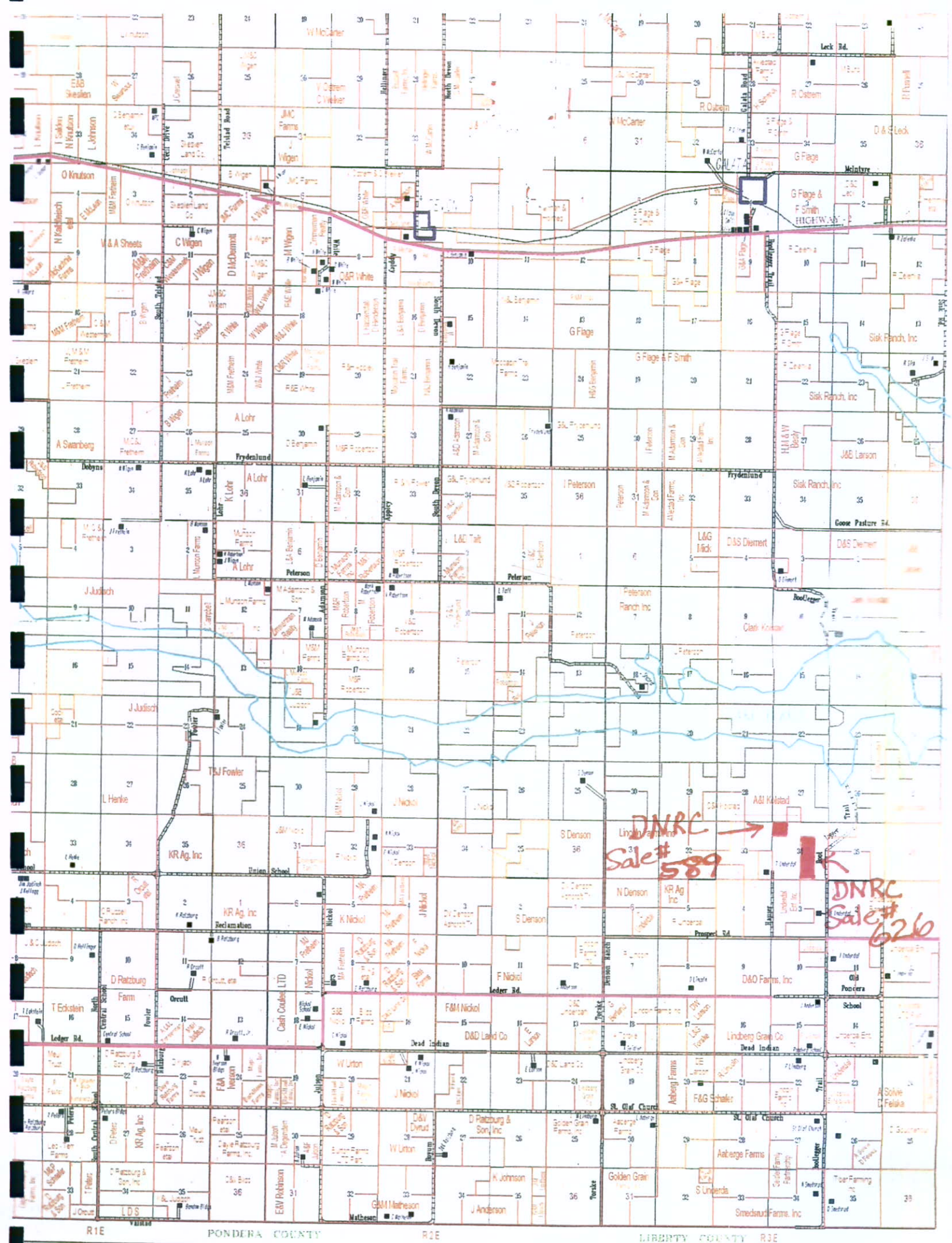
The estimated population of Toole County in 2004 was 5,267. The estimated population of Shelby in 2007, was 3,419. The per capita personal income in Toole County in 2002 was \$14,731. This was 48% of the national per capita income, which was \$30,906. The type of workers in Toole County are 63% private wage or salary, 24% government, 11% self-employed, not incorporated and 2% unpaid family work.

Agriculture and agricultural related equipment and services play a large part in the local economy, as well as the petroleum industry. Crops in the area include wheat, oats, barley, alfalfa and cattle production. Most soils in this area are well suited to use as farmland or native pasture.

The climate is well suited to agricultural use. Summers in the area are usually pleasant, with cool nights and a large percentage of sunny days. Winters are generally warmer than other parts of Montana due to warm Chinook winds coming from the southwest. The area usually gets 10"-12" of precipitation, most of which accumulates during the growing season.

MONTANA



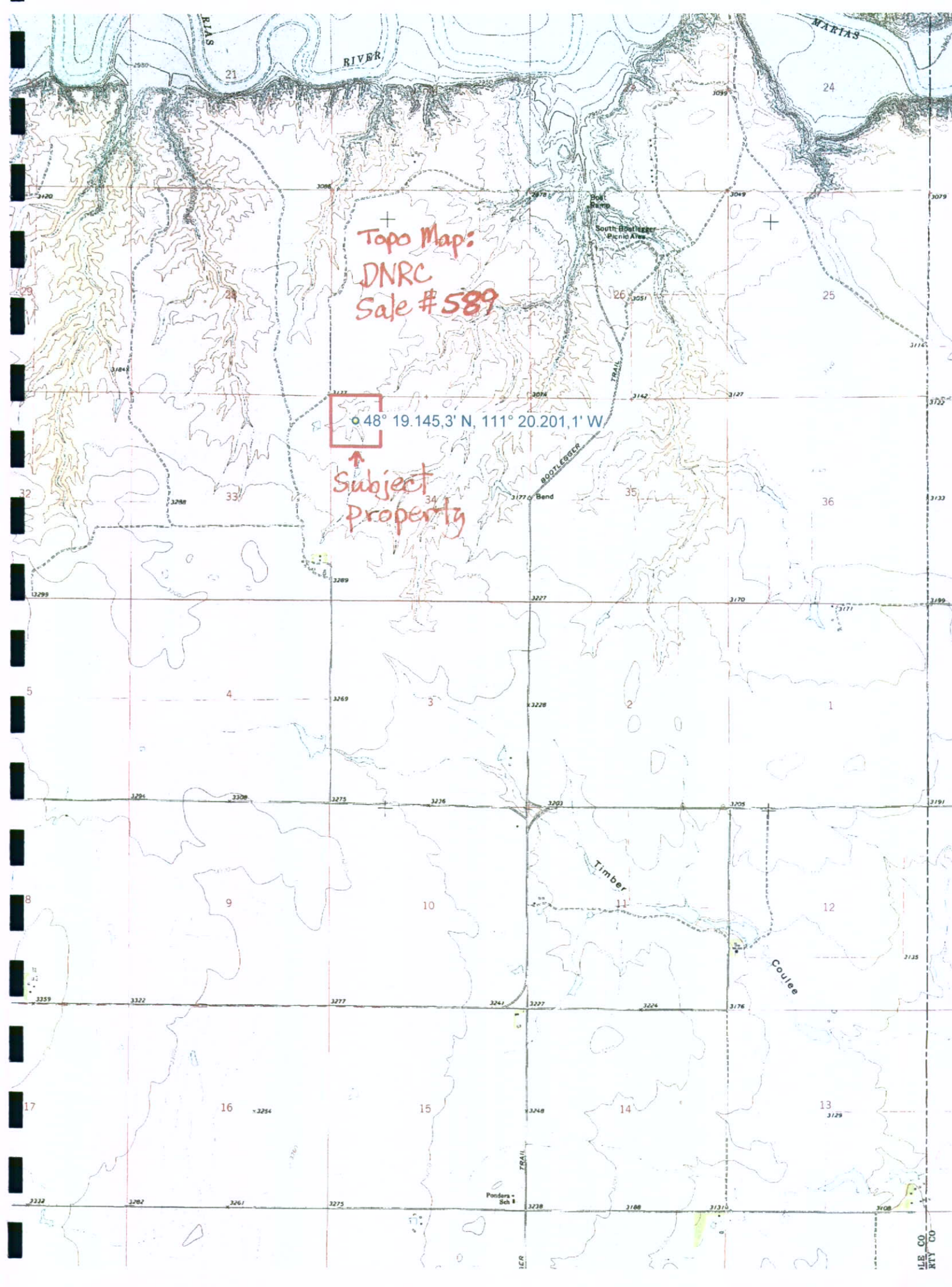


R1E

PONDERA COUNTY

R2E

LIBERTY COUNTY R3E



Topo Map:
DNRC
Sale # 589

48° 19.145,3' N, 111° 20.201,1' W

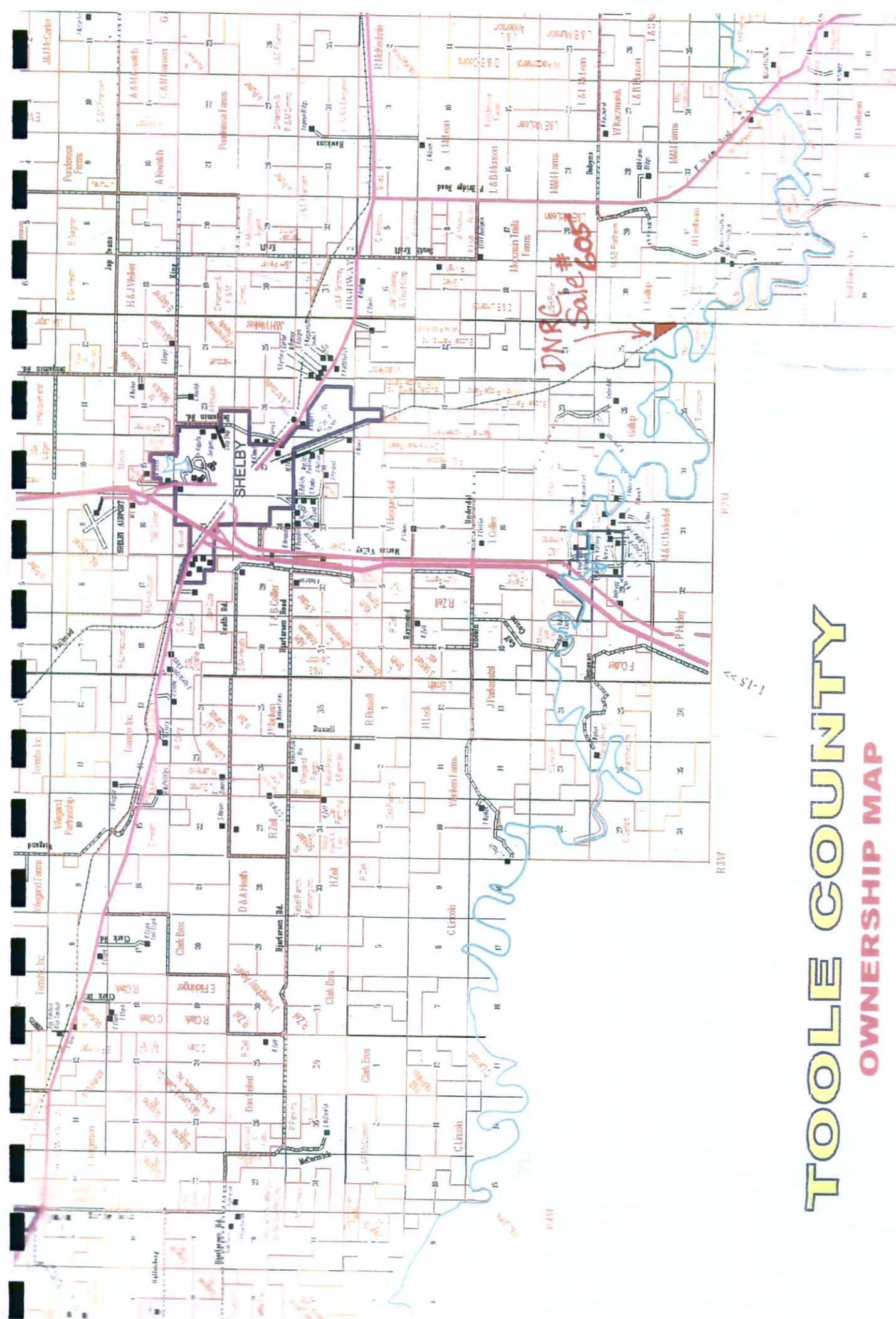
Subject
Property

Topo Map:
DNRC
Sale # 626

48° 18.927,8' N, 111° 19.553,3' W

48° 18.602,7' N, 111° 19.552,6' W

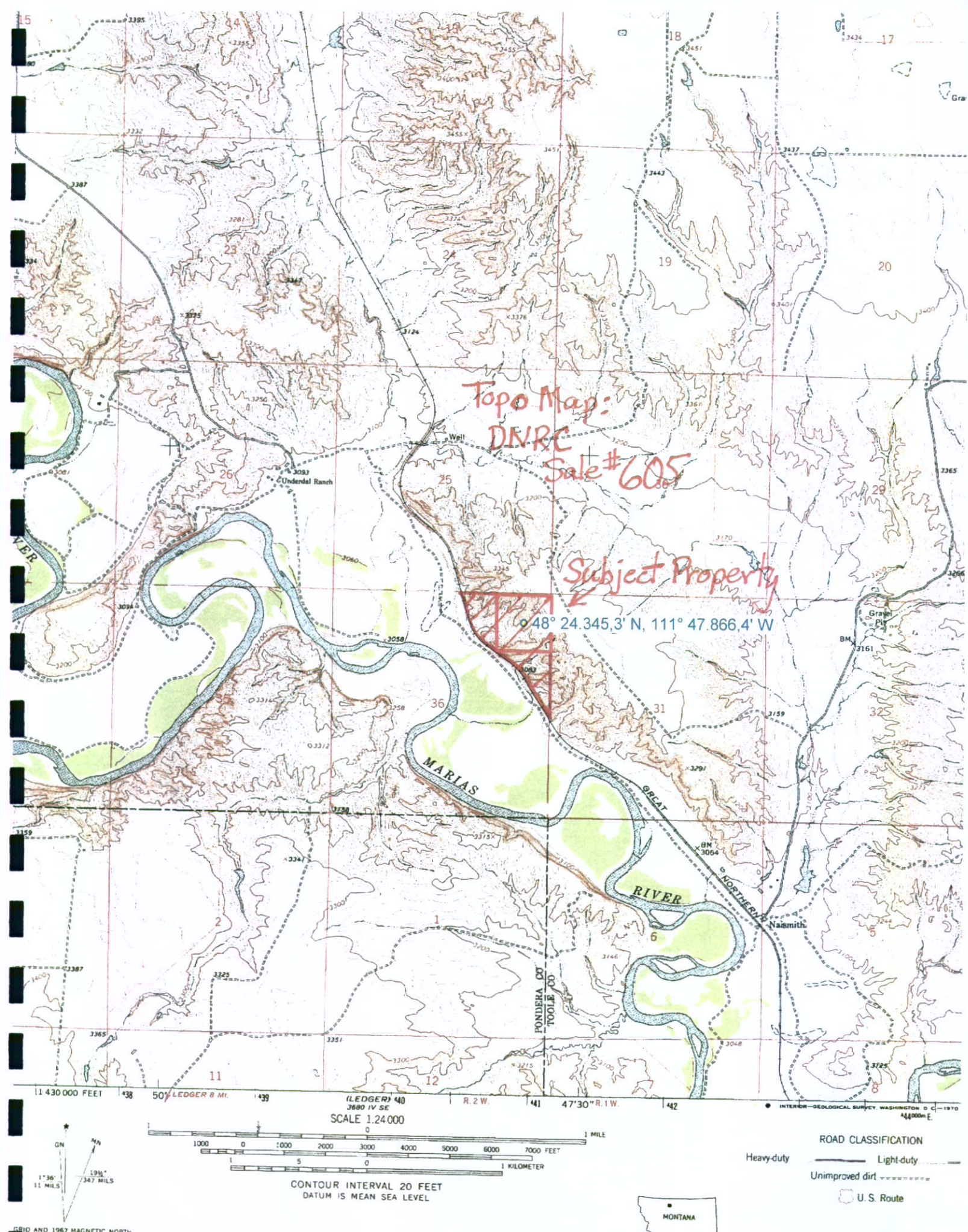
Subject
property



TOOLE COUNTY

OWNERSHIP MAP

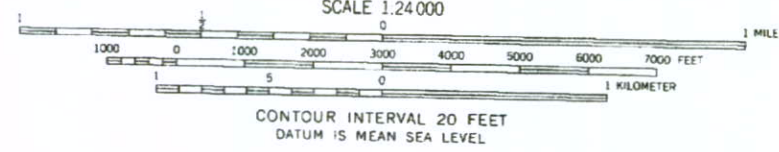
PUBLISHED BY
TOOLE COUNTY CONSERVATION DISTRICT.



Topo Map:
DNRC
Sale #605

Subject Property

48° 24.345,3' N, 111° 47.866,4' W



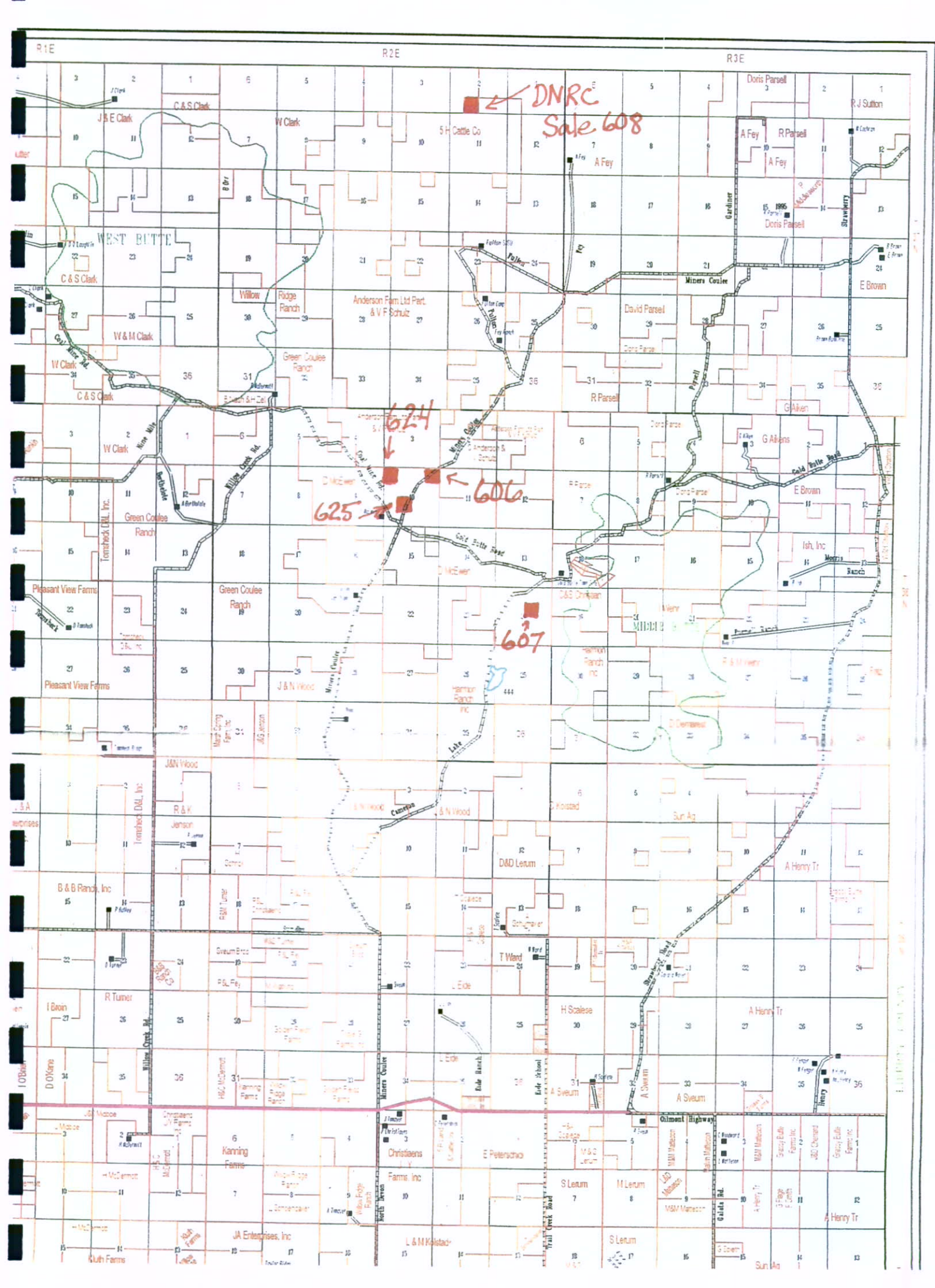
ROAD CLASSIFICATION

Heavy-duty	Light-duty
Unimproved dirt	U.S. Route



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D.C. 20242

NAISMITH, MT
N4822.5—W1114



ALBERTA

MONTANA

LETHBRIDGE DISTRICT

TOOLE CO

Topo Map
DNRC
Sale # 608

48° 59.290,7' N, 111° 26.197,4' W

↑
Subject
property

Spring 3456

COULEE

Weather Station
A. Fey Ranch

MINERS

Prichard

Creek 3567

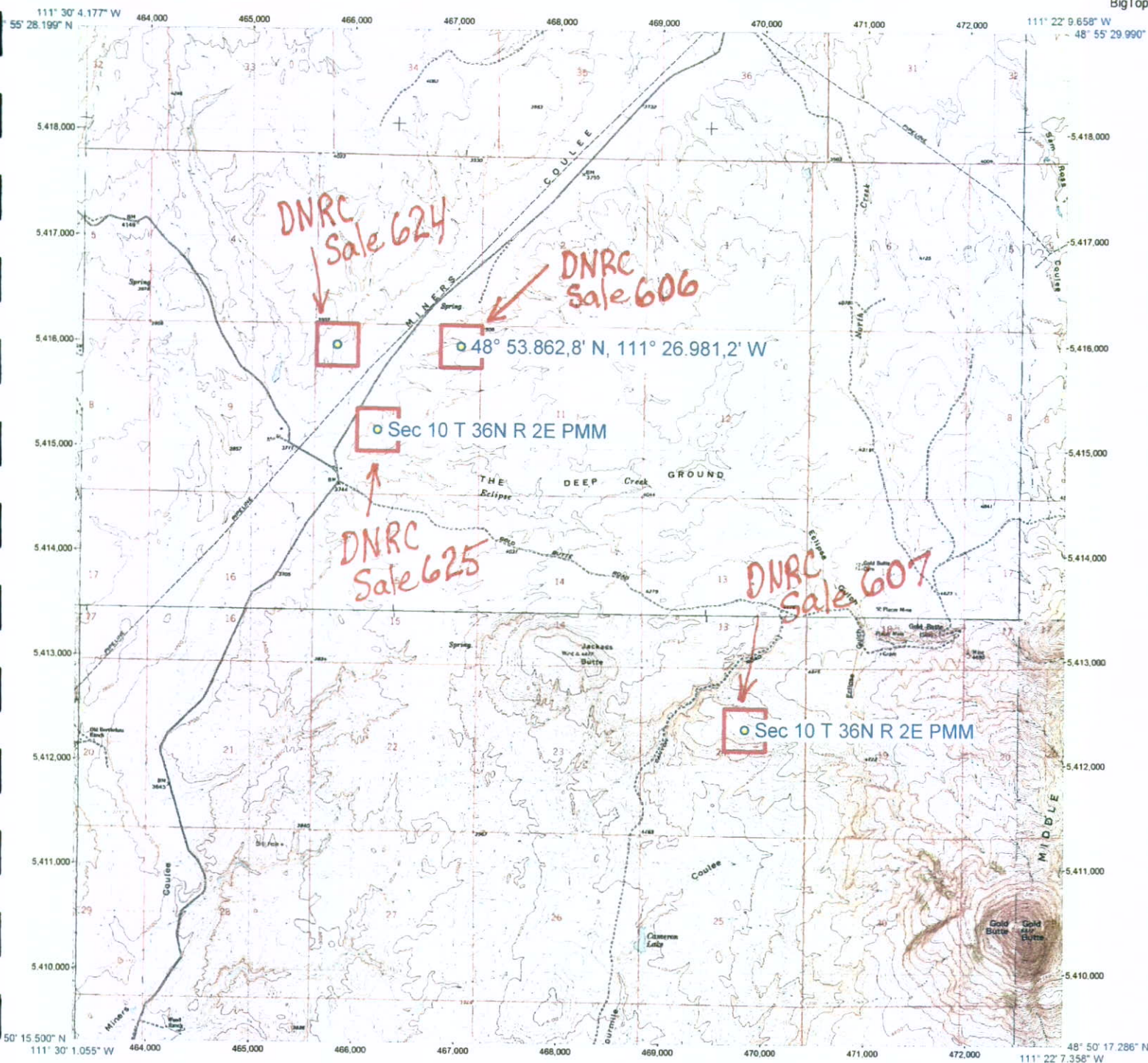
George and Fred

The Pot Hole 3741

Spring

LAKES

BM 3597



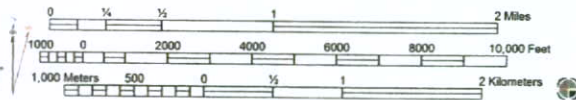
7 North American Datum; UTM grid zone 12

erated by BigTop7 (www.igage.com)

compiled from USGS Quads West Butte; MT,SK Fey Lakes; MT,AB

Whitash; MT,AB Fivemile Coulee East; MT Cameron Lake; MT Grassy Butte;

MT

(1983) Data used: 1983 USGS Topographic Map
Data source: USGS, 1:250,000 scale
UTM to NAD 83 Conversion: 1:250,000 scale

PROPERTY DESCRIPTION

LOCATION AND DESCRIPTION

LOCATION OF PROPERTY: The property consists of eight separate non contiguous parcels of native range pasture in Toole County, Montana:

Sale #605 is 8 miles southeast of Shelby, Toole County, MT. Location is approximately 8 miles east southeast of Shelby via paved State Highway 2, paved F Bridge road, gravel Frethiem Road and field trail along the Marias River northwest to the property. Adjacent neighboring property was crossed to access this parcel.

Sales #589 and 626 are 25 miles southeast of Shelby, Toole County, MT. Location is approximately 25 miles southeast of Shelby via paved Highway 2, paved F Bridge and Ledger Roads to Bootlegger Trail, then two miles north to within ¼ mile of Sale #589 and field trail to Sale #626

Sales #606, 607, 608, 624, & 625 are 34 miles northeast of Shelby, Toole County, MT. Location is approximately 30 - 36 miles northeast of Shelby via paved I-15 to Sunburst, then 30 miles east and north via Nine Mile, Miner's Coulee and Gold Butte Roads, to or near the parcels.

LOCATION AND DESCRIPTION CONTINUED

Sale #605 is 8 miles southeast of Shelby, Toole County, MT. Location is approximately 8 miles east southeast of Shelby via paved State Highway 2, paved F Bridge road, gravel Frethiem Road and field trail along the Marias River northwest to the property. This parcel was accessed with Marvin Fretheim through his property as well as a neighboring landowner's property. The parcel's terrain is very steep and not easily accessed. The subject property is in the breaks area of the Marias River in southern Toole County. Portions of parcel #605 is very steep and has limited production capabilities with Bentonite type soils. The parcel is partially perimeter fenced and is part of a larger pasture unit. No known stock water available on the parcel. The parcel is part of a larger pasture unit. The parcel is remote and is not easily accessed.

Sales #589 and 626 are 25 miles southeast of Shelby, Toole County, MT. Location is approximately 25 miles southeast of Shelby via paved Highway 2, paved F Bridge and Ledger Roads to Bootlegger Trail, then two miles north to within ¼ mile of Sale #589 and field trails to Sale #626. The parcels were fairly easily accessed, however through adjoining properties and not from the main roads. The parcels are not perimeter fenced and is part of a larger pasture unit. No stock water available on the parcels. #626 is sloping to steep and forage appeared to be in usable managed condition. #589 contained some areas of steep coulee banks but appeared to be in usable managed condition. No known stock water available on the parcels. The parcels are part of a larger pasture unit. The parcels are remote and is not easily accessed.

PROPERTY DESCRIPTION

LOCATION AND DESCRIPTION CONTINUED

Sales #606, 607, 608, 624, & 625 are 34 miles northeast of Shelby, Toole County, MT. Location is approximately 30 - 36 miles northeast of Shelby via paved I-15 to Sunburst, then 30 miles east and north via Nine Mile, Miner's Coulee and Gold Butte Roads, to or near the parcels. These parcels are located in northern Toole County in the Sweetgrass Hills area. These parcels are considered to be more productive than **Sales # 589, 626 and 605**, with higher elevation, more rainfall and variety of forage types. No known stock water available on the parcels. The parcels are part of a larger pasture unit. The parcels are remote and are not easily accessed. The parcels are hilly but appear to be productive.

Average annual precipitation is 10-12 inches. Precipitation 4-8 inches higher in the Sweetgrass Hills area. Productivity is estimated at about 4-10 acres per AUM on the pasture portions.

UTILITIES

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

HAZARDOUS MATERIAL AND TOXIC WASTE

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

PRIOR SALES HISTORY

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

FLOOD PLAIN

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

PROPERTY DESCRIPTION CONTINUED

PREDOMINANT SOILS

#589 and #626

- 222F Hillon-Neldore Loams, 25-70% slopes, Forage potential 500-1450 lb/acre. Thin Silty and Shallow Clay Range Site. 10-14" precip.
- 15F Lambeth Silt Loam, 15-70% slopes, Forage potential 850-1450 lb/acre. Thin Silty Range Site. 10-14" precip.
- 421D Joplin-Hillon Clay Loams, 2-8% slopes, Forage potential 1000-1800 lb/acre. Silty Range Site. 10-14" precip.
- 441C Kevin-Hillon Clay Loams, slopes, Silty range site, Forage potential 1000-1800 lb/acre. 10-14" precip.

#605

- 972F Neldore-Lambeth-Rock outcrop complex, 8-25% slopes, Forage potential 500-1450 lb/acre. Silty Range Site.
- 39B Ferd Loam, 0-4% slopes, Forage potential 850-1450 lb/acre. Thin Silty and Shallow Clay Range Site. 10-14" precip.

#606, #607, #624, #625 and #608

- 691B Vida-Vida, calcerous Williams Clay Loams, 0-3% slopes, Forage potential 1500-2500 lb/acre. Silty Range Site. 15-19" precip.
- 74B Shambo Loam, 0-4% slopes, Forage potential 1500-2500 lb/acre. Silty Range Site. 15-19" precip.
- 696E Vida-Zahill Clay Loams, 8- 25% slopes, Forage potential 1200-2500 lb/acre. Silty, Thin Silty Range Site. 15-19" precip.
- 721F Zahill Zahl Complex, 25-60% slopes, Forage potential 1000-2200 lb/acre. Silty Range Site. 10-14" precip.

PROPERTY DESCRIPTION CONTINUED

PREDOMINANT SOILS

#606, #607, #624, #625 and #608

694C Vida- Williams Clay Loams, 3-8% slopes, Forage potential 1500-2500 lb/acre. Silty Range Site. 10-14" precip.

695D Vida- Williams- Zahill Clay Loams, 3-8% slopes, Forage potential 1500-2500 lb/acre. Silty Range Site. 10-14" precip.

Growing season in the subject area is 105-125 days. Pasture land productivity on the subject is estimated at 5 acres per AUM for the overall for the purpose of this analysis. Soils on the subject property have fair to good productivity as agricultural land. Soils on the subject are well drained. Erosion hazards are moderate. All soils types require careful management to obtain optimal production. Soils map and legend summary is found on the following pages.

MARKETING PERIOD

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

CURRENT MARKETING CONDITIONS AND TRENDS

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

FUEL TANKS AND GARBAGE DUMPS

No evidence of above ground or below ground fuel tanks were observed on the property.

No garbage dumps were observed.











































HAZARDS AND DETRIMENTS

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

ZONING, MINERAL RIGHTS AND EASEMENTS

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

MAP LEGEND

	Area of Interest (AOI)		Very Stony Spot
	Area of Interest (AOI)		Wet Spot
	Soils		Other
	Soil Map Units		
	Special Point Features	Special Line Features	
	Blowout		Gully
	Borrow Pit		Short Steep Slope
	Clay Spot		Other
	Closed Depression	Political Features	
	Gravel Pit		Cities
	Gravelly Spot		PLSS Township and Range
	Landfill		PLSS Section
	Lava Flow	Water Features	
	Marsh or swamp		Oceans
	Mine or Quarry		Streams and Canals
	Miscellaneous Water	Transportation	
	Perennial Water		Rails
	Rock Outcrop		Interstate Highways
	Saline Spot		US Routes
	Sandy Spot		Major Roads
	Severely Eroded Spot		Local Roads
	Sinkhole		
	Slide or Slip		
	Sodic Spot		
	Spoil Area		
	Stony Spot		

MAP INFORMATION

Map Scale: 1:3,200 if printed on A size (8.5" x 11") sheet.

The soil surveys that comprise your AOI were mapped at 1:24,000. Please rely on the bar scale on each map sheet for accurate map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
 Coordinate System: UTM Zone 12N NAD83

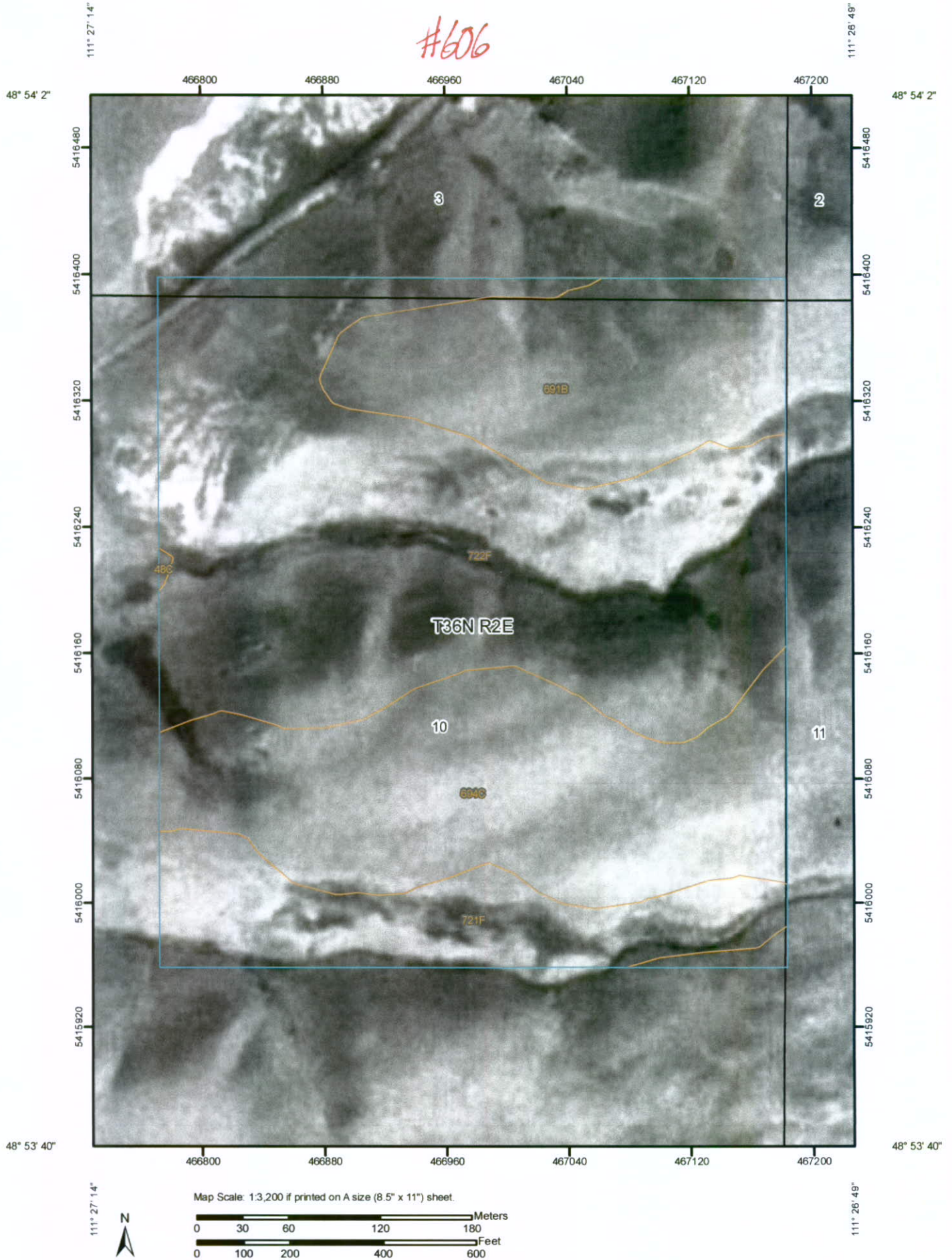
This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Toole County, Montana
 Survey Area Data: Version 8, Oct 19, 2010
 Date(s) aerial images were photographed: 8/30/1997

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 Map—Toole County, Montana

#606

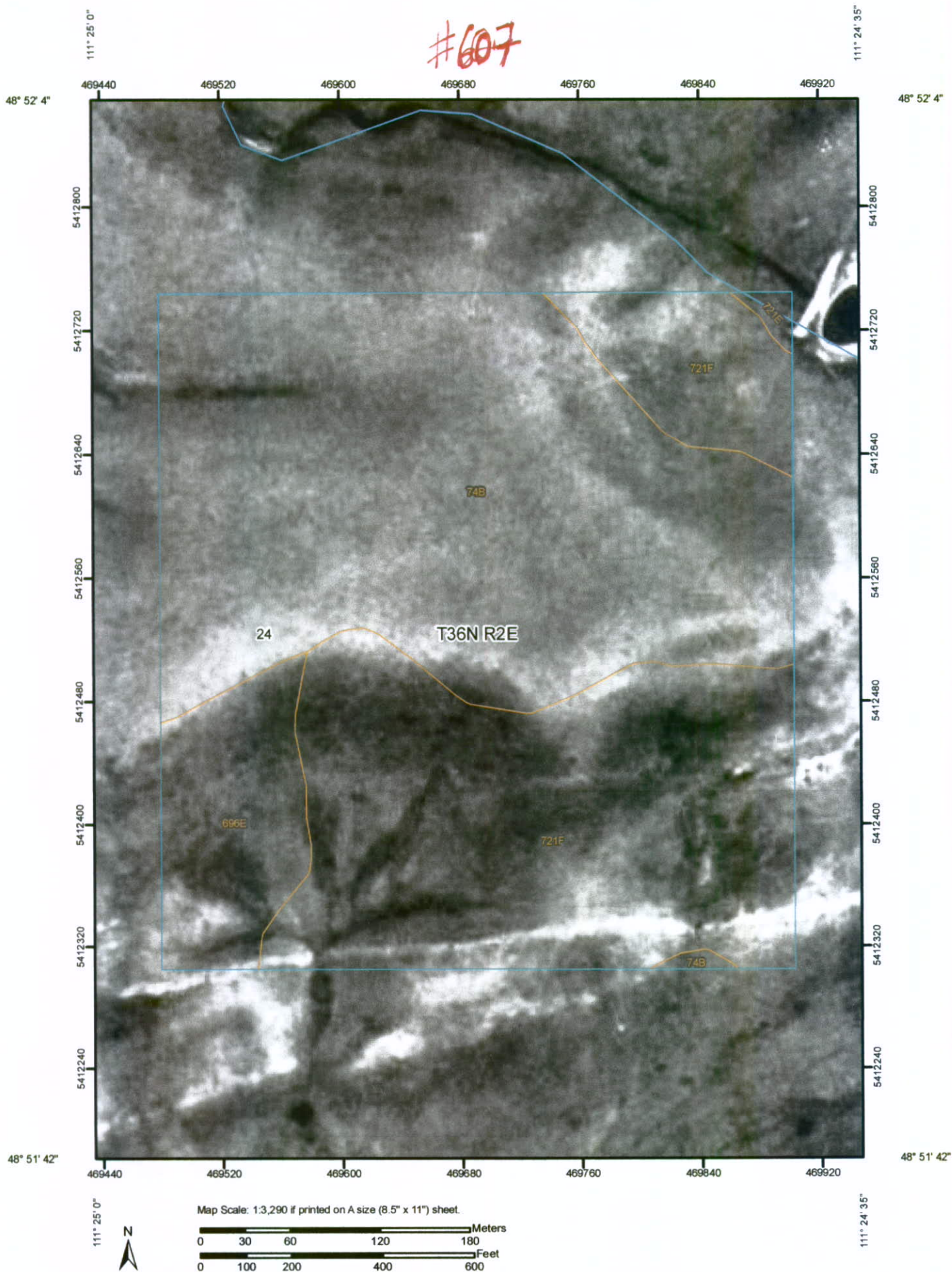


Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
48C	Vanda silty clay, 4 to 8 percent slopes	0.0	0.1%
691B	Vida-Vida, calcareous-Williams clay loams, 0 to 3 percent slopes	7.3	16.3%
694C	Vida-Williams clay loams, 3 to 8 percent slopes	11.5	25.6%
721F	Zahill-Zahl complex, 25 to 60 percent slopes	5.6	12.6%
722F	Zahill-Dast-Cabba complex, 25 to 65 percent slopes	20.3	45.5%
Totals for Area of Interest		44.7	100.0%

Soil Map—Toole County, Montana

#607

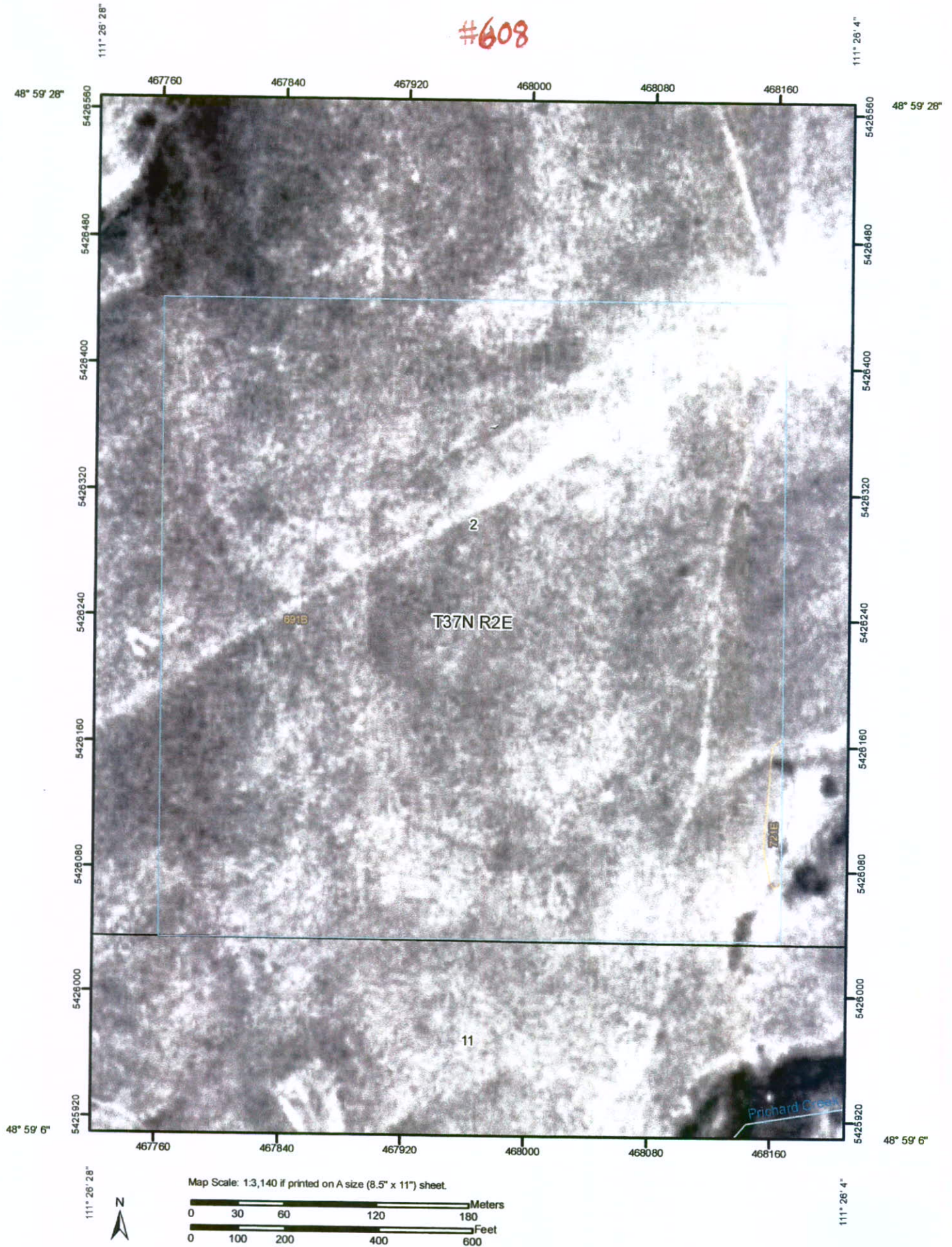


Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
74B	Shambo loam, 0 to 4 percent slopes	22.9	49.8%
696E	Vida-Zahill clay loams, 8 to 25 percent slopes	4.0	8.8%
721E	Zahill-Zahl complex, 15 to 25 percent slopes	0.2	0.4%
721F	Zahill-Zahl complex, 25 to 60 percent slopes	18.8	41.0%
Totals for Area of Interest		46.0	100.0%

Soil Map—Toole County, Montana

#608

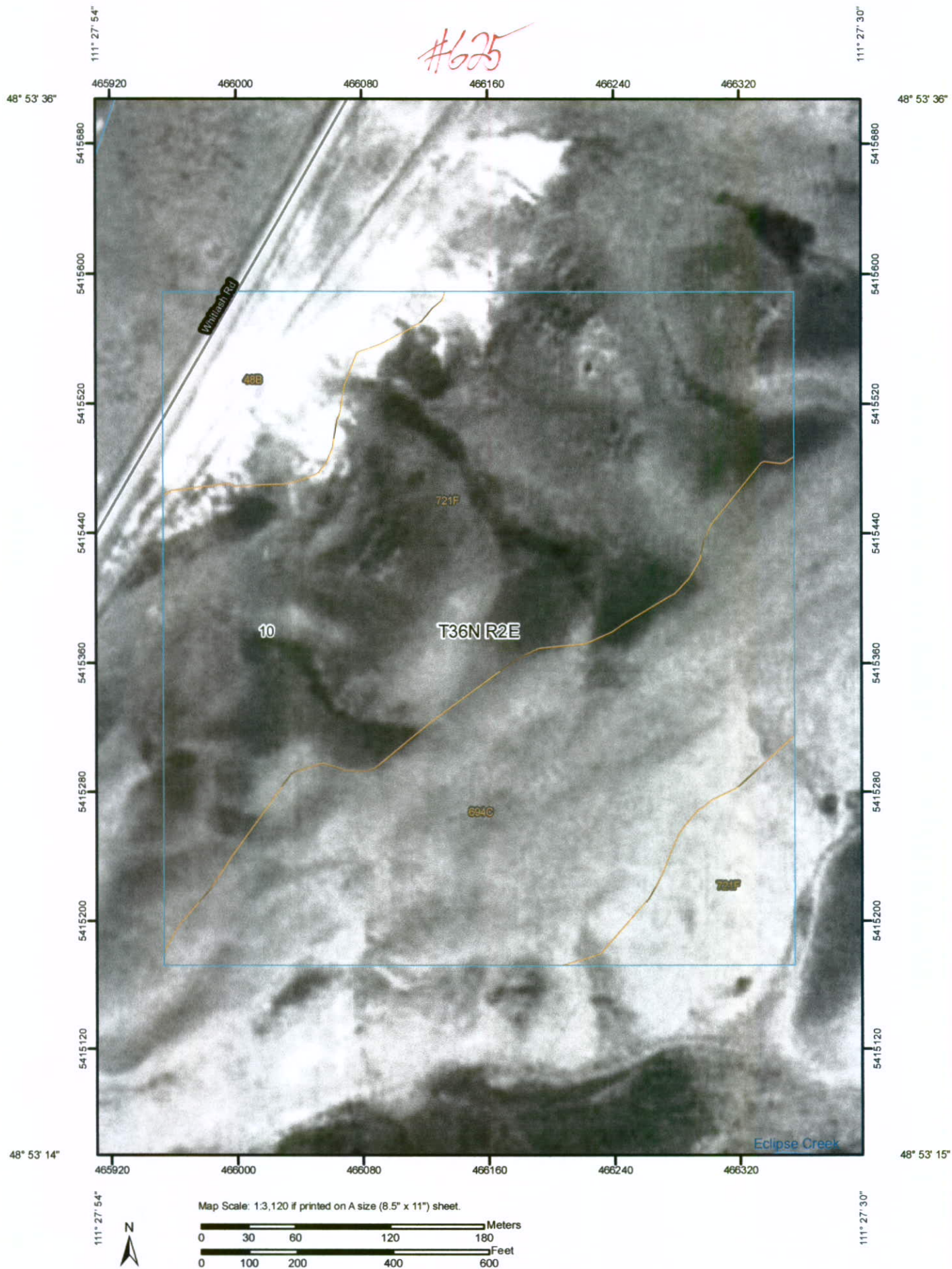


Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
691B	Vida-Vida, calcareous-Williams clay loams, 0 to 3 percent slopes	40.4	99.5%
721E	Zahill-Zahl complex, 15 to 25 percent slopes	0.2	0.5%
Totals for Area of Interest		40.6	100.0%

Soil Map—Toole County, Montana

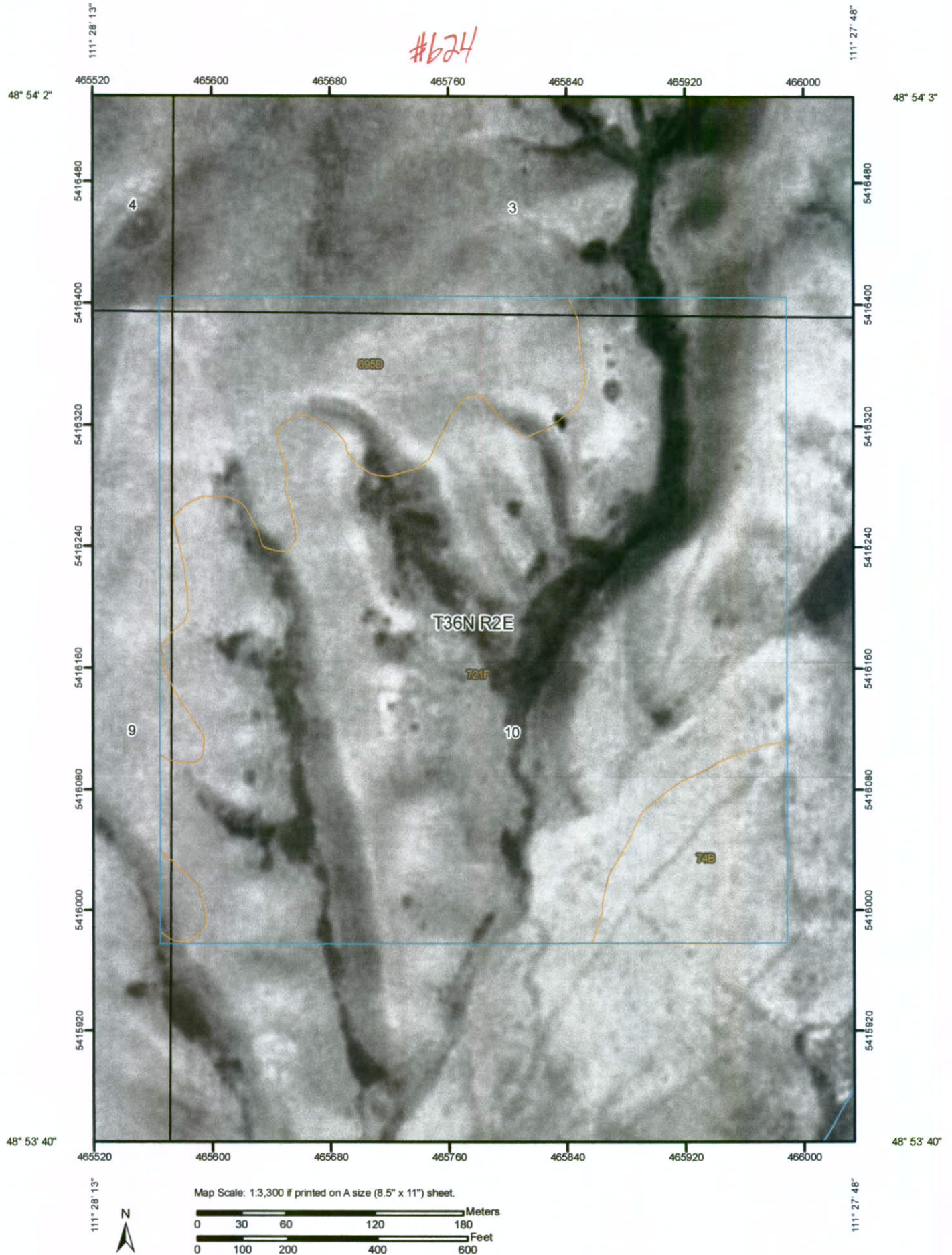
#625



Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
48B	Vanda silty clay, 0 to 4 percent slopes	3.7	9.0%
694C	Vida-Williams clay loams, 3 to 8 percent slopes	14.4	34.7%
721F	Zahill-Zahl complex, 25 to 60 percent slopes	23.3	56.3%
Totals for Area of Interest		41.4	100.0%

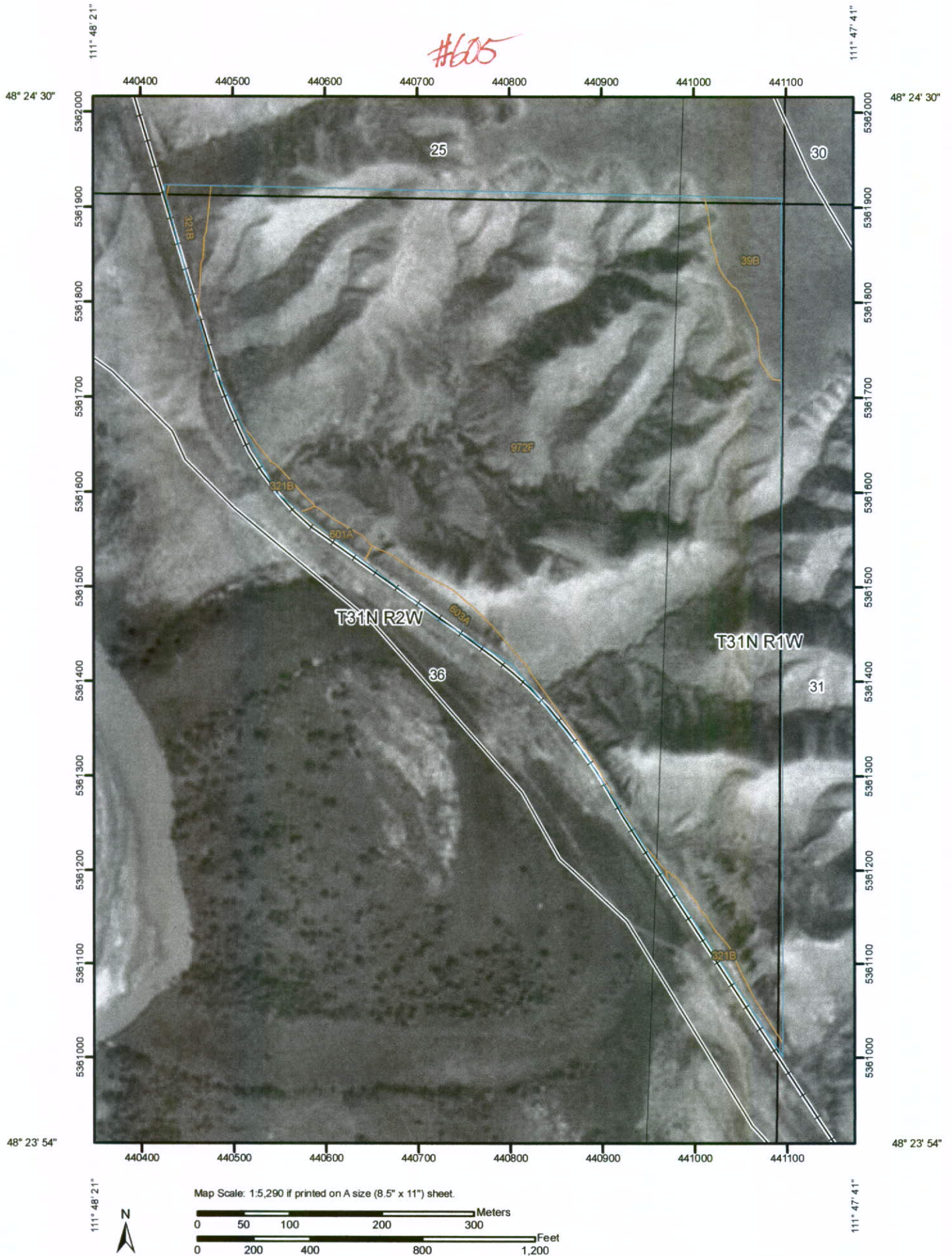
Soil Map—Toole County, Montana



Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
74B	Shambo loam, 0 to 4 percent slopes	3.2	7.3%
695D	Vida-Williams-Zahill clay loams, 4 to 15 percent slopes	8.4	18.8%
721F	Zahill-Zahl complex, 25 to 60 percent slopes	33.1	74.0%
Totals for Area of Interest		44.8	100.0%

Soil Map—Toole County, Montana



Map Unit Legend

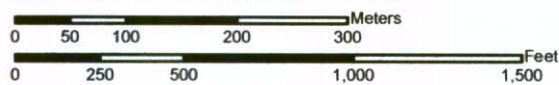
Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
39B	Ferd loam, 0 to 4 percent slopes	2.4	2.9%
321B	Kobase silty clay loam, calcareous, 0 to 4 percent slopes	1.8	2.2%
601A	Havre-Glendive complex, 0 to 2 percent slopes, rarely flooded	0.4	0.4%
603A	Havre-Glendive complex, 0 to 2 percent slopes, occasionally flooded	1.6	1.9%
972F	Neldore-Lambeth-Rock outcrop complex, 35 to 70 percent slopes	76.1	92.5%
Totals for Area of Interest		82.3	100.0%

Soil Map—Toole County, Montana

#676



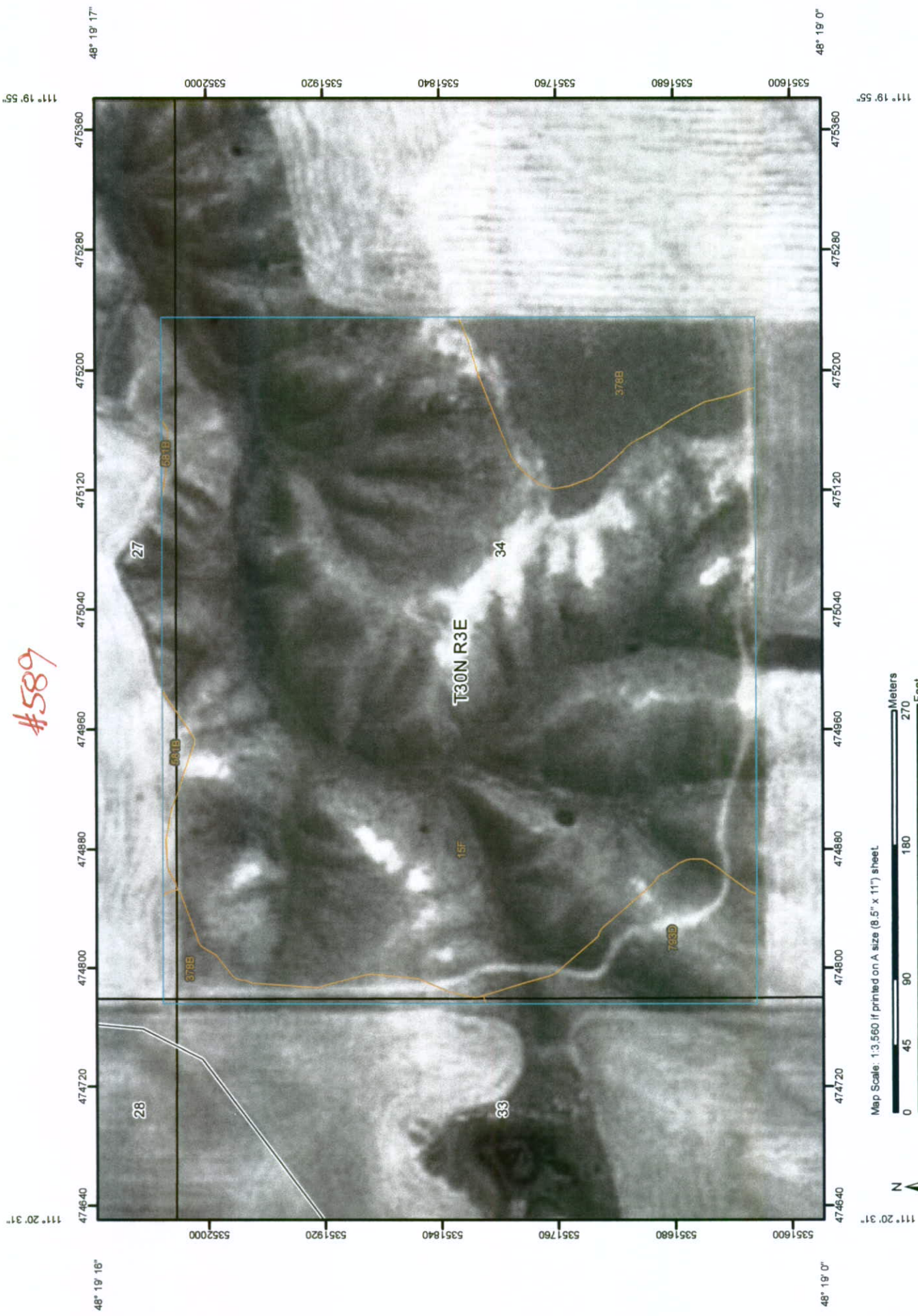
Map Scale: 1:6,580 if printed on A size (8.5" x 11") sheet.



Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
15F	Lambeth silt loam, 15 to 70 percent slopes	60.6	45.3%
222F	Hillon-Neldore complex, 25 to 70 percent slopes	19.7	14.8%
321B	Kobase silty clay loam, calcareous, 0 to 4 percent slopes	0.7	0.5%
378B	Evanston complex, 0 to 4 percent slopes	3.0	2.3%
421D	Joplin-Hillon clay loams, 8 to 15 percent slopes	40.8	30.5%
441C	Kevin-Hillon clay loams, 2 to 8 percent slopes	8.9	6.7%
Totals for Area of Interest		133.7	100.0%

#589



Map Unit Legend

Toole County, Montana (MT101)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
15F	Lambeth silt loam, 15 to 70 percent slopes	38.3	82.9%
378B	Evanston complex, 0 to 4 percent slopes	5.0	10.8%
581B	Lonna silty clay loam, 0 to 4 percent slopes	0.4	0.8%
793D	Yamacall loam, calcareous, 8 to 15 percent slopes	2.6	5.5%
Totals for Area of Interest		46.2	100.0%

COMPARABLE SALES APPROACH

A search of the market was made to find recent sales that are similar to the subject property. The area in Toole County near the subject parcels primarily consists of large acreage tightly held family farm and ranch properties. These properties seldom become available on the open market. No small tract grazing parcel sales were found. The Sales used are the most comparable and closest in proximity to the subject property that are available to the appraiser.

Information on sales data from comparable sales is adjusted to arrive at an opinion of market value for the subject property. Information is gathered from sources deemed reliable, however it is not guaranteed.

SALE # 1

Seller:

Buyer:

Sale Price: \$35,000

Sale Date: 1/08

Terms: Cash to Seller

Document: Liberty County

Confirmed: Selling Agent

HBU: Agricultural

Document:

83 Acres Dry Cropland @ \$350/acre =	\$29,050
<u>41 Acres Native Pasture @ \$ 145/acre=</u>	<u>\$ 5,945</u>
124	\$34,995

Legal Description:

This sale is located about 14 miles south of Chester. This sale has power available via overhead lines at the paved road that traverses the parcel. This sale has gently undulating topography. Access to this sale is from a paved road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grasses. Long time lessee purchased property. Pasture appeared to be fenced with lessee's bordering pasture.

COMPARABLE SALES APPROACH (continued)

SALE # 2

Seller:
Buyer:
Sale Price: \$71,000
Sale Date: 5/1/08
Terms: Cash to Seller
County: Liberty County
Confirmed: Selling Agent
HBU: Agricultural
Document:

36 Acres Dry Cropland	@ \$450/acre =	\$16,200
<u>103.26 Acres Native Pasture</u>	@ \$270/acre =	<u>\$27,880</u>
139.26 Total Deeded Acres		\$44,080

Improvements	<u>\$26,920</u>
	\$71,000

Legal Description:

Sale property is located about 2 miles southeast of Chester. Consists of two non contiguous parcels. This sale has power available via overhead lines. The sale has gently undulating topography. Access to this sale is from a gravel road. This sale is located in an agricultural area. The vegetation on this sale is dry cropland and native grass. Listed at \$80,000 on 3/26/08. Sale not used on chart as the location was nearly adjacent to the town of Chester and it was an improved sale.

COMPARABLE SALES APPROACH (continued)

SALE # 3

Seller:

Buyer:

Sale Price: \$848,810

Sale Date: 3/21/08

Terms: Cash

County: Hill

HBU: Agricultural

Reference: Appraiser

368.50	Acres C.R. P.	@ \$500/acre =	\$184,250
<u>2191.50</u>	Acres Native Pasture	@ \$261/acre =	<u>\$571,982</u>
2564.00	Acres	Total Land Value =	\$756,232

Improvements	<u>\$92,578</u>
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Total	\$848,810
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Legal Description:

Located 25 miles north of Havre, MT. Utilities are readily available to the site. Access is by a gravel county road and paved Highway #232. Pits and reservoir water. Buyer motivation was expansion. Improvements include dwelling, garage, barn, shop, imp shed, and various bins.

COMPARABLE SALES

Sale #4

Seller:

Buyer:

Sale Price: \$300,000

Sale Date: 7/2009

Terms: Cash

County: Toole

HBU: Agricultural

26,720	167.00 Acres Native Range	@ \$160/acre	=	\$
	=	<u>455.00</u> Acres Dry Crop Land	@ \$600/acre	
		<u>\$273,000</u>		
	622.00 Deeded Acres	Total Land Value		\$299,720

No Improvements

Legal Description:

Located about 7 miles west of Shelby. Access is from gravel county roads. Subject to terms, conditions, restrictions and limitations of the current lease in favor of the current tenant which had no apparent effect on the sales price. Existing fences are in disrepair and may not be located on boundary lines.

COMPARABLE SALES

Sale #5

Seller:

Buyer:

Sale Price: \$1,250,000

Sale Date: 10/2008

Terms: Cash

County: Toole

HBU: Agricultural

3980.62 Acres Native Range	@ \$110/acre	=	\$ 437,868
1418.00 Acres CRP	@ \$400/acre	=	\$ 567,200
360.00 Acres Dry Crop Land	@ \$400/acre	=	\$ 144,000
18.00 Acres Farmstead	@ \$400/acre	=	\$ 7,200
5776.62 Deeded Acres	Total Land Value		\$1,156,268

Contributory Value of Improvements	\$ 93,732
	\$1,250,000

Improvements are an older dwelling, two quonsets, two machine sheds and grain bins.

Legal Description: Lengthy legals in:

Located about 10 miles north of Ethridge and west of Kevin in scattered tracts. Access is via graveled county roads to most of the property. Seasonal stockwater from springs and creeks. Water also available from spigots on the Kevin water supply. Motivation was for expansion. Buyers are local operators.

COMPARABLE SALES

Sale #6

Seller:

Buyer:

Sale Price: \$18,000

Sale Date: 1/2008

Terms: Cash

County: Toole

HBU: Agricultural

<u>120.00 Acres Native Range</u>	@ \$150/acre	=	<u>\$ 18,000</u>
120.00 Deeded Acres	Total Land Value		\$ 18,000

No improvements.

Legal Description:

Located about 4 miles northwest of Sunburst. Does not appear accessible by county road, but it adjoins land owned by the buyer. Some limited water and fencing on the property. Motivation was for expansion. Buyer is a local operator.

Sale #6 is most comparable to the breaks type areas with soils of dense clay and saline upland soil types. These soils have capabilities of only 400-900lbs/acre and 350-600 lbs per acre.

COMPARABLE SALES

Sale #7

Seller:

Buyer:

Sale Price: \$356,387

Sale Date: 4/2009

Terms: Cash

County: Toole

HBU: Agricultural

479.08 Acres Native Range	@ \$200/acre	=	\$ 95,816
635.80 Acres CRP	@ \$400/acre	=	\$254,320
1114.88 Deeded Acres	Total Land Value		\$350,136

Contributory Value of Improvements	\$ 6,251
	\$356,387

Improvements are two grain bins, not given much consideration in the sale.

Legal Description:

Located about 18 miles east of Oilmont. Access is legal. Seasonal stock water available for at least part of the growing season. A ½ interest in a State of Montana lease was included with the purchase. Out of state seller. CRP contracts extend into 2018. Buyer receives all of the 2008-2009 CRP payment. Motivation was for expansion. Buyers are local operators.

COMPARABLE SALES

Sale #8

Seller:

Buyer:

Sale Price: \$350,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

<u>720.00 Acres Native Range</u>	@ \$486/acre	=	<u>\$349,920</u>
720.00 Deeded Acres	Total Land Value		\$349,920

No Improvements

Legal Description:

Located about 25 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to steep. Stock water from two developed springs, a well, two reservoirs and natural springs. Motivation was for expansion. Buyer is a local operator.

COMPARABLE SALES

Sale #9

Seller:

Buyer:

Sale Price: \$234,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

<u>520.00</u> Acres Native Range	@ \$450/acre	=	<u>\$234,000</u>
520.00 Deeded Acres	Total Land Value		\$234,000

No Improvements

Legal Description:

Located about 25 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to steep. Stock water from springs and augmented by Little Sage drainage. Motivation was for expansion. Buyer is a local operator.

COMPARABLE SALES

Sale #10

Seller:

Buyer:

Sale Price: \$211,000

Sale Date: 6/2009

Terms: Cash

County: Liberty

HBU: Agricultural

578.20 Acres Native Range	@ \$300/acre	=	\$173,460
75.60 Acres CRP	@ \$500/acre	=	\$ 37,800
653.80 Deeded Acres	Total Land Value		\$211,260

No Improvements

Legal Description:

Located about 23 miles north of Chester. Access is from gravel county roads. Topography on the tract is moderately rolling to hilly to steep. Stock water from two developed springs and Corral Creek. Motivation was for expansion. Buyer is a local operator.

COMPARABLE SALES APPROACH (continued)

Sale	Sale Price	Total Acres	Per Acre	Location	Lease	Imps	Cows	Equip	Crop	Mix	Per /Acre
# 1	\$ 35,000	124	\$282	----	----	----	----	----	----	-137	\$145
# 4	\$300,000	622	\$482	----	----	----	----	----	----	-322	\$160
# 6	\$ 18,000	120	\$150	----	----	----	----	----	----	-0-	\$150
# 8	\$350,000	720	\$486	----	----	----	----	----	----	-0-	\$486
# 9	\$234,000	520	\$450	----	----	----	----	----	----	-0-	\$450
#10	\$211,000	654	\$323	----	----	----	----	----	----	-23	\$300

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

438 Acres Pasture @ \$218.50/acre = \$95,703

Reconciliation of Comparable Sales Approach

Adjusted sales values range from \$145/acre to \$486/acre. One small tract pure native pasture sale was found in the market area. The opinion of value of the subject property is \$218.50/acre. **Sales #589, 626 and 605** have no legal public access. Most similar to sales #1, 4 and 6 in production and rainfall. Sale # 2 not used as it is an improved sale close to the town of Chester. Sales #3 and #5 were not used as they were much larger sales of an operable unit. Sale #6 is most comparable to the breaks type areas of **Sales #589, 626 and 605** with steep terrain and soils of dense clay and saline upland soil types and production capabilities of only 400-900lbs/acre and 350-600 lbs per acre. Entirely surrounded by private property. Accessibility through adjacent private property. The drainages running through the parcels included breaks type areas and sparsely vegetated areas. The soil types of these parcels have 500-1800 lbs./acre production capabilities and 10 to 14 inches rainfall. The opinion of value of **Sales #589, 626 and 605** is \$150/acre. **Sales #606, 607, 624, 625 and 608** are located in the Sweetgrass Hills area. Minimal distance between range plants and forbs in this area. Three current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels, with the exception of Sale #608, are hilly but appear to be very productive with 1500-2500 lbs./ acre production capabilities and 15 to 19 inch rainfall. Entirely surrounded by private property. Most similar to comparable sales #8, 9, and 10 in production. Other sales not used that were not nearly as productive as the comparable sales #8, 9, and 10. The opinion of value of **Sales #606, 607, 624, 625 and 608** is \$300/acre due to the fact that the parcels are small scattered tracts that are of little economic benefit to anyone but the current owner /operator.

COMPARABLE SALES APPROACH (continued)

Sales used were deemed the most comparable to the subject parcels. Other sales were not used for a variety of reasons including distance, inappropriate use mix, production, location etc.

Adjustments were made on the following basis:

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

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

Mix sheet calculations follow.

OPINION OF MARKET VALUE FROM COMPARABLE SALES APPROACH

Pasture

Sale # 589	<u>40</u> Acres Pasture	@ \$150/acre = \$ 6,000
Sale # 626	<u>120</u> Acres Pasture	@ \$150/acre = \$18,000
Sale # 605	<u>78</u> Acres Pasture	@ \$150/acre = \$11,700
Sale # 606	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 607	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 624	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 625	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
Sale # 608	<u>40</u> Acres Pasture	@ \$300/acre = \$12,000
438 Acres Pasture @ \$218.50/acre = \$95,700		

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

438 Acres Pasture @ \$218.50/acre = \$95,703

\$95,700 Rounded

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Sale # 1 =				Land mix = -\$137				Sale # 4 =				Land mix = -\$322			
Land Use	Sale Acres	\$ / Ac	Total	Subject Acres	\$ / Ac	Total		Land Use	Sale Acres	\$ / Ac	Total	Subject Acres	\$ / Ac	Total	
Irrig Crop	0	\$0	\$0	0	\$0	\$0		Irrig Crop	0	\$0	\$0	0	\$0	\$0	
Irrig Hay	0	\$0	\$0	0	\$0	\$0		Irrig Hay	0	\$0	\$0	0	\$0	\$0	
Dry Crop	83	\$350	\$29,050	0	\$350	\$0		Dry Crop	455	\$600	\$273,000	0	\$0	\$0	
CRP	0	\$0	\$0	0	\$0	\$0		CRP	0	\$0	\$0	0	\$0	\$0	
Imp Pasture	0	\$0	\$0	0	\$0	\$0		Imp Pasture	0	\$0	\$0	0	\$0	\$0	
Range land	41	\$145	\$5,945	438	\$145	\$63,510		Range land	167	\$160	\$26,720	438	\$160	\$70,080	
Recreation	0	\$0	\$0	0	\$0	\$0		Recreation	0	\$0	\$0	0	\$0	\$0	
Site	0	\$0	\$0	0	\$0	\$0		Site	0	\$0	\$0	0	\$0	\$0	
Waste	0	\$0	\$0	0	\$0	\$0		Waste	0	\$0	\$0	0	\$0	\$0	
Other-Bldg	0	\$0	\$0	0	\$0	\$0		Other-Bldg	0	\$0	\$0	0	\$0	\$0	
Total	124	\$282	\$34,995	438	\$145	\$63,510		Total	622	\$482	\$299,720	438	\$160	\$70,080	
Sale # 2 =				Land mix = -\$47				Sale # 5 =				Land mix = -\$90			
Land Use	Sale Acres	\$ / Ac	Total	Subject Acres	\$ / Ac	Total		Land Use	Sale Acres	\$ / Ac	Total	Subject Acres	\$ / Ac	Total	
Irrig Crop	0	\$0	\$0	0	\$0	\$0		Irrig Crop	0	\$0	\$0	0	\$0	\$0	
Irrig Hay	0	\$0	\$0	0	\$0	\$0		Dry Crop	360	\$400	\$144,000	0	\$550	\$0	
Dry Crop	36	\$450	\$16,200	0	\$0	\$0		CRP	1418	\$400	\$567,200	0	\$400	\$0	
CRP	0	\$0	\$0	0	\$0	\$0		Imp Pasture	0	\$0	\$0	0	\$0	\$0	
Imp Pasture	0	\$0	\$0	0	\$0	\$0		Range land	3980.62	\$110	\$437,868	438	\$110	\$48,180	
Range land	103.26	\$270	\$27,880	438	\$270	\$118,260		Recreation	0	\$0	\$0	0	\$0	\$0	
Recreation	0	\$0	\$0	0	\$0	\$0		Site	18	\$400	\$7,200	0	\$400	\$0	
Site	0	\$0	\$0	0	\$0	\$0		Waste	0	\$0	\$0	0	\$0	\$0	
Waste	0	\$0	\$0	0	\$0	\$0		Other-Bldg	0	\$0	\$0	0	\$0	\$0	
Other-Bldg	0	\$0	\$0	0	\$0	\$0		Total	5776.62	\$200	\$1,156,268	438	\$110	\$48,180	
Total	139.26	\$317	\$44,080	438	\$270	\$118,260									
Sale # 3 =				Land mix = -\$34											
Land Use	Sale Acres	\$ / Ac	Total	Subject Acres	\$ / Ac	Total									
Irrig Crop	0	\$0	\$0	0	\$0	\$0									
Irrig Hay	0	\$0	\$0	0	\$0	\$0									
Dry Crop	0	\$0	\$0	0	\$0	\$0									
CRP	368.5	\$500	\$184,250	0	\$0	\$0									
Imp Pasture	0	\$0	\$0	0	\$0	\$0									
Range land	2191.5	\$261	\$571,982	438	\$261	\$114,318									
Recreation	0	\$0	\$0	0	\$0	\$0									
Site	0	\$0	\$0	0	\$0	\$0									
Waste	0	\$0	\$0	0	\$0	\$0									
Other-Bldg	0	\$0	\$0	0	\$0	\$0									
Total	2560	\$295	\$756,232	438	\$261	\$114,318									

DNRC Toole - Page 2									
Sale # 6 =									
Land Use	Sale Acres: \$ / Ac	Total	Land mix = Subject Acr \$ / Ac	\$0	Total	Sale # 9 = Land Use	Sale Acres: \$ / Ac	Total	Land mix = Subject Acr \$ / Ac
Irrig Crop	0	\$0	0	\$0	\$0	Irrig Crop	0	\$0	0
Irrig Hay	0	\$0	0	\$0	\$0	Irrig Hay	0	\$0	0
Dry Crop	0	\$0	0	\$0	\$0	Dry Crop	0	\$0	0
CRP	0	\$0	0	\$0	\$0	CRP	0	\$0	0
Imp Pasture	0	\$0	0	\$0	\$0	Imp Pasture	0	\$0	0
Range land	120	\$150	438	\$150	\$65,700	Range land	520	\$450	438
Recreation	0	\$0	0	\$0	\$0	Recreation	0	\$0	0
Site	0	\$0	0	\$0	\$0	Site	0	\$0	0
Waste	0	\$0	0	\$0	\$0	Waste	0	\$0	0
Other-Bldg	0	\$0	0	\$0	\$0	Other-Bldg	0	\$0	0
Total	120	\$150	438	\$150	\$65,700	Total	520	\$450	438
Sale # 7 =									
Land Use	Sale Acres: \$ / Ac	Total	Land mix = Subject Acr \$ / Ac	-\$114	Total	Sale # 10 = Land Use	Sale Acres: \$ / Ac	Total	Land mix = Subject Acr \$ / Ac
Irrig Crop	0	\$0	0	\$0	\$0	Irrig Crop	0	\$0	0
Irrig Hay	0	\$0	0	\$0	\$0	Dry Crop	0	\$0	0
Dry Crop	0	\$0	0	\$0	\$0	CRP	75.6	\$500	0
CRP	635.8	\$400	0	\$0	\$0	Imp Pasture	0	\$0	0
Imp Pasture	0	\$0	0	\$0	\$0	Range land	578.2	\$300	438
Range land	479.08	\$200	438	\$200	\$87,600	Recreation	0	\$0	0
Recreation	0	\$0	0	\$0	\$0	Site	0	\$0	0
Site	0	\$0	0	\$0	\$0	Waste	0	\$0	0
Waste	0	\$0	0	\$0	\$0	Other-Bldg	0	\$0	0
Other-Bldg	0	\$0	0	\$0	\$0	Total	653.8	\$323	438
Total	1114.88	\$314	438	\$200	\$87,600	Total	653.8	\$323	438
Sale # 8 =									
Land Use	Sale Acres: \$ / Ac	Total	Land mix = Subject Acr \$ / Ac	\$0	Total				
Irrig Crop	0	\$0	0	\$0	\$0				
Irrig Hay	0	\$0	0	\$0	\$0				
Dry Crop	0	\$0	0	\$0	\$0				
CRP	0	\$0	0	\$0	\$0				
Imp Pasture	0	\$0	0	\$0	\$0				
Range land	720	\$486	438	\$486	\$212,868				
Recreation	0	\$0	0	\$0	\$0				
Site	0	\$0	0	\$0	\$0				
Waste	0	\$0	0	\$0	\$0				
Other-Bldg	0	\$0	0	\$0	\$0				
Total	720	\$486	438	\$486	\$212,868				

INCOME APPROACH

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

Native range estimated at 5 ac/aum at \$20/aum. Land owner's share is 100%. CRP \$35/acre minus \$2.50/ acre maintenance cost with 50% landowner share. Management fee is estimated at 5% of gross income. Real estate taxes are not considered.

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

INCOME APPROACH DATA CAPITALIZATION RATE

	Date	Sales	Total	Dry	Native	CRP or	Gross	Net	Cap.
<u>Sale</u>	<u>of</u>	<u>Price</u>	<u>Acres</u>	<u>Crop</u>	<u>Grass</u>	<u>ImpGrass</u>	<u>Income</u>	<u>Income</u>	<u>Rate</u>
#6	1/08	\$18,000	120	----	120	----	\$ 480	\$ 456	2.53%
#10	6/09	\$211,000	654	----	578	76	\$3,547	\$3,370	1.60%

INCOME APPROACH

Income from Land Resources

Crop	Acres	Yield /Acre	Amount	Price /Unit	Gross Income	Owner Share	Value
Pasture	<u>438.0</u>	5 ac/aum	87.6 aum	\$20.00	\$ 1,752	100%	<u>\$ 1,752</u>
	438.0	TOTAL DEEDED ACRES			GROSS INCOME		\$ 1,752

Expense

Management Fee	(5%)	\$ 88
TOTAL EXPENSE		\$ 88

NET INCOME \$ 1,664

Capitalization Rate 1.75%

Capitalization Value = Net Income \$ 1,664 ÷ Cap Rate .0175= \$ 95,085

OPINION OF VALUE FROM INCOME APPROACH ROUNDED \$95,100

The capitalization rate of 1.75% is used based on the necessary blend of the cap rates developed above from a pure pasture sale and a sale comprised of a small amount of CRP and pasture.

The capitalization rate of 1.75% cannot be projected into perpetuity due to variation in weather, yields, market values, government payments, etc.

The opinion of value from the Income approach supports the value derived from the Sales Comparison Approach.

COST APPROACH (SUMMATION)

The cost approach (summation) considers the contributory value of the land in individual uses. Data abstracted from the comparable sales was used to determine abstracted values for the cost approach.

VALUATION OF LAND SEPARATED BY PARCEL

OPINION OF MARKET VALUE FROM COST SALES APPROACH

Sale # 589	40 Acres Pasture	@ \$150/acre = \$ 6,000
Sale # 626	120 Acres Pasture	@ \$150/acre = \$18,000
Sale # 605	78 Acres Pasture	@ \$150/acre = \$11,700
Sale # 606	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 607	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 624	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 625	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 608	40 Acres Pasture	@ \$300/acre = \$12,000
438 Acres Pasture @ \$218.50/acre = \$95,700		

OPINION OF VALUE FROM COST APPROACH

\$ 95,700

The opinion of value from the Cost approach supports the value derived from the Sales Comparison Approach.

FINAL CONCLUSION TO VALUE

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

Comparable Sales Approach	\$ 95,700
Income Approach	\$ 95,100
Cost Approach	\$ 95,700

RECONCILIATION AND OPINION OF VALUE

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

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

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

Based on the foregoing, the final opinion of market value for the subject property as of 10/21/10 is **\$95,700**.

FINAL CONCLUSION TO VALUE CONTINUED

The undersigned hereby certifies that to the best of his knowledge and belief, the statements contained in the appraisal report are correct. The opinions stated herein are based on a careful inspection of the property and assembly of all pertinent facts. The undersigned has neither present nor contemplated interest in the appraised property.

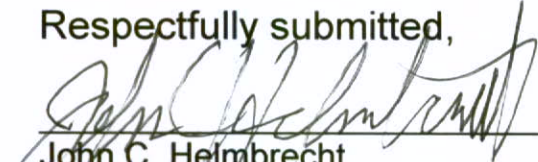
The appraisal assignment was not based on a requested minimum valuation, specific valuation, or the approval of a loan.

After weighing all the factors herein reported, to the best of his knowledge and belief, it is the appraisers opinion that the present market value of the subject property, as of 10/21/10, described in the foregoing appraisal is as follows:

Opinion of Market Value

Sale # 589	40 Acres Pasture	@ \$150/acre = \$ 6,000
Sale # 626	120 Acres Pasture	@ \$150/acre = \$18,000
Sale # 605	78 Acres Pasture	@ \$150/acre = \$11,700
Sale # 606	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 607	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 624	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 625	40 Acres Pasture	@ \$300/acre = \$12,000
Sale # 608	40 Acres Pasture	@ \$300/acre = \$12,000
438 Acres Pasture @ \$218.50/acre = \$95,700		

Respectfully submitted,


John C. Helmbrecht
Montana Certified General Appraiser

SUBJECT PHOTOS



Sale #626 Looking northwest.

SUBJECT PHOTOS



Sale #589 From northwest corner looking south.

SUBJECT PHOTOS



Sale #605 Looking north from railroad.

SUBJECT PHOTOS



Sale #607 Looking south toward subject

SUBJECT PHOTOS



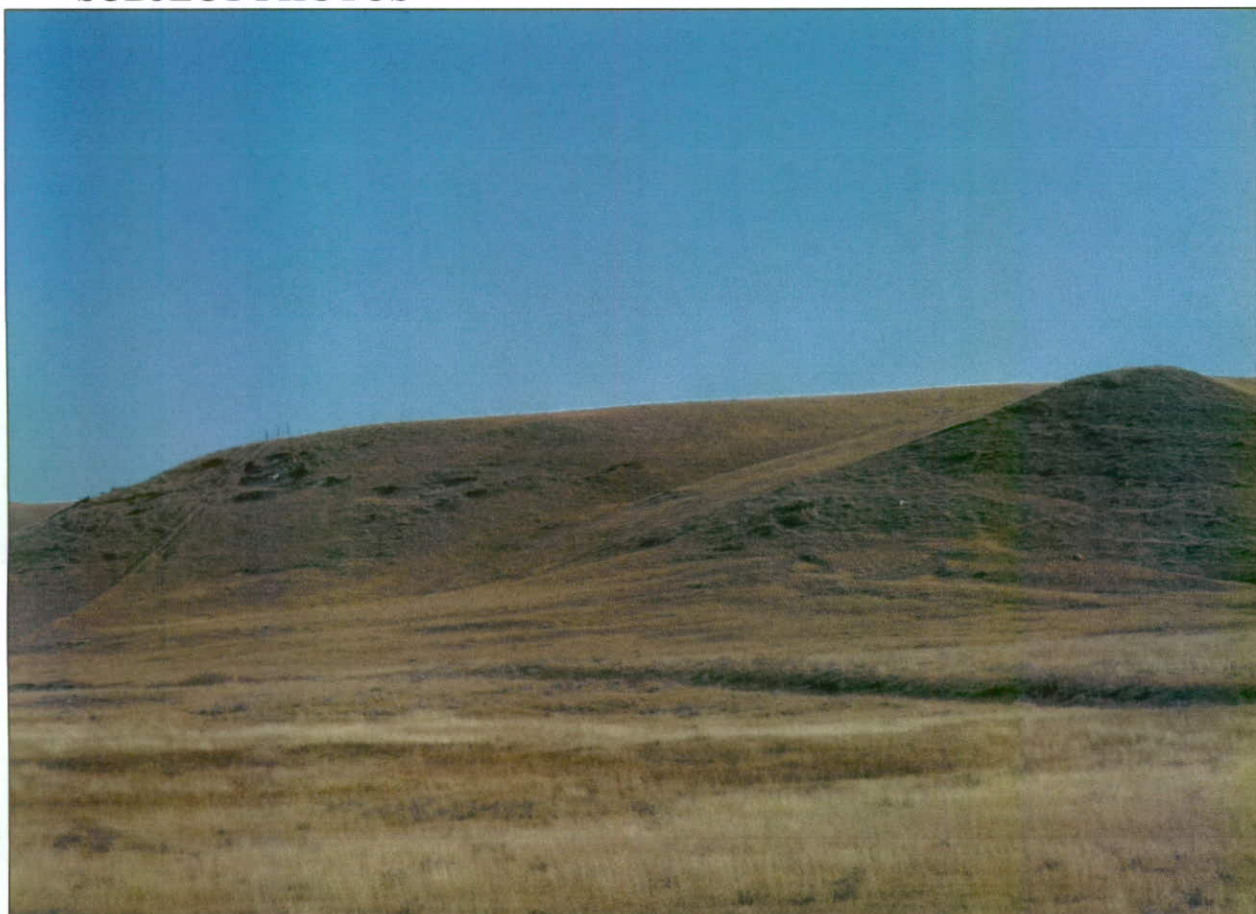
Sale #625 Looking northeast from road.

SUBJECT PHOTOS



Sale #624. Looking west from road.

SUBJECT PHOTOS



Sale #606 Looking east from road

SUBJECT PHOTOS



Sale #608 looking southwest.

JOHN C. HELMBRECHT

EDUCATION

Graduated Havre High School, Havre, Montana – 1983

Montana Tech. - 1983-1984

Northern Montana College – 1984

Montana Certified General Appraiser # 738, April 2nd, 2007

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

1. Fundamentals of Rural Appraisal – (A-10) – Internet
University of Missouri Columbia, Sept-Dec 2002
Successfully completed.
2. Principals of Rural Appraisal – (A-20) – Internet
University of Missouri Columbia, Sept-Dec 2004
Successfully completed.
3. The Requirements of UASFLA Yellow Book Oct. 2008
Successfully completed.

Courses Presented by the Montana Real Estate Institute

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

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

Courses Presented by McKissock

- | | |
|---|--|
| 1. National USPAP Update 2/08
Successfully completed | 3. Mortgage Fraud-Protect Yourself 2/08
Successfully completed |
| 2. Appraisal Trends 3/08
Successfully completed | 4. Even Odder-MORE Oddball Appraisals
Successfully completed 3/08 |
| 5. National USPAP Update 2/10, Successfully completed | |

EMPLOYMENT HISTORY

HS Appraising - June, 2002 to 2006

Helmbrecht Appraising LLC - 2006 to Present

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

EXPERIENCE REFERENCES

Army Corps of Engineers

Bureau of Reclamation

Bureau of Land Management

Montana Department of Natural Resources & Conservation

Superintendent, Blackfeet Agency

Bureau of Indian Affairs

Blackfeet Community College

USDA Farm Service Agency

Office of Special Trust

Fort Belknap Indian Community

Attorneys

Banks

DEFINITIONS

MARKET VALUE

"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:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and acting in what they consider their own best interests;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

FAIR VALUE

"Fair Value" is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell-i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. When a current sale is unlikely--i.e., when it is unlikely that the sale can be complete within 12 months--the appraiser must discount all cash flows generated by the property to obtain the estimate of fair value. These cash flows include, but are not limited to, those arising from ownership, development, operation, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent knowledgeable purchaser under no necessity to buy would be willing to pay to purchase the property in a current sale.

DEFINITIONS (continued)

LIQUIDATION VALUE

The price that an owner is compelled to accept when a property must be sold without reasonable market exposure.

VALUE-IN-USE

That amount at which the assets would equitably exchange between a willing buyer and a willing seller neither being under compulsion and both having reasonable knowledge of all relevant facts. This definition assumes that the appraised assets continue in their current use as part of an ongoing business.

VALUE-AS-VACANT

The most probable price for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue influence or duress. The definition assumes that assets would be sold for an alternative use.

MINIMUM APPRAISAL STANDARDS

Excerpted from: Vol.55 No. 165, Federal Register, Friday, August 24, 1990, Section 34.44 Appraisal Standards. Minimum Standards include:

- (a) All appraisals must:
1. Conform to USPAP, except that the Departure Provision, which allows below minimum work, will not apply.
 2. Include a disclosure of any steps taken in order to comply with the Competency Provision of USPAP;
 3. Be based on the market value or other values as defined in the attached DEFINITIONS:
 4.
 - (i) Be written and presented in a narrative form.
 - (ii) Be sufficiently descriptive to enable the reader to ascertain the market value and the rationale for the estimate.
 - (iii) Provide detail and depth reflective of the complexity of the property appraised.
 5. Analyze and report in reasonable detail any prior sales of the property (on year prior for 1-4 family residential properties, or within three (3) prior years all other properties);
 6. Analyze and report current revenues, expenses, and vacancies on income producing properties rather than upon estimated or projected figures not supported by current market conditions;
 7. The report must include a reasonable marketing period for the property.
 8. Analyze current market conditions and trends that will effect the income, absorption, or value of the property;
 9. Report both the "as is" (using appropriate deduction and discounts for holding and marketing costs, and entrepreneurial profit) and the stabilized market values for developmental property; report both the value in use and liquidation value for owner-occupied property;
 10. Include in the USPAP-required certification an additional statement that: "the appraisal assignment was not based on a request minimum valuation, a specific valuation, or the approval of a loan";

MINIMUM APPRAISAL STANDARDS (continued)

11. Contain sufficient supporting documentation to allow the reader to ascertain the appraiser's logic, reasoning, judgment, and analysis;
 12. Include a legal description of the subject property (in addition to the description required by USPAP);
 13. Identify and value separately any non-real estate items (personal property, fixtures) but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of market value;
 14. Use and reconcile the income, direct sales, and cost approaches to value, and explain the elimination of any approach not used;
 15. The final report must contain an executed copy of the Appraisal Engagement Letter, together with all exhibits and attachments which reflect the appraiser's acknowledgment, understanding and acceptance of all instructions contained herein.
- (b) If any information necessary to complete the appraisal is unavailable, this fact must be disclosed.