

HELMBRECHT APPRAISING, LLC

C.J. "Speck" Helmbrecht

John C. Helmbrecht

Shelley A. Shelden

P.O. Box 66
Hingham, MT 59528
406-397-3244

September 23, 2008

Mr. Tom Konency, Appraiser

Department of Natural Resources and Conservation

P.O. Box 201601

Helena, MT 59620-1601

Subject: State of Montana
Agricultural Property
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 September 15, 2008 is indicated at: **\$ 481,725**

Sale # 17	640 Acres Pasture @ \$171/acre = \$109,440	Sale #243	40 Acres Pasture @ \$330/acre = \$13,200
Sale # 8	160 Acres Pasture @ \$145/acre = \$23,200	Sale #246	40 Acres Pasture @ \$330/acre = \$13,200
Sale # 9	160 Acres Pasture @ \$145/acre = \$23,200	Sale #248	80 Acres Pasture @ \$330/acre = \$26,400
Sale # 10	160 Acres Pasture @ \$145/acre = \$23,200	Sale #252	40 Acres Pasture @ \$330/acre = \$13,200
Sale # 11	160 Acres Pasture @ \$145/acre = \$23,200	Sale #254	40 Acres Pasture @ \$330/acre = \$13,200
Sale #153	80 Acres Pasture @ \$145/acre = \$11,600	Sale #256	40 Acres Pasture @ \$330/acre = \$13,200
Sale #155	80 Acres Pasture @ \$145/acre = \$11,600	Sale #294	40 Acres Pasture @ \$330/acre = \$13,200
Sale #154	100 Acres Pasture @ \$145/acre = \$14,500	Sale #297	40 Acres Pasture @ \$330/acre = \$13,200
Sale # 74	195 Acres Pasture @ \$145/acre = \$28,275	Sale #523	40 Acres Pasture @ \$330/acre = \$13,200
Sale #152	9.64 Acres Pasture @ \$145/acre = \$1,400	Sale #524	40 Acres Pasture @ \$330/acre = \$13,200
Sale #156	6.28 Acres Pasture @ \$145/acre = \$ 910	Sale #525	40 Acres Pasture @ \$330/acre = \$13,200
Sale #295	40 Acres Pasture @ \$330/acre = \$13,200		
Sale #247	40 Acres Pasture @ \$330/acre = \$13,200		
Sale #522	40 Acres Pasture @ \$330/acre = \$13,200		
Sale #249	40 Acres Pasture @ \$330/acre = \$13,200		

Total =\$481,725

This Summary Appraisal Report is based upon the assumptions and limiting conditions within the report. Liens and encumbrances, if any, have been disregarded. I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct.

Employment in and compensation for making this report are in no way contingent upon the value reported. Material pertinent to the process of valuation of this property is contained in the files of the appraiser.

I certify that I have not, nor do I contemplate in the future, any financial interest in the subject property.

Thank you for the privilege of serving you.

Sincerely,

John C. Helmbrecht
Montana Certified General Appraiser

TABLE OF CONTENTS

Letter of Transmittal	
Letter of Transmittal	1
Table of Contents.	2
Summary of Salient Facts.	3
Purpose of the Appraisal	6
Distribution of Market Value.	6
Certification.	7
Statement of Assumptions & Limiting Conditions.	8
Highest and Best Use	10
The Appraisal Process.	12
Scope of the Appraisal	13
Intended Use of the Appraisal	13
Intended User of the Appraisal.	13
Owner of Record and Legal Description	14
General Area Data and Physical Characteristics.	16
Area Map	
Location Map	
Property Description.	18
Location and Description	
Utilities	
Hazardous Materials and Toxic Waste	
Prior Sales History	
Flood Plain	
Predominant Soils	
Archaeological, Historical or Tribal Sacred Sites	
Marketing Period	
Fuel Tanks and Garbage Dumps	
Hazards and Detriments	
Zoning, Mineral Rights and Easements	
Comparable Sales Approach.	24
Income Approach.	39
Cost Approach.	41
Final Conclusion and Reconciliation.	42
Photos	44
Appraisers Credentials	68
Minimal Appraisal Standards	79
Addenda	
Statement of Work	

SUMMARY OF SALIENT FACTS

OWNERS OF RECORD:	State of Montana P.O. Box 201601 Helena MT 59620-1601
EFFECTIVE DATE:	September 15, 2008
DATE OF REPORT:	September 23, 2008
APPRAISAL FORMAT:	Summary Appraisal Report
INTENDED USERS:	The State of Montana, the Montana Board of Land Commissioners and the Department of Natural Resources and Conservation (DNRC) only. No other intended users 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 26 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 twenty six separate non contiguous parcels of native range pasture in Toole County, Montana:

Sales #8, 9, 10 & 11 are 21 miles northeast of Shelby, Toole County, MT. Location is approximately 21 miles northeast of Shelby via paved I-15 north 16 miles to, then 13 miles east via paved Oilmont Highway then 1 mile south to the property.

Sale #17 is 18 miles northwest of Chester, Liberty County, MT. The parcel is in Toole County. Location is approximately 18 miles northwest of Chester via paved State Highway 2 for 19 miles to Galata, then 13 miles north via gravel Galata Road, then 2 miles east to the property.

Sales #74, 152, 153, 155, 154, & 156 are 21 miles east southeast of Shelby, Toole County, MT. Location is approximately 21 miles east southeast of Shelby via paved State Highway 2 to the property.

Sales #243, 246, 248, 252, 254, & 256 are 30 to 36 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, Coal Mine and Miner's Coulee Roads, then 3-4 miles north and west on various trails to or near the parcels.

Sales #247, 249 & 522 are 32 miles northeast of Shelby, Toole County, MT. Location is approximately 32 miles northeast of Shelby via paved I-15 to Sunburst, then 17 miles east and north via Nine Mile Road, then 1½ miles northwest on Coal Mine Road to #249, then 4 miles further north to Sales #247 & 522.

Sales #294, 295, 297, 523, 524, & 525 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, Coal Mine and Gold Butte Roads, then 3-4 miles north and east on various trails to or near the parcels.

SUMMARY OF SALIENT FACTS (continued)

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

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 twenty six parcels in basically six different areas of Toole County. **Sale # 17** which is 640 acres of native pasture, **Sales #8, 9, 10 & 11** which are 160 acres of native pasture and contiguous, **Sales #74, 152, 153, 155, 154, & 156** which are 195, 9.64, 80, 100, 80 and 6.28, acres of native pasture. Sales 152, 154, 155, & 156 are contiguous. **Sales #243, 246, 252, 254, & 256** which are 40 acres of native pasture, **Sale #248** which is 80 acres of native pasture and non contiguous, **Sales #247, 249 & 522 and Sales #294, 295, 297, 523, 524, & 525** which are 40 acres of native pasture and non contiguous. All parcels are in Toole County, MT

OPINION OF VALUE:	Comparable Sales Approach	\$ 481,725
	Income Approach	\$ 473,300
	Cost Approach	\$ 481,725

FINAL OPINION OF VALUE:

Sale # 17 640 Acres Pasture @ \$171/acre = \$109,440	Sale #243 40 Acres Pasture @ \$330/acre = \$13,200
Sale # 8 160 Acres Pasture @ \$145/acre = \$23,200	Sale #246 40 Acres Pasture @ \$330/acre = \$13,200
Sale # 9 160 Acres Pasture @ \$145/acre = \$23,200	Sale #248 80 Acres Pasture @ \$330/acre = \$26,400
Sale # 10 160 Acres Pasture @ \$145/acre = \$23,200	Sale #252 40 Acres Pasture @ \$330/acre = \$13,200
Sale # 11 160 Acres Pasture @ \$145/acre = \$23,200	Sale #254 40 Acres Pasture @ \$330/acre = \$13,200
Sale #153 80 Acres Pasture @ \$145/acre = \$11,600	Sale #256 40 Acres Pasture @ \$330/acre = \$13,200
Sale #155 80 Acres Pasture @ \$145/acre = \$11,600	Sale #294 40 Acres Pasture @ \$330/acre = \$13,200
Sale #154 100 Acres Pasture @ \$145/acre = \$14,500	Sale #297 40 Acres Pasture @ \$330/acre = \$13,200
Sale # 74 195 Acres Pasture @ \$145/acre = \$28,275	Sale #523 40 Acres Pasture @ \$330/acre = \$13,200
Sale #152 9.64 Acres Pasture @ \$145/acre = \$1,400	Sale #524 40 Acres Pasture @ \$330/acre = \$13,200
Sale #156 6.28 Acres Pasture @ \$145/acre = \$ 910	Sale #525 40 Acres Pasture @ \$330/acre = \$13,200
Sale #295 40 Acres Pasture @ \$330/acre = \$13,200	
Sale #247 40 Acres Pasture @ \$330/acre = \$13,200	
Sale #522 40 Acres Pasture @ \$330/acre = \$13,200	
Sale #249 40 Acres Pasture @ \$330/acre = \$13,200	Total = \$481,725

PURPOSE OF THE APPRAISAL ANDSUMMATION 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.

John C. Helmbrecht
Montana Certified General Appraiser

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

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

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

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (continued)

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

HIGHEST AND BEST USE

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

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

"HIGHEST AND BEST USE"

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

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

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

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

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

It is that use found to be:

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

HIGHEST AND BEST USE (continued)

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

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

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

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

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 September 11, 12 and 15th, 2008. All accessible areas of the property were inspected.

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 acquisition 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 # 17

Township 34 North, Range 3 East, M.P.M.

Section 36: ALL

Containing: 640 acres

Sale # 8

Township 34 North, Range 1 East, M.P.M.

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

Containing: 160 acres

Sale # 9

Township 34 North, Range 1 East, M.P.M.

Section 11: SW $\frac{1}{4}$

Containing: 160 acres

Sale # 10

Township 34 North, Range 1 East, M.P.M.

Section 13: NW $\frac{1}{4}$

Containing: 160 acres

Sale # 11

Township 34 North, Range 1 East, M.P.M.

Section 14: NE $\frac{1}{4}$

Containing: 160 acres

Sale #153

Township 31 North, Range 2 East, M.P.M.

Section 12: S $\frac{1}{2}$ NE $\frac{1}{4}$

Containing: 80 acres

Sale #155

Township 31 North, Range 3 East, M.P.M.

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

Containing: 80 acres

Sale #154

Township 31 North, Range 3 East, M.P.M.

Section 5: E $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 100 acres

Sale # 74

Township 31 North, Range 3 East, M.P.M.

Section 7: Lot 3, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 195 acres

LEGAL DESCRIPTION CONTINUED

Sale #152

Township 31 North, Range 3 East, M.P.M.

Section 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$, North of Highway 2 ROW

Containing: 9.64 acres

Sale #156

Township 31 North, Range 3 East, M.P.M.

Section 9: NW $\frac{1}{4}$ NW $\frac{1}{4}$, North of Highway 2 ROW

Containing: 6.28 acres

Sale #295

Township 36 North, Range 3 East, M.P.M.

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

Containing: 40 acres

Sale #247

Township 37 North, Range 1 East, M.P.M.

Section 22: NE $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale #522

Township 37 North, Range 1 East, M.P.M.

Section 22: NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

Sale #249

Township 37 North, Range 1 East, M.P.M.

Section 35: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale #243

Township 37 North, Range 2 East, M.P.M.

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

Containing: 40 acres

Sale #246

Township 37 North, Range 2 East, M.P.M.

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

Containing: 40 acres

Sale #248

Township 37 North, Range 2 East, M.P.M.

Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$

Containing: 80 acres

Sale #252

Township 37 North, Range 2 East, M.P.M.

Section 14: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

Sale #254

Township 37 North, Range 2 East, M.P.M.

Section 15: NW $\frac{1}{4}$ NE $\frac{1}{4}$

Containing: 40 acres

LEGAL DESCRIPTION CONTINUED

Sale #256

Township 37 North, Range 2 East, M.P.M.

Section 22: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale #294

Township 37 North, Range 3 East, M.P.M.

Section 30: SE $\frac{1}{4}$ NW $\frac{1}{4}$

Containing: 40 acres

Sale #297

Township 37 North, Range 3 East, M.P.M.

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

Containing: 40 acres

Sale #523

Township 37 North, Range 3 East, M.P.M.

Section 34: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Containing: 40 acres

Sale #524

Township 37 North, Range 3 East, M.P.M.

Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

Sale #525

Township 36 North, Range 3 East, M.P.M.

Section 5: NE $\frac{1}{4}$ SE $\frac{1}{4}$

Containing: 40 acres

Totaling 2,470.92 total deeded acres in Toole County, Montana.

TOOLE & PONDERA COUNTY GENERAL AREA DATA

The subject property is located in Toole County, MT. Toole and Pondera County are 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 six towns in Pondera County: Brady, Conrad, Dupuyer, Heart Butte, Ledger and Valier, as well as several Hutterite colonies (Birch Creek Colony, Kingsbury Colony and New Miami Colony, Rockport Colony, Midway Colony, Camrose Colony) and five communities in Toole County: Shelby (the county seat), Kevin, Naismith, Sunburst and Sweetgrass.

Pondera County was once included in Chouteau County, with Fort Benton as the county seat at the time. In 1893 Chouteau County then split and Teton County was created. On April 1, 1919 an act of legislature created Pondera County and it began operating as a separate county from Chouteau and Teton counties.

The estimated population of Pondera County in 2004 was 6,148. The estimated population of Conrad in 2003, was 2,657. The per capita personal income in Pondera County in 2002 was \$21,871. This was 71% of the national per capita income, which was \$30,906. The type of workers in Pondera County are 59% private wage or salary, 23% government workers, 16% self-employed and 2% unpaid family work.

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.

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.

PROPERTY DESCRIPTION

LOCATION AND DESCRIPTION

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

Sales #8, 9, 10 & 11 are 21 miles northeast of Shelby, Toole County, MT. Location is approximately 21 miles northeast of Shelby via paved I-15 north 16 miles to, then 13 miles east via paved Oilmont Highway then 1 mile south to the property.

Sale #17 is 18 miles northwest of Chester, Liberty County, MT. The parcel is in Toole County. Location is approximately 18 miles northwest of Chester via paved State Highway 2 for 19 miles to Galata, then 13 miles north via gravel Galata Road, then 2 miles east to the property.

Sales #74, 152, 153, 155, 154, & 156 are 21 miles east southeast of Shelby, Toole County, MT. Location is approximately 21 miles east southeast of Shelby via paved State Highway 2 to the property.

Sales #243, 246, 248, 252, 254, & 256 are 30 to 36 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, Coal Mine and Miner's Coulee Roads, then 3-4 miles north and west on various trails to the parcels.

Sales #247, 249 & 522 are 32 miles northeast of Shelby, Toole County, MT. Location is approximately 32 miles northeast of Shelby via paved I-15 to Sunburst, then 17 miles east and north via Nine Mile Road, then 1½ miles northwest on Coal Mine Road to #249, then 4 miles further north to Sales #247 & 522.

Sales #294, 295, 297, 523, 524, & 525 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, Coal Mine and Gold Butte Roads, then 3-4 miles north and east on various trails to the parcels.

PROPERTY DESCRIPTION

LOCATION AND DESCRIPTION CONTINUED

Sales #8, 9, 10 & 11 are 21 miles northeast of Shelby, Toole County, MT. The parcels are 160 acres each and are contiguous diagonally and 11 and 8 are adjacent. Access was through private property to Sales #10 and #9. Access to Sales #11 and #8 was on ½ mile of section line road. The parcels are partially perimeter fenced as portions are fenced with larger pasture units. Sale # 11 has a water tank. The parcels appeared to have had effects of long term drought in the area and poor soils production. The drainage running through the parcels included breaks type areas and sparsely vegetated areas. The pasture was being used at the time of inspection.

Sale #17 is 18 miles northwest of Chester, Liberty County, MT. Sale #17 is 640 acres and is square in shape. Sales 154 and 155 were accessed from north of the parcel on the abandoned highway 2 in Galata. The parcel was accessed through lessee's building site and then ½ mile on section trail. Parcel has a water line running to the southwest corner with a stock tank. Perimeter fenced. Totally surrounded by Dry Crop land. Some of the parcel appears breakable but is being valued as pasture due to substantial costs to prepare the land for dry crop use.

Sales #74, 152, 153, 155, 154, & 156 are 21 miles east southeast of Shelby, Toole County, MT. Location is approximately 21 miles east southeast of Shelby via paved State Highway 2 to the property. Sales 154 and 155 were accessed from north of the parcel on the old abandoned highway 2 in Galata. Sales 153, 152 and 156 were accessed from adjacent Highway 2. Sale 74 was accessed ½ mile through other property off highway 2. The parcels appeared to have had effects of long term drought in the area and poor soils production. The drainage running through the parcels included breaks type areas and sparsely vegetated areas. No apparent water on the parcels. No known increased value associated with the Highway 2 frontage on Sales 153, 152 and 156.

Sales #243, 246, 248, 252, 254, & 256 are 30 to 36 miles northeast of Shelby, Toole County, MT in the Sweetgrass Hills area. Location is approximately 30 - 36 miles northeast of Shelby via paved I-15 to Sunburst, then 30 miles east and north via Nine Mile, Coal Mine and Miner's Coulee Roads, then 3-4 miles north and west on various trails to the parcels. Sales #243, 246 and 248 were not accessed through impassible road. I have been to the parcels on a previous inspection of adjacent property. The parcels are all 40 acres and square except #248 which is 80 acres and rectangular. Sales #246 and 248 are contiguous and adjacent. The other 4 parcels are non contiguous and are 1 to 3 miles apart. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly and appear to be very productive.

PROPERTY DESCRIPTION

LOCATION AND DESCRIPTION CONTINUED

Sales #247, 249 & 522 are 32 miles northeast of Shelby, Toole County, MT in the Sweetgrass Hills area. The parcels are all 40 acres and square. The parcels were inspected from a short distance and are not easily accessible. They are non contiguous and are ½ to 3 miles apart. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly to steep and appear to be very productive. The parcels are on the west and southwest slopes of West Butte. Sales #247 and #522 contain areas of timber. Value and cost to harvest unknown.

Sales #294, 295, 297, 523, 524, & 525 are 34 miles northeast of Shelby, Toole County, MT in the Sweetgrass Hills area. Location is approximately 30 - 36 miles northeast of Shelby via paved I-15 to Sunburst, then 30 miles east and north via Nine Mile, Coal Mine and Gold Butte Roads, then 3-4 miles north and east on various trails to the parcels. No access to any of the parcels except through lessee's property. The parcels are all 40 acres and square. The sales are non contiguous and are 1 to 3 miles apart. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly and appear to be very productive.

Average annual precipitation is 10-12 inches. Precipitation is higher in the Sweetgrass Hills area sales. 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.

PROPERTY DESCRIPTION CONTINUED

PRIOR SALES HISTORY

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

FLOOD PLAIN

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

PREDOMINANT SOILS

- 862F Stemple, low elevation-Rubble land complex, 25-70% slopes,
- 881F Perma Whitlash cobbly loams , 15-60% slopes,
 Forage potential 1000# - 2200# /acre
- 65 Hedoes-Belain-Castner Complex, 15-60% slopes,
 Capability Class 7E, forage potential 900# - 2500# /acre
- 64 Hedoes-Belain Loams, 15-35% slopes, Capability Class 6E,
 forage potential 1500# -2500# /acre
- 151 Zahill-Vida Clay Loams, 15-35% slopes, Capability Class 6E,
 forage potential 900# -1500# /acre
- 17 Bearpaw-Vida Clay Loams, 4-8% slopes, Capability Class 3
 forage potential 1500# - 2500# /acre
- 97 Phillips Elloam complex, 0-4% slopes, Capability Class 3e dryland
 Silty and Dense Clay range site, 300-1500#/ac forage potential
- 98 Phillips Elloam complex, 4-8% slopes, Capability Class 3e dryland
 Silty and Dense Clay range site, 300-1500#/ac forage potential

- 67 Hillon Clay Loam, 25-45% slopes, Capability Class 6e,
 Thin Hill Range Site, Forage potential 300-900 lb/acre.

- 68 Hillon-Kevin Clay Loams, 15-35% slopes, Capability Class 6e,
 Thin Hill Range Site, Forage potential 300-900 lb/acre.

- 123 Thoeny Eloam complex, 0-4% slopes, Capability Class 3s dryland
 Silty range site, 800-1500#/ac forage potential
- 143 Williams-Vida Loams, 4-8% slopes, Capability Class 3E,
 forage potential 1500# -2500# /acre

PROPERTY DESCRIPTION CONTINUED

PREDOMINANT SOILS

- ☐ 150 Zahill Clay Loam, 15-35% slopes, Capability Class 6E, forage potential 900# -1500# /acre
- ☐ 113 Shawmut gravelly loam, 0-4% slopes, Capability Class 6s, Silty Range Site, Forage potential 150-2500 lb/acre.
- ☐ 21 Cabba Loam, 8-35% slopes, Capability Class 6s, Shallow Range Site, Forage potential 700-1200 lb/acre.

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 increase in the last two year period.

FUEL TANKS AND GARBAGE DUMPS

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

HAZARDS AND DETRIMENTS

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

ZONING, MINERAL RIGHTS AND EASEMENTS

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

COMPARABLE SALES APPROACH

A search of the market was made to find recent sales that are similar to the subject property. The area in 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 current applicable Toole County sales were found. Traditionally the Sweetgrass Hills area is compared to Bear Paws type land production and sales data. Some of the sellers appear to be out of state land owners who have acquired the land in an estate. 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: \$421,750

Sale Date: 12/06 and 4/07

Terms: Cash to Seller

Document:

County: Hill

Confirmed: Appraiser

1279.00 Acres Native Range @ \$250/acre = \$319,750

300.00 Acres Improved Grass @ \$340/acre = \$102,000

2.29 Acres Waste @ \$-0-/acre = -0-

1581.29 Total Deeded Acres \$421,750

Legal Description:

Located 21 miles north of Havre, Hill County Montana north of Fresno Reservoir. County Road access. Current and past use is native range pasture. Moderately rolling terrain that is perimeter and cross fenced. Reservoir , well in Section 30 with waterline. No building improvements. Sold December, 2003 for \$232,000, a 44.99% increase in 3 years. This sale is the only pure pasture sale found in the reasonably near area of the subject parcels.

COMPARABLE SALES APPROACH (continued)

SALE # 2

Seller:
Buyer:
Sale Price: \$615,000
Sale Date: 4/06
Terms: Cash to Seller
Document:
County: Liberty County
Confirmed: Buyer
HBU: Agricultural

1115.60 acres C. R. P.	@ \$410/acre = \$457,396
910.40 acres Pasture	@ \$171/acre = \$155,678
<u>5.00 acres Farmstead</u>	<u>@ \$410/acre = \$ 2,050</u>
2031.00 Total Deeded Acres	\$615,214

Legal Description:

This sale is located about 25 miles north of Joplin, Liberty County Montana. This sale has utilities available. The topography on this sale is rolling hills to ravines. Access to this sale is by county road. This sale is located in an agricultural area. The vegetation on this sale is some dry cropland currently in CRP with the remainder in native grass. The buyers were looking for deeded pasture closer to home. They had been renting pasture near Harlem at \$20+ an aum. Modest home, garage and grain storage, etc. given no value in sale.

COMPARABLE SALES APPROACH (continued)

SALE # 3

Seller:

Buyer:

Sale Price: \$32,500

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>\$3,450</u>
124	\$32,500

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 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. It appeared obvious that this had an influence on the sale price at below market price. Pasture appeared to be fenced with lessee's bordering pasture. Small residual pasture of the crop land.

COMPARABLE SALES APPROACH (continued)

SALE # 4

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>	<u>@ \$270/acre =</u>	<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.

COMPARABLE SALES APPROACH (continued)

SALE # 5

Seller:
Buyer:
Sale Price: \$361,122
Sale Date: 2/06
Terms: Cash
County: Liberty
HBU: Agricultural
Document:

658.5 Acres Dry Crop @ \$415/acre	=	\$273,278
177.6 Acres CRP @ \$415/acre	=	\$ 73,704
96.1 Acres Pasture @ \$147/acre	=	\$ 14,127
<u>27.8</u> Waste @ \$ -0-/acre	=	<u>\$ -0-</u>
960.0 Total Deeded Acres		\$361,108

No Improvements.

Legal Description:

Sale located 3 miles south of Chester. Access by paved highway, county roads and section lines. This sale is located in an agricultural area. The vegetation on this sale is dry crop and native range. Motivation for this sale was agricultural use.

COMPARABLE SALES APPROACH (continued)

SALE # 6

Seller:

Buyer:

Sale Price: \$320,000

Sale Date: 5/23/07

Terms: Cash to seller

County: Hill

HBU: Agricultural

Deed

Reference: Buyer

447.28 Acres Dry Crop Land	@ \$500/acre	= \$ 223,640
125.00 Acres Breakable Grass	@ \$500/acre	= \$ 62,500
66.97 Acres Native Grass, Farmstead	@ \$500/acre	= \$ 33,485
639.25 Total Deeded Acres	@ \$500/acre	= \$ 319,625

No Improvements of Value

639.25 Total Deeded Acres @ \$500/acre = \$320,000

Legal Description:

Sale is located approximately 8 miles north of Havre, MT. Topography is gently rolling. Access is by gravel road 2½ mile off paved St. Joe Road. The breakable grass was broken shortly after purchase. Currently in use as dry cropland. Sale was advertised and exposed to open market in the Havre newspaper. Buyer stated and was adamant that the sale was \$500/acre straight across on all acres, including waste, breakable grass, native grass and old farmstead.

COMPARABLE SALES APPROACH (continued)

SALE # 7

Seller:
 Buyer:
 Sale Price: \$725,000
 Sale Date: 2/07
 Terms: Cash to seller
 County: Hill
 HBU: Agricultural
 Deed
 Reference: Selling Agent

257.00	Acres Dry Crop Land	@ \$726/acre =	\$ 186,582
729.28	Acres Native Range	@ \$726/acre =	\$ 529,457
12.00	Acres Wild Hay	@ \$726/acre	\$ 8,712
1.00	Acres Farmstead	@ -0- /acre =	\$ -0-
998.28	Total Deeded Acres	@ \$726/acre =	\$ 724,751

<u>No Improvements of Value</u>	
998.28 Total Deeded Acres	@ \$726/acre = \$ 725,000

Legal Description:

Sale is located approximately 7 miles southwest of Havre, Hill County Montana.
 Topography is rolling native range. Access is by gravel county road. Stock water
 in Beaver Creek and springs. Main portion is south of MSU Ag Experiment
 Station. 120 acres bordered Beaver Creek County Park and was resold at
 \$2000/acre.

COMPARABLE SALES APPROACH (continued)

SALE # 8

Seller:

Buyer:
 Sale Price: \$2,100,000
 Sale Date: 5/07
 Terms: Cash to seller
 County: Hill
 HBU: Agricultural
 Deed
 Reference: Buyer

529.9 Acres Dry Crop Land	@ \$600/acre	= \$ 317,940
2845.76 Acres Native Range	@ \$475/acre	= \$1,351,736
14.00 Acres Farmstead	@ \$600/acre	= \$ 8,400
1.00 Acres Farmstead	@ \$10000 /acre	= \$ 10,000
3390.66 Total Deeded Acres	@ \$498/acre	= \$ 1,688,076

Improvements		= \$ 234,000
Cows/ Calfs 130 head	@ \$1100/head	= \$143,000
Equipment/ Machinery		= \$ 30,000
Total		= \$2,095,076

Legal Description:

Sale is located approximately 7 miles southwest of Havre, Hill County Montana.
 Topography is rolling native range. Access is by gravel county road. Stock water
 in Beaver Creek and springs. Main portion is south of MSU Ag Experiment
 Station. Also large block of mountain pasture.

COMPARABLE SALES APPROACH (continued)

SALE # 9

Seller:
 Buyer:

Sale Price: \$1,600,000
Sale Date: 1/08
Terms: Cash
County: Hill

1518.40 Acres Dry Crop Land	@ \$720/acre	=	\$1,093,248
315.60 Acres Improved Grass	@ \$540/acre	=	\$ 170,424
61.10 Acres Native Range	@ \$300/acre	=	\$ 18,330
<u>10.00 Acres Farmstead</u>	<u>@ \$720/acre</u>	<u>=</u>	<u>\$ 720</u>
1905.10 Total Deeded Acres			\$1,289,202

Improvements (dwelling, labor houses, 5 grain bins, 2 quonsets, shop and barn)	\$ 114,000
State Lease Crop land 159.10 acres @ \$150/acre	\$ 23,865
Growing Crop	\$ 147,933
Equipment	<u>\$ 25,000</u>
	\$1,599,820

Legal Description:

Location of sale is 1/4 mile north of Box Elder. Access is by US Hwy #87 which traverses the property. Buyers looking to expand. Moderately rolling topography. Eleven wells and a reservoir.

COMPARABLE SALES APPROACH (continued)

SALE # 10

Seller:

Buyer:
Sale Price: \$1,400,000
Sale Date: 3/2007
Terms: Cash to seller
County: Blaine
HBU: Agricultural
Document:
Reference: Appraiser

141 Acres Improved Grass	@ \$600/acre = \$84,600
1,465 Acres Dry Crop Land	@ \$550/acre = \$805,750
10.23 Acres Roads/Waste	@ \$0/acre = \$0
<u>1,493 Acres Native Pasture</u>	<u>@ \$330/acre = \$492,690</u>
Total Land Value = \$1,383,040	

Contributing Value of Improvements	= \$16,960
3109.23 Total Deeded Acres @ \$450 /acre	= \$1,400,000

Legal Description:

Sale is located approximately 14 miles southwest of Chinook, MT. Topography is rolling to hilly. Access is by County Gravel Road. Improvements include a barn and corrals. Stock water is available from a creek. Currently in use as dry cropland and native pasture.

COMPARABLE SALES APPROACH (continued)

SALE # 11

Seller:
Buyer:
Sale Price: \$1,563,000

Sale Date: 1/2006

Terms: 1031 exchange

County: Blaine

679.70 Acres Dry Crop	@ \$300/acre =	\$ 203,910
4265.60 Acres Native Range	@ \$ 250/acre =	\$ 1,066,325
4945.0 Total Deeded Acres		\$ 1,280,235
Improvements	<u>\$ 194,000</u>	
		\$ 1,474,235

4040 ac. BLM Lease, 570 aums	@ \$125/aum	\$ 74,000
<u>640 ac. St. Lease, 92 aums</u>	<u>@ \$100/aum</u>	<u>\$ 15,200</u>
4680		\$89,200

Total \$ 1,563,435

This sale is a resale and showed nearly a 68% increase in value of the property in two years and two months time.

Legal Description:

South side of Bear Paw Mountains in foothills and Missouri River Breaks approximately 65 miles south of Chinook, Blaine County MT. with access by county road. Improvements include manufactured home, garage/shop, 48x72 shop, 48x72 barn and corrals. Watered with piping from Bear Paw Spring and reservoirs.

COMPARABLE SALES APPROACH (continued)

SALE # 12

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>
--------------	-----------------

Total	\$848,810
-------	-----------

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 APPROACH (continued)

Pasture										
Sale	Sale Price	Total Acres	Per Acre	Loca- tion	Lease	Imps	Cows	Equip	Crop	Mix
<u>/Acre#1</u>	\$421,750	1581	\$267	---	---	---	---	---	---	---
	\$250									
#2	\$615,214	2031	\$303	---	---	---	---	---	---	-132
#3	\$ 32,500	124	\$304	---	---	---	---	---	---	-159
#10	\$1,400,000	3109	\$450	---	---	-5	---	---	---	-115
#13	\$ 848,810	2564	\$331	---	---	-36	---	---	---	-34

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

2,470.92 Acres Pasture @ \$194.95/acre = \$481,725

Reconciliation of Comparable Sales Approach

Adjusted sales values range from \$145/acre to \$330/acre. No small tract native pasture or crop sales were found in the market area. The opinion of value of the subject property is \$205.64/acre. **Sales #8, 9, 10 & 11** have no legal public access. Entirely surrounded by private property. Accessibility through lessee's property. The parcels appeared to have had effects of long term drought in the area and poor soils production. The drainage running through the parcels included breaks type areas and sparsely vegetated areas. The opinion of value of **Sales #8, 9, 10 & 11** is \$145/acre. **Sale # 17** has no legal public access. Entirely surrounded by private property. Accessibility through lessee's ranch yard. Parcel has a water line running to the southwest corner with a stock tank. Perimeter fenced. Totally surrounded by Dry Crop land. Some of the parcel appears breakable but is being valued as pasture due to substantial costs to prepare the land for dry crop use. Dry reservoir near the center of the parcel. The east side of the property contains less useable areas. The opinion of value of **Sale # 17** is \$171/acre. **Sales #74, 152, 153, 155, 154, & 156** contains areas that are marginally useable. The parcels appeared to have had effects of long term drought in the area and poor soils production. The drainage running through the parcels included breaks type areas and sparsely vegetated areas. No apparent water on the parcels. However it also contains useable areas. The opinion of value of **Sales #74, 152, 153, 155, 154, & 156** is \$145/acre, which is the lowest recent pasture value found in the area. **Sales #243, 246, 248, 252, 254, & 256** are located in the Sweetgrass Hills area. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly and appear to be very productive. Entirely surrounded by private property. Most similar to sale #10 in production and rainfall. The opinion of value of **Sales #243, 246, 248, 252, 254, & 256** is \$330/acre.

COMPARABLE SALES APPROACH (continued)

Sales #247, 249 & 522 are located in the Sweetgrass Hills area. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly but appear to be very productive. Most similar to sale #10 in production and rainfall. Entirely surrounded by private property. The opinion of value of **Sales #247, 249 & 522** is \$330/acre.

Sales #294, 295, 297, 523, 524, & 525 are located in the Sweetgrass Hills area. Entirely surrounded by private property. Minimal distance between range plants and forbs in this area. No current sales known in the area. Traditionally compared to Bear Paws type land production and sales data. The parcels are hilly and appear to

be very productive. Most similar to sale #10 in production and rainfall. The opinion of value of **Sales #294, 295, 297, 523, 524, & 525** is \$330/acre.

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, etc.

Adjustments were made on the following basis:

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

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 # 17	640 Acres Pasture	@ \$171/acre = \$109,440
Sale # 8	160 Acres Pasture	@ \$145/acre = \$23,200
Sale # 9	160 Acres Pasture	@ \$145/acre = \$23,200
Sale # 10	160 Acres Pasture	@ \$145/acre = \$23,200
Sale # 11	160 Acres Pasture	@ \$145/acre = \$23,200
Sale #153	80 Acres Pasture	@ \$145/acre = \$11,600
Sale #155	80 Acres Pasture	@ \$145/acre = \$11,600
Sale #154	100 Acres Pasture	@ \$145/acre = \$14,500
Sale # 74	195 Acres Pasture	@ \$145/acre = \$28,275
Sale #152	9.64 Acres Pasture	@ \$145/acre = \$ 1,400
Sale #156	6.28 Acres Pasture	@ \$145/acre = \$ 910
Sale #295	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #247	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #522	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #249	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #243	40 Acres Pasture	@ \$330/acre = \$13,200

COMPARABLE SALES APPROACH (continued)

Sale #246	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #248	80 Acres Pasture	@ \$330/acre = \$26,400
Sale #252	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #254	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #256	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #294	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #297	40 Acres Pasture	@ \$330/acre = \$13,200
Sale #523	40 Acres Pasture	@ \$330/acre = \$13,200

Sale #524	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #525	<u>40</u> Acres Pasture	@ \$330/acre = <u>\$13,200</u>
		\$481,725

2,470.92 Acres Pasture @ \$194.95/acre = \$481,725

OPINION OF VALUE FROM COMPARABLE SALES APPROACH

2,470.92 Acres Pasture @ \$194.95/acre = \$481,725

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

Income for dry crop is estimated 50% crop rotation at 30 bu/acre for wheat, and \$8.00/bushel. Land owner's share is 1/3. Income for pasture land is estimated at 4 ac/aum at \$25/aum. Land owner's share is 100%. CRP income \$35/acre minus \$2.50/acre for maintenance. Improved Grass estimated at 3 ac/aum at \$20/aum. Land owner's share is 50%.

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 of

Sales	Total	Dry	Native	CRP or	Gross	Net	Cap.		
Sale	Sale	Price	Acres	Crop	Grass	ImpGrass	Income	Income	Rate
#1	4/07	\$421,750	1581	----	1279	300	\$9,869	\$9,375	1.78%
#10	3/0	\$1,400,000	3109	1465	1493	141	\$69,694	\$66,209	4.72%

Income from Land Resources

Gross	Owner	Crop	Acres	/Acre	Yield	Price	
Share	Value	Pasture	<u>2470.92</u>	4 ac/aum	617.73aum	\$25.00	Income
100%	\$15,443						\$15,443
	2470.92	TOTAL DEEDED ACRES				GROSS INCOME	\$15,443

Expense Management Fee	(5%)	<u>\$ 772</u>	
	TOTAL EXPENSE	\$ 772	
			<u>-\$ 772</u>
			NET INCOME \$14,671

Capitalization Rate 3.10% Capitalization Value = Net Income \$ 14,671 ÷ Cap Rate .031= \$473,258

OPINION OF VALUE FROM INCOME APPROACH ROUNDED

\$473,300

The capitalization rate of 3.10% is used based on the necessary blend of the cap rates developed above from a pure pasture sale and a sale comprised of dry crop and pasture.

The capitalization rate of 3.10% 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

Pasture

Sale # 17	<u>640</u> Acres Pasture	@ \$171/acre = \$109,440
Sale # 8	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale # 9	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale # 10	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200

Sale # 11	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale #153	<u>80</u> Acres Pasture	@ \$145/acre = \$11,600
Sale #155	<u>80</u> Acres Pasture	@ \$145/acre = \$11,600
Sale #154	<u>100</u> Acres Pasture	@ \$145/acre = \$14,500
Sale # 74	<u>195</u> Acres Pasture	@ \$145/acre = \$28,275
Sale #152	<u>9.64</u> Acres Pasture	@ \$145/acre = \$ 1,400
Sale #156	<u>6.28</u> Acres Pasture	@ \$145/acre = \$ 910
Sale #295	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #247	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #522	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #249	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #243	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #246	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #248	<u>80</u> Acres Pasture	@ \$330/acre = \$26,400
Sale #252	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #254	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #256	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #294	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #297	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #523	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #524	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #525	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
		\$481,725

2,470.92 Acres Pasture @ \$194.95/acre = \$481,725

OPINION OF VALUE FROM COST APPROACH

\$481,725

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	\$ 481,725
Income Approach	\$ 473,300
Cost Approach	\$ 481,725

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 9/15/08 is **\$481,725**.

FINAL CONCLUSION TO VALUE CONTINUEDThe 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 9/15/08, described in the foregoing appraisal is as follows.

Opinion of Market Value

Sale # 17	<u>640</u> Acres Pasture	@ \$171/acre = \$109,440
Sale # 8	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale # 9	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200

Sale # 10	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale # 11	<u>160</u> Acres Pasture	@ \$145/acre = \$23,200
Sale #153	<u>80</u> Acres Pasture	@ \$145/acre = \$11,600
Sale #155	<u>80</u> Acres Pasture	@ \$145/acre = \$11,600
Sale #154	<u>100</u> Acres Pasture	@ \$145/acre = \$14,500
Sale # 74	<u>195</u> Acres Pasture	@ \$145/acre = \$28,275
Sale #152	<u>9.64</u> Acres Pasture	@ \$145/acre = \$ 1,400
Sale #156	<u>6.28</u> Acres Pasture	@ \$145/acre = \$ 910
Sale #295	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #247	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #522	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #249	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #243	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #246	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #248	<u>80</u> Acres Pasture	@ \$330/acre = \$26,400
Sale #252	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #254	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #256	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #294	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #297	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #523	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #524	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
Sale #525	<u>40</u> Acres Pasture	@ \$330/acre = \$13,200
		\$481,725

Respectfully submitted, _____
 John C. Helmbrecht
 Montana Certified General Appraiser

**SUBJECT
 PHOTOS**

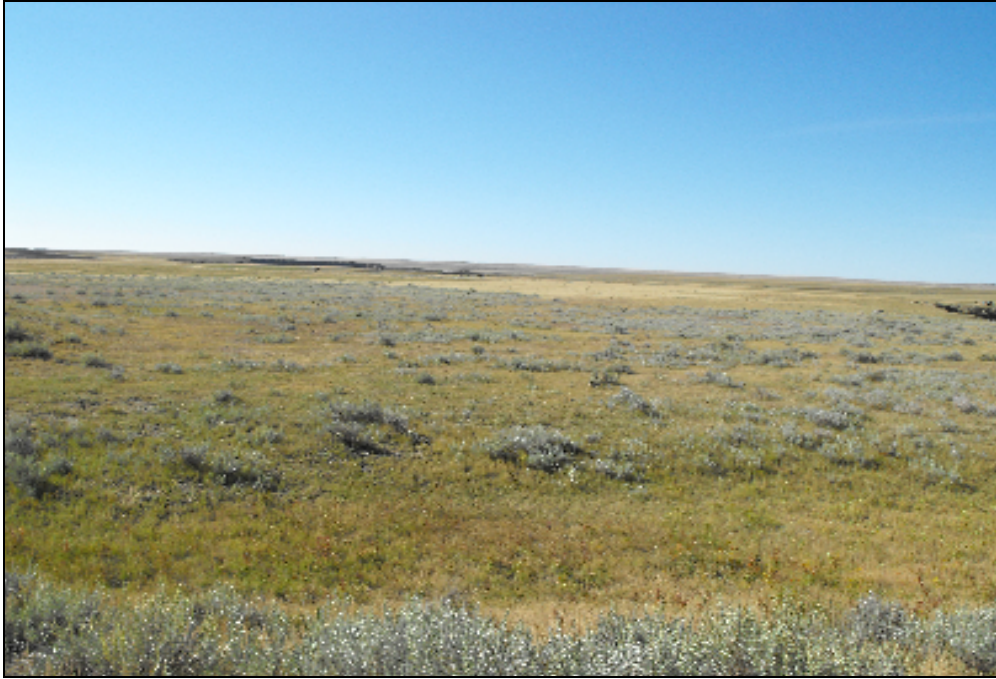


Sale #154 Looking south from north fence.



Sale #154 Looking east along north fence. Note sparse vegetation

SUBJECT PHOTOS



Sale #155 From north side looking south.



Sale #155 From north border looking southeast towards ranch.

SUBJECT PHOTOS



Sale #156 Looking north from near south fence.



Sale #156 Looking west from highway.

SUBJECT PHOTOS



Sale #152 Looking west from highway.



Sale #152 Looking north from near south fence.

SUBJECT PHOTOS



Sale #74 Looking southwest into subject

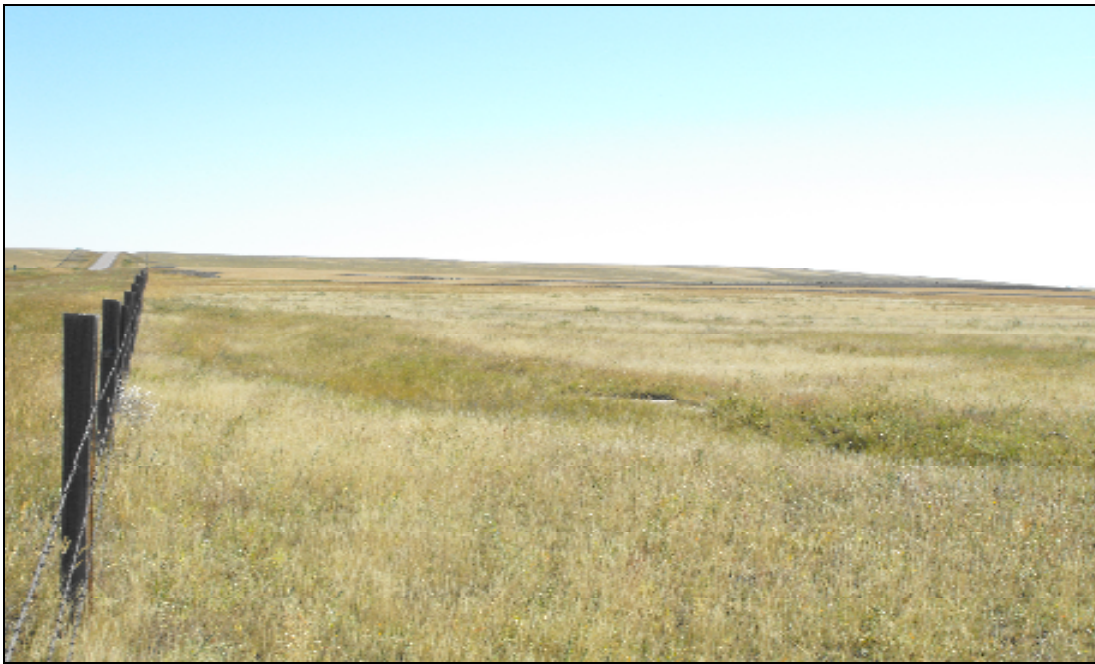


Sale #74 Looking west from east side of parcel.

SUBJECT PHOTOS



Sale #153 Looking south to bordering dry crop. Not fenced from crop



Sale #153 Looking east along highway fence.

SUBJECT PHOTOS



Sale #17 Water tank and water line on southwest corner looking east . Dry Crop on south.



Sale #17 Looking north at bordering Dry Crop.

SUBJECT PHOTOS



Sale #10 Looking south from northeast corner.

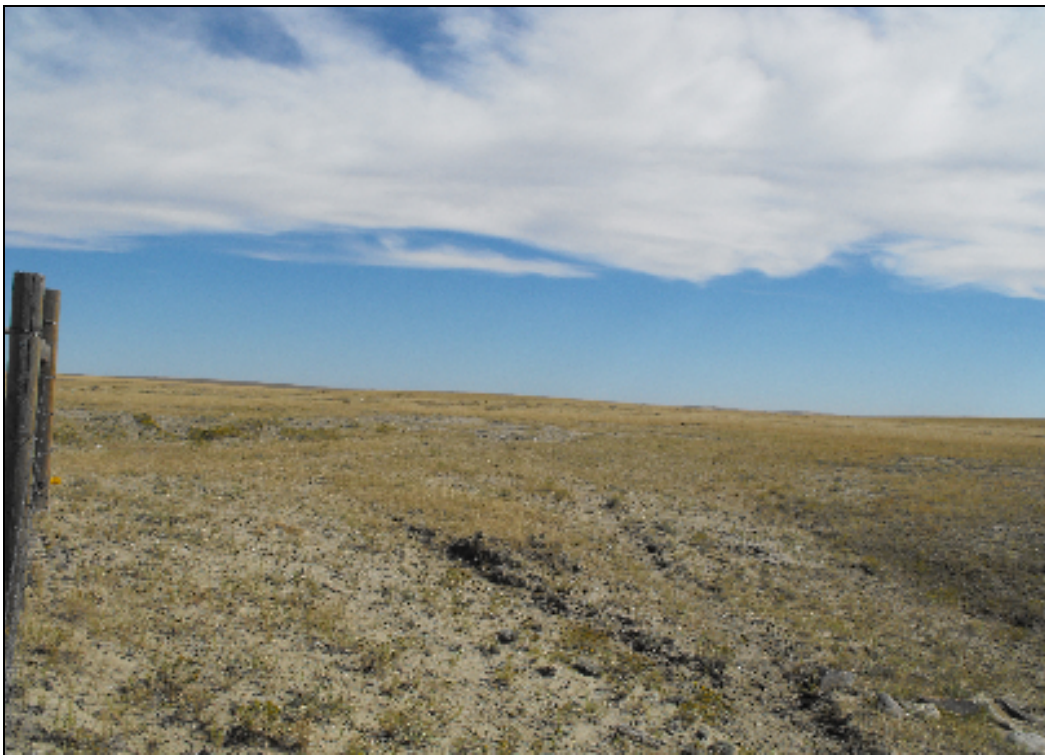


Sale #10 Looking west from northeast corner.

SUBJECT PHOTOS



Sale #9 Looking southwest from trail.



Sale #9 Looking southeast .

SUBJECT PHOTOS



Sale #11 Looking north from southeast corner.



Sale #11 Looking west from southeast corner.

SUBJECT PHOTOS



Sale #8 Looking north from southwest corner.



Sale #8 Looking east from southwest corner.

SUBJECT PHOTOS



Sale #295 Looking northwest from Gold Butte Road.



Sale #295 Looking southwest from Gold Butte Road.

SUBJECT PHOTOS



Sale #297 Pasture Views.

SUBJECT PHOTOS



Sale #523 Pasture Views.

SUBJECT PHOTOS



Sale #524 Pasture Views.

SUBJECT PHOTOS



Sale #525 Pasture views.

SUBJECT PHOTOS



Sale #294 Pasture views.

SUBJECT PHOTOS

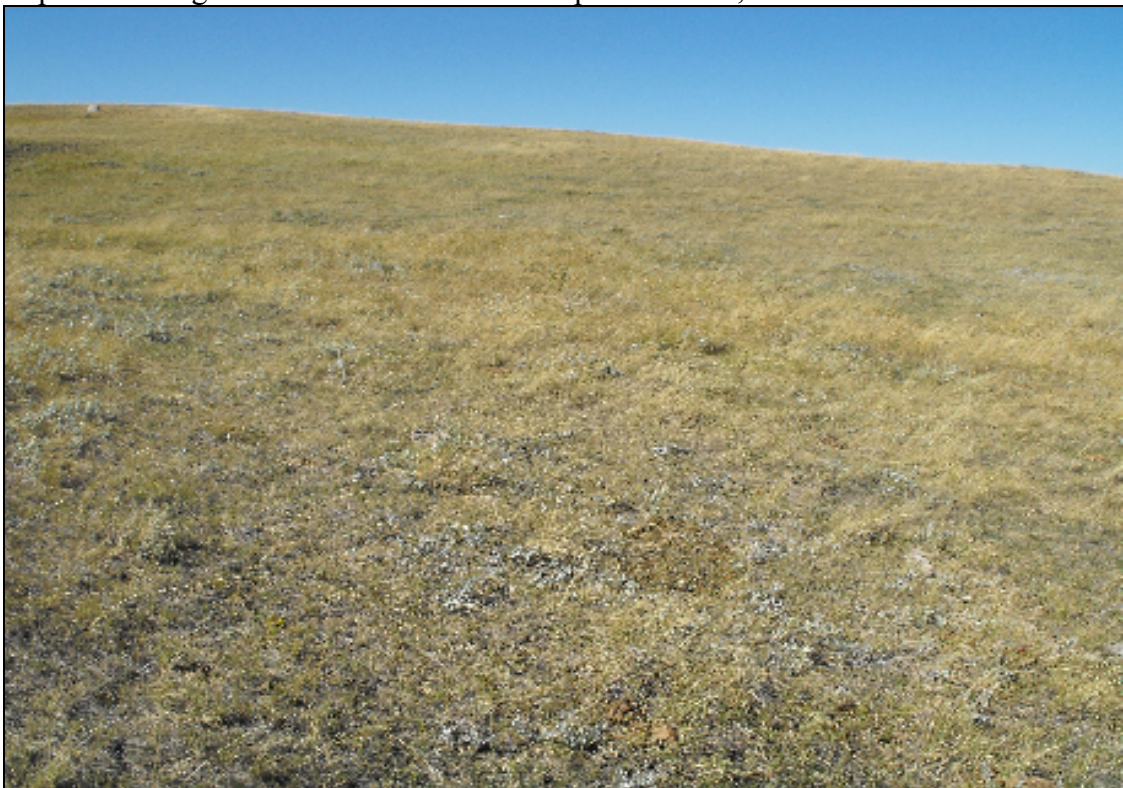


Sale #256 Pasture views in background. Could not access parcels #243, 246 & 248 past this mud hole.

SUBJECT PHOTOS



Represents range conditions in the area near parcels #243, 246 & 248.



Represents range conditions in the area near parcels #243, 246 & 248.

SUBJECT PHOTOS



Sale #252 Pasture views.

SUBJECT PHOTOS



Sale #254 Pasture views.

SUBJECT PHOTOS



Sale #247 View from road.

SUBJECT PHOTOS



Sale #249 View from road.

SUBJECT PHOTOS



Sale #522 View from road.

Helmbrecht Appraising, LLC.

C.J. "Speck" Helmbrecht

John C. Helmbrecht

Shelley A. Shelden

409 1st St.

P.O. Box 66

Hingham, MT 59528

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

CHARLES J. HELMBRECHT

MEMBERSHIP

American Society of Farm Mgrs. And Rural Appraisers 1986-1999

National Association of Real Estate Appraisers 1990-1996 CREA

Montana Real Estate Broker/Owner

Montana Certified General Appraiser # 125

National Assoc. of Master Appraisers, MSA

EDUCATION

Northern Montana College: 2 year General Business

How to Establish the Market Value of Agricultural Land Course.

October 1978 test passed, sponsored by Farm & Land Institute of
National Realtors Assoc.

Residential Appraisal Seminar

Test passed May 1979

Presented by the American Institute of Real Estate Appraisers of the
National Association of Realtors.

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

- 1) Cost Approach to Value, Functions of the Dollar, Eminent Domain and
Report Writing. St. Louis, MO.
January 19-23, 1987. Successfully completed.
- 2) Fundamentals of Rural Appraising, Omaha, NE.
February 9-13, 1987. Successfully completed.
- 3) Standards & Ethics, Bozeman, MT.
October 24-26, 1990. Successfully completed.
- 4) General Certification, Bozeman, MT.
October 30 - November 1, 1991. Successfully completed.
- 5) Standard & Ethics, Billings, MT.
March 7-9, 1994. Successfully completed.
- 6) Environmental Seminar, Helena, MT
June 25, 1994. Continuing education.
- 7) Income Capitalization (Part I), Unleveraged, Billings, MT
September 25-28, 1996. Continuing education.
- 8) Yellow Book-Uniform Appraisal standards for Federal Land
Acquisitions
June 12, 2002. Continuing education.

EDUCATION (continued)

Courses Presented by the National Association of Independent

Fee Appraisers:

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

Course Presented by McKissock Data Systems Appraisal Schools

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

Course Presented by Montana Ag Lenders Range School

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

The International Association of Assessing Officers

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

Montana Real Estate Institute

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

Dave Shoemaker's School of Real Estate Appraisal

USPAP 11/05

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Advanced Writing 11/05

Successfully completed

EMPLOYMENT HISTORY

- 1) Federal Housing Administration; Panel Appraiser; 1986 to 1990.
- 2) Farmers Home Administration; Contract Appraiser; 1985 to 1995.
- 3) Anderson Appraising; 1986 to 1995.
- 4) Helmbrecht Appraising; 1995 to present.
- 5) Helmbrecht Realty; Broker/Owner; 1984 to present.
- 6) Northern Land & Realty; Broker/Associate; 1983 to 1984.
- 7) Helmbrecht Realty; Broker/Owner; 1980 to 1983.
- 8) Century 21/ Prairie Realty; Salesman/Broker Associate; 78-79.
- 9) Witt & Loranger Realty; Salesman; 1971 to 1978.

EXPERIENCE REFERENCES

Bureau of Indian Affairs
Rocky Mtn. Region
Billings MT

Blaine Bank of Montana
Box 129
Chinook, MT 59523

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

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

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

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

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

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

EXPERIENCE REFERENCES (continued)

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

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

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

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

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

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

Western Bank
Drawer 9
Chinook, MT 59523

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

EXPERIENCE REFERENCES (continued)

Van Barron
Attorney at Law
Box 2328
Havre, MT 59501

Hugh B. Brown
Attorney at Law
Chester, MT 59522

Steve Brown
Attorney at Law
Box 1070
Havre, MT 59501

Burns, Solem & MacKenzie
411 Ohio
Chinook, MT 59523

Rae V. Kalbfleisch
Attorney at Law
P.O. Box 518
Shelby, MT 59474

Don Marble
Attorney at Law
P.O. Box 725
Chester, MT 59522

Keith Maristuen
Attorney at Law
Box 7152
Havre, MT 59501

Waldo Spangelo
Attorney at Law
135 3rd Avenue
Havre, MT 59501

Theodore Thompson
Attorney at Law
419 4th Avenue
Havre, MT 59501

EXPERIENCE REFERENCES (continued)

John Kuhr
Attorney at Law
P.O. Box 7152
Havre, MT 59501

Burton Bosch
Attorney at Law
P.O. Box 7152
Havre, MT 59501

Don LaBar
Attorney at Law
P.O. Box 1645
Great Falls, MT 59403-1645

Bjarne Johnson
Attorney at Law
Great Falls, MT 59403-1645

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

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

Independence Bank
P.O. Box 2090
Havre, MT
Farmer Mac
Residential
Attn: Marcy Reisenauer

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

EXPERIENCE REFERENCES (continued)

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

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

Chris Young
Attorney at Law
339 3rd St.
Havre, MT 595901

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

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

Superintendent, Blackfeet Agency
Bureau of Indian Affairs
Browning, MT 59417
Attn: Roberta Arnoux

Lane Hauge, Attorney
Hauge Law Offices, P.C.
P.O. box 1440
Havre, MT 59501

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

1st Security Bank of Malta
P.O. Box 730
Malta, MT 59538
Gary Howell, President

JOHN C. HELMBRECHT

EDUCATION

Graduated Havre High School, Havre, Montana – 1983

Montana Tech. - 1983-1984

Northern Montana College - 1984

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

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

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

Mt. Real Estate Institute

USPAP 11/04

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

USPAP 11/05

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Advanced Writing 11/05

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Direct Capitalization of Income 3/06

Successfully completed

Dave Shoemaker's School of Real Estate Appraisal

Yield Capitalization of Income 4/06

Successfully completed

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

EMPLOYMENT HISTORY

HS Appraising - June, 2002 to 2006

Helmbrecht Appraising - 2006 to Present

Montana Licensed Appraiser Trainee # 738RET

SHELLEY A. SHELDEN

P.O. Box 236
Hingham, MT 59528
406-397-3129
516-74-6138

EDUCATION

Graduated Havre High School, Havre, Montana – June 1976

Montana Certified General Appraiser #698

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

1. Fundamentals of Rural Appraisal – (A-10) – Internet -
University of Missouri Columbia, Feb. – May 2001
Successfully completed.
2. Fundamentals of Real Estate Appraising – Missoula, MT -
Montana Real Estate Institute, Sept 2001
Successfully completed.
3. Advanced Writing Skills – Missoula, MT -
Montana Real Estate Institute, Oct 2001
Successfully completed.
4. Principles of Rural Appraisal – (A-20) – Internet -
University of Missouri Columbia, Feb. – May 2002
Successfully completed.
5. USPAP – Missoula, MT -
Montana Real Estate Institute, Nov 2002
Successfully completed.
6. Direct Capitalization – Missoula, MT -
Montana Real Estate Institute, Nov 2002
Successfully completed.
7. Yield Capitalization – Missoula, MT -
Montana Real Estate Institute, Dec 2002
Successfully completed.

EMPLOYMENT HISTORY

Helmbrecht Appraising - 1996 to 2001

HS Appraising – 2002 to 2004

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

MT State Dept. of Revenue Assessor and Appraiser ,

Liberty County - May 2004 to September 2006

Helmbrecht Appraising – September 2006 to present

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.