

NKA Microwave Hill Road, Clancy
Jefferson County
MT, 59634

As of
June 20, 2014

Prepared For
Ms. Emily Cooper
The State of Montana
The Montana Board of Land Commissioners
and The Department of Natural Resources and Conservation (DNRC)

Prepared by:
S.P. MOORE APPRAISAL, PLLC
P.O. BOX 6734
HELENA, MT 59604
SHAUN P. MOORE
CERTIFIED GENERAL APPRAISER
MT-REA-RAG-LIC-718

File Name:
616924

S.P. MOORE APPRAISAL, PLLC



406-442-6180
Fax: 406-442-6182
shaun@mooreappraisalfirm.net
www.mooreappraisalfirm.net

June 23, 2014

Ms. Emily Cooper
The State of Montana The Montana Board of Land Commissioners and The Department of
Natural Resources and Conservation (DNRC)
PO Box 201601
Helena, MT
59620-1601

Re: Appraisal Report
Land Banking Sale #340
NKA Microwave Hill Road, Clancy,
Jefferson County, MT, 59634

File Name: 616924

Dear Ms. Cooper:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

160 Acres of Land in E1/2W1/2, Section 12, T9N-R3W

Please reference page 4 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 1). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.
-

Extraordinary Assumptions:

- There are no extraordinary assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

\$250,000
Two Hundred and Fifty Thousand Dollars

The "As Is" market value of the Fee Simple estate of the property, as of June 20, 2014, is defined within the report. Please see the corresponding pages for detail.

The market exposure time preceding June 20, 2014 would have been nine to twelve months and the estimated marketing period as the effective date is nine to twelve months.

Please feel free to contact me if I can be of any further assistance.

Respectfully submitted,



Shaun Moore
MT-REA-RAG-LIC-718
S.P. Moore Appraisal, PLLC

June 23, 2014

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Summary of Important Facts and Conclusions

<u>Property Location</u>	Approximately 1/2 mile east of I-15 at exit 187, and 1/4 mile north of Hwy 518, near Mt. City, MT
<u>Legal Description</u>	S12, T09 N, R03 W, Acres 161.567,E2W2
<u>Geo Code</u>	51-1785-12-2-01-02-0000
<u>Owners of Record</u>	State of Montana State Lands Helena, MT 59620-1601
<u>Type of Appraisal Report</u>	Appraisal reported in summary format per USPAP Standard 2-2(b)
<u>Effective Date</u>	June 20, 2014
<u>Property Rights Appraised</u>	Fee Simple
<u>Purpose of Appraisal</u>	To provide the clients with a credible opinion of current fair market value of the appraised subject property
<u>Intended Use of Appraisal</u>	For use in the decision making process concerning the potential sale of said subject property.
<u>Intended Users of the Appraisal</u>	The State of Montana, the Montana Board of Land Commissioners, and the Department of Natural Resources and Conservation (DNRC)
<u>Appraiser's Client</u>	The State of Montana, the Montana Board of Land Commissioners, and the Department of Natural Resources and Conservation (DNRC)
<u>Site Size</u>	161.57
<u>Highest and Best Use Estimates</u>	Ranchette/Large Lot Residential
<u>Estimated Value</u>	\$250,000

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of S.P. Moore Appraisal, PLLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) S.P. Moore Appraisal, PLLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. S.P. Moore Appraisal, PLLC has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Definitions

Current fair market value.

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

The highest and best reasonable available use and its value for such use, provided current use may not be presumed to be the highest and best use;

The machinery, equipment, and fixtures forming part of the real estate taken; and

Any other relevant factors as to which evidence is offered.

Highest and best use.

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

Scope of Work

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for
The State of Montana,
The Montana Board of Land Commissioners,
The Department of Natural Resources and Conservation (DNRC),

The problem to be solved is to estimate the 'as is' market value of the subject property.

The intended use is for use in the decision making process concerning the potential sale of said subject property.

This appraisal is intended for the use of the identified clients.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Property Viewing:	The subject was personally viewed by the appraiser by both a physical visit and foot access to the property, as well as by google earth and county cadastral mapping.
Market Area and Analysis of	A complete analysis of market conditions has been

Market Conditions: made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

Highest and Best Use Analysis: A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Type of Value: Market Value

Valuation Analyses

Cost Approach: A cost approach was not considered in the analysis as the subject is vacant land. Any improvements included on the site are not considered in this report.

Sales Comparison Approach: A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach: An income approach was not completed as the subject has no known history of income production. This approach is considered beyond the scope of this assignment as determined by the appraiser and his client.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Data was obtained from the following sources:

- Jefferson County Appraisal Office
- Jefferson County Clerk and Records Office
- Jefferson County Treasurer's Office
- Helena, Bozeman and Butte Area Multiple Listing Service
- Data Files of Moore Appraisal Firm

- Real Estate Brokers and Associates in Helena and area markets.
- Other developers, builders and appraisers familiar with the subject's neighborhood and area markets.

Prior to accepting the assignment, your appraiser completed a preliminary search for information regarding the subject property. Upon confirmation of the assignment a file was prepared which included plat map, courthouse research, tax information, legal description and other pertinent information.

A physical inspection of the property was made. Sales of other properties having similar uses were researched and analyzed.

The final estimate of value was determined by comparison of such sales utilizing a method known as the Sales Comparison method. Cost and Capitalization Approaches were not included for this type analysis. Comparable properties of differing sizes were found and analyzed for each of the differing site sizes and uses.

Upon completion of the research, your appraiser completed the assignment by writing and delivering the report.

Additional Scope of Work Requirements and Supplemental Appraisal Instructions as Required by the Client

The appraiser must be a Montana certified general appraiser, and be competent to appraise the subject property. The appraisal is to conform to the latest edition of USPAP, and the opinion of value must be credible.

The appraiser is to physically inspect the subject property at a level that will allow the appraiser to render a credible opinion of current fair market value of the property, and the appraiser must have knowledge of the comparables through either personal inspection or with use of sources the appraiser deems reliable, and must have at least viewed the comparables.

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

Along with using the sales comparison approach to value in this appraisal, (using comparable sales of like properties), the appraiser will also consider the cost and income approaches to value. The appraiser will use those approaches, as applicable, in order to provide a credible opinion of value. Any approaches not used are to be noted, along with a reasonable explanation as to why the approach or approaches were not applicable.

The appraisal will be in a Summary Report format, that is, it will describe adequately, the information analyzed, appraisal methods and techniques employed, and reasoning that support the analyses, opinions and conclusions. All hypothetical conditions and

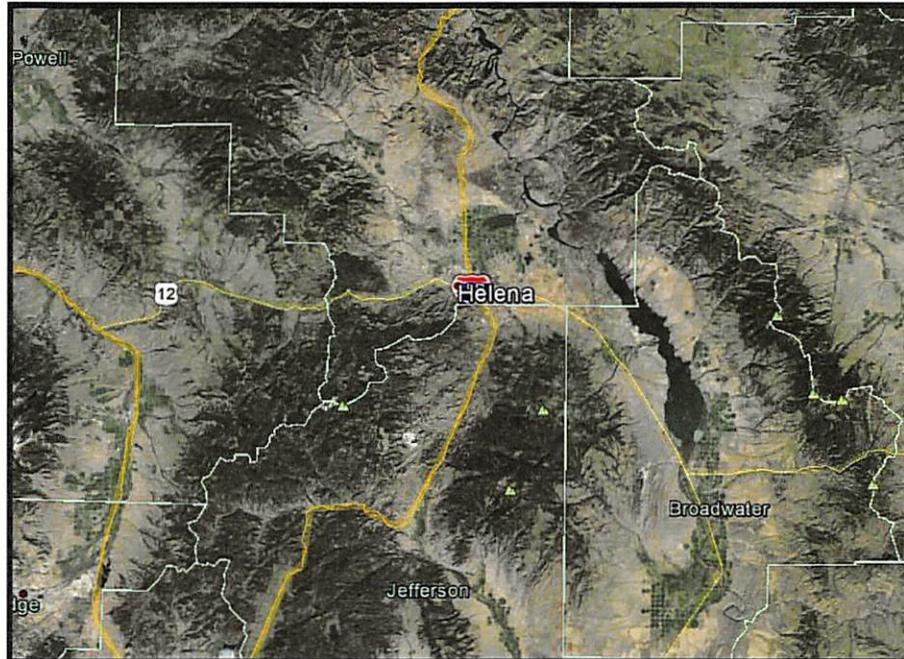
extraordinary assumptions must be noted. All appraisals are to describe the market value trends, and provide a rate of change, for the subject property market.

Competency Provision

Your appraiser has been appraising in this area for over 10 years and has experience appraising in the subject neighborhood. The appraiser has completed reports on a number of properties similar to the subject and is competent to complete the requested opinion of value. Therefore, to the best of my knowledge and belief, I have complied with the Competency Provision of the Uniform Standards of Professional Appraisal Practice, (USPAP).

Market Area Location and Boundaries

The subject is located just south of Helena, Montana's capital city. The overall marketing area for such properties encompasses several counties including Jefferson County, Lewis and Clark County, Broadwater County, and Powell County.



Market Area Characteristics

Helena lies at the center of a 250-mile circle containing 70% of the state's population. Within a 100-mile radius are four of Montana's six largest cities and 25% of the state's population. Great Falls is 90 miles to the North and is the home of Malmstrom Air Force Base. Bozeman is 95 miles South and East, site of the Montana State University. 65 miles to the South is Butte with the Montana School of Mines. The University of Montana is in Missoula, which is 115 miles to the West of Helena. In addition, Helena lies midway between the nation's two most popular national parks, Yellowstone and Glacier National parks. The area has a wide variety of economic contributors including agricultural, government employment, professional trades, and tourism.

Population

The subject is located just south of Helena, in the northern part of Jefferson County. Jefferson County reportedly covers 1,656.26 square miles; U.S. Census Bureau reports an estimated population in the county of 11,512 in 2013 compared to the reported 11,406 in 2010. Lewis and Clark County, just north of the subject reports an estimated population of 65,338, with a majority of these residents living in and around the Helena area.

Housing Trends

According to Census Bureau Statistics for 2010 there were 5,018 housing units in Jefferson County. The median sales price is reported to be \$230,000 with the median household income reported at \$60,459.

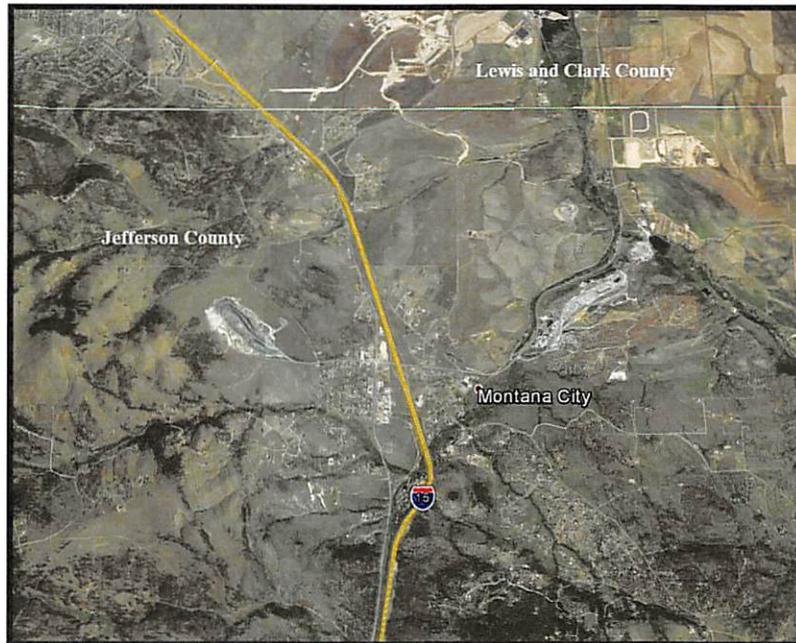
Major Employers

As a suburban the largest employers are in nearby Helena, in Lewis and Clark County. The County Employment by Industry as published by the Montana Dept. of Labor & Industry is summarized in the following table.

Industry	Annual Employment
Agriculture, Forestry, Fishing, Hunting	173
Construction	1,423
Manufacturing	672
Transportation, Communication & Utilities	1,134
Wholesale Trade	605
Retail Trade	3,594
Finance, Insurance, & Real Estate	2,171
Professional & Technical Services	1,639
Health Care & Social Assistance	3,317
Arts, Entertainment & Recreation	652
Accommodation & Food Service	2,956
Government	8,858
Other Services	2,072

Sources - U. of M. Bureau of Business and Economic Research, U.S. Census Bureau, U. S. Department of Commerce.

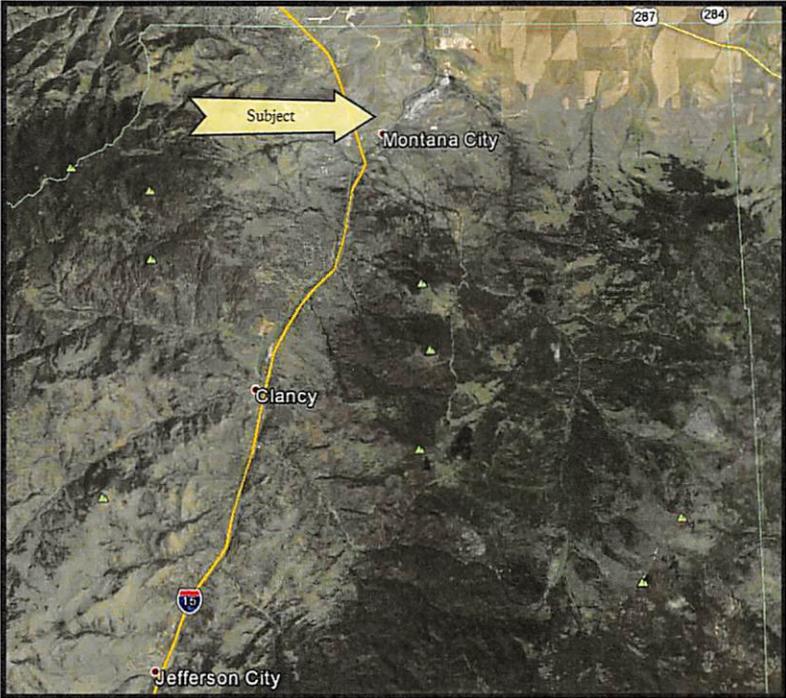
Neighborhood Description



The subject is located in what is known locally as Montana City, a small unincorporated community approximately six miles south of Helena. The area is centered around the Montana City Interstate Interchange with a mixture of residential and commercial uses in the area. Most people in the neighborhood commute to Helena for services and employment. Commercial uses in the area around the interchange include restaurants, professional office, dental office, roofing contractor supply yard and shop, hardware store and several smaller retail and office type uses. Numerous single family subdivisions are located nearby including Jefferson Hills, Montana City Ranches, Saddle Mountain and others. A wide range of house styles, types, sizes and price ranges are in the neighborhood with single family properties ranging from around \$150,000 to over a million dollars. There is an elementary/middle school approximately ½ mile east of the interstate serving grades kindergarten through eighth grade with middle schools available in Helena or Clancy and high schools in Boulder or Helena.

Helena Chamber of Commerce has reported that approximately 2,800 Jefferson County residents commute to Helena for work with most of these residing in the Montana City area.

Location Map



(Zoomed)



Site Description



The subject ranges from some fairly level spaces to sloping hillsides and drainages.

Physical observation noted that vegetation is minimal with no natural tree cover, however natural grasses throughout. Google Earth and Cadastral Records reflect a similar observation.

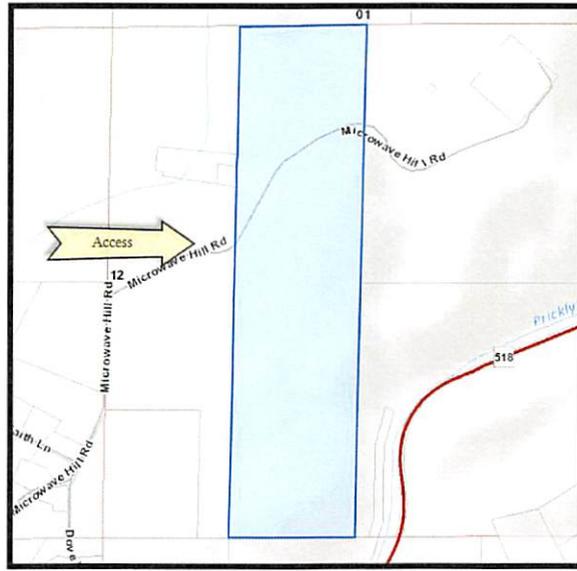
Land owned privately by Ash Grove Cement West, Inc., borders the subject on all sides, with the exception of a 1.0 acre home site at the northwest boundary.

Physical access is available to the site via Microwave Hill Road. Legal access is granted through a reciprocal access easement granted between the State of Montana and Ash Grove Cement Company. A copy of this easement is included in the addendums of this report.

The existence of the following easements were noted, however copies were not provided at the time of the appraisal:

- AT&T (D-05360) 1.47 acres – road access
- US West (D-05367) 0.61 acres – buried phone line
- NW Energy, (D-05378), 0.57 acres – overhead power lines
- Grant of roadway access easement (document attached)

Survey/title policy should be used for final determination of easements. No adverse effect from these easements were noted.



No services were noted on the site at time of visit, however electrical and natural gas services are available in the neighborhood.

Address	NKA Microwave Hill Road Clancy, MT 59634
Legal Description	S12, T09 N, R03 W, Acres 161.567,E2W2
Zoning	Surrounded by county zoning district Basic Resource #2
Dimensions & Site Size	County records indicate the subject is rectangular in shape. No survey was provided to determine dimensions, however county records report the site size to be 161.57 acres.
Road and Access	Physical access is available to the site via Microwave Hill Road. Legal access is granted through a reciprocal access easement granted between the State of Montana and Ash Grove Cement Company. A copy of this easement is included in the addendums of this report.
Improvements	Post and wire fencing of dilapidated condition.

Easements or Encroachments

A reciprocal access easement with the neighboring property owner provides access to the site. This easement further allows for only one single-family residence habitable dwelling, with related outbuildings. See easement for details. Additional easements include:

- AT&T (D-05360) 1.47 acres – road access
- US West (D-05367) 0.61 acres – buried phone line
- NW Energy, (D-05378), 0.57 acres – overhead power lines

Topography

The site ranges from fairly level spaces to sloping drainages and hillsides.

Flood Hazard Zone

Flood maps for the subject parcel could not be found. It is assumed the property lies outside of FEMA designated flood zones.

Services Available

Electrical services do not appear to be on site, however are in the area.

The site does not have community water service which is typical in this neighborhood. Residents of nearby properties utilize individual wells. No test wells were reported to the appraiser. It is assumed that underground water sources are available in sufficient amounts.

The site would require installation of individual septic treatment systems if developed. These are permitted and inspected by the state of Montana.

View

Good views of the surrounding mountains and valley are provided from most of the site.

Environmental Conditions

This appraiser has no knowledge of any adverse environmental conditions but has no specific training or expertise in these fields. The appraisal then is completed assuming the site to be free of any such influence. No soil report was furnished.

Subject Photos

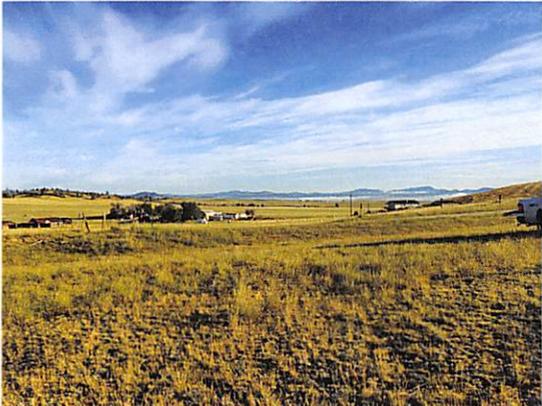
From West Boundary Looking South



From West Boundary Looking East



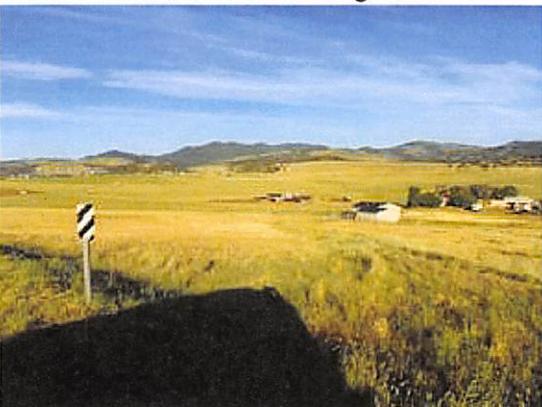
From West Boundary Looking North



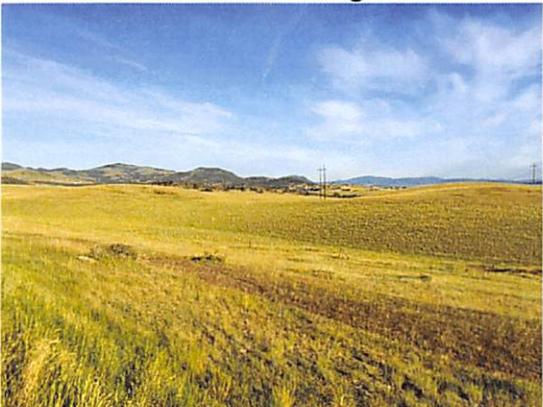
From West Boundary Looking So/East



From Center Looking West



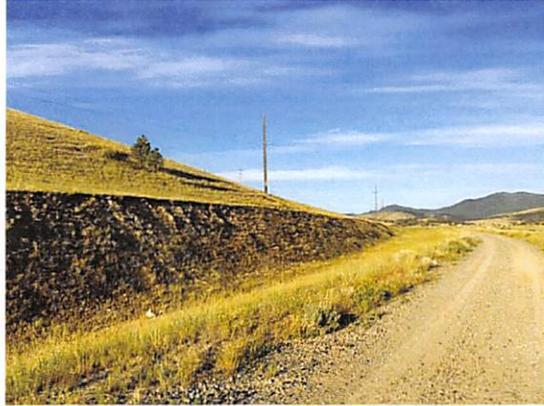
From Center Looking North



From Center Looking No/East



Microwave Hill Rd (center)



Power Line (center)

Microwave Hill Rd



Power Lines

West Boundary



Google Earth
View
(boundaries
approximate)



Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

The following analysis applies to the subject specifically.

Legally Permitted:

The property is located in north Jefferson County, and in an area subject to county zoning. The area is designated by the county as Basic Resource #2 which prohibits subdivision of parcels to less than 160 acres. A conversation with the Jefferson County Planner indicated that the state owned land is not subject to the local zoning, however if the property were to sell to a private party the same zoning to that of the surrounding properties would apply. The zoning is reported to restrict industrial uses, also according to the Jefferson County Planner. Agricultural uses are permitted.

A copy of an access easement provided by the client states "...the ingress and egress provided for herein shall be to service one single-family habitable dwelling, with related buildings." This limitation is likely to legally limit the use of the subject property.

Physically Possible

Physical characteristics of a property refer to its size, shape and topography. The subject is large enough for small agricultural/grazing operations. Terrain could pose some limitations to grazing use, however this is not uncommon throughout the area.

Physical vehicular access to the site is possible.

The site's size and topography could likely allow for subdivision into smaller parcels, Again, the topography and other characteristics of the site would limit the development potential of the site.

Financially Feasible

The feasibility of the property must next be considered. In this item, consideration is given those uses that are expected to produce the highest positive return from a financially feasible standpoint. Considering the legal restrictions on the site, subdivision was not further researched.

The subject is easily accessed which would be beneficial for agricultural use, however lack of water on the property could pose limitations for this use.

Use as improved with a single unit would be financially feasible.

Maximally Productive

Of the financially feasible, legal and physically possible uses, the use that produces the highest value that is consistent with the rate of return indicated by the market is the highest and best use. The subject has limitations to industrial and developable uses. As the property is surrounded by private lands, recreational uses of the site are not likely to be financially productive.

Conclusion

In light of the above data, a conclusion that use as large lot residential would be the Highest and Best Use considered by a typical purchaser. Use as agricultural/rangeland would be a possibility. A ranchette is defined as; A small rural property, often a subdivision of a larger ranch, owned by a non-farmer (often a commuter or a retiree) seeking the amenities of rural life; less than the full complement of urban/suburban services and utilities are available.

The small size of a ranchette precludes commercial use.

Use as large lot residential or ranchette would be legally permissible, physically possible, financially feasible, and maximally productive in consistency with the definition of market value. As such, this is the estimated highest and best use.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was not considered and was not developed because the subject is vacant land.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because the subject is not an income producing property. The income approach is considered to be beyond the scope of this assignment as determined by the appraiser and his client.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparable Sales Data

I have researched several comparables for this analysis; six of these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable Sales Grid

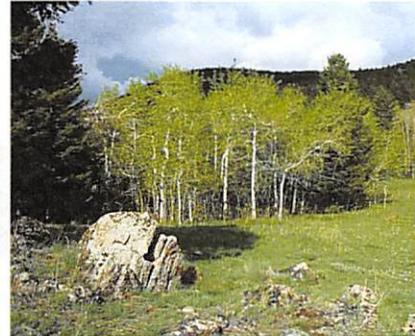
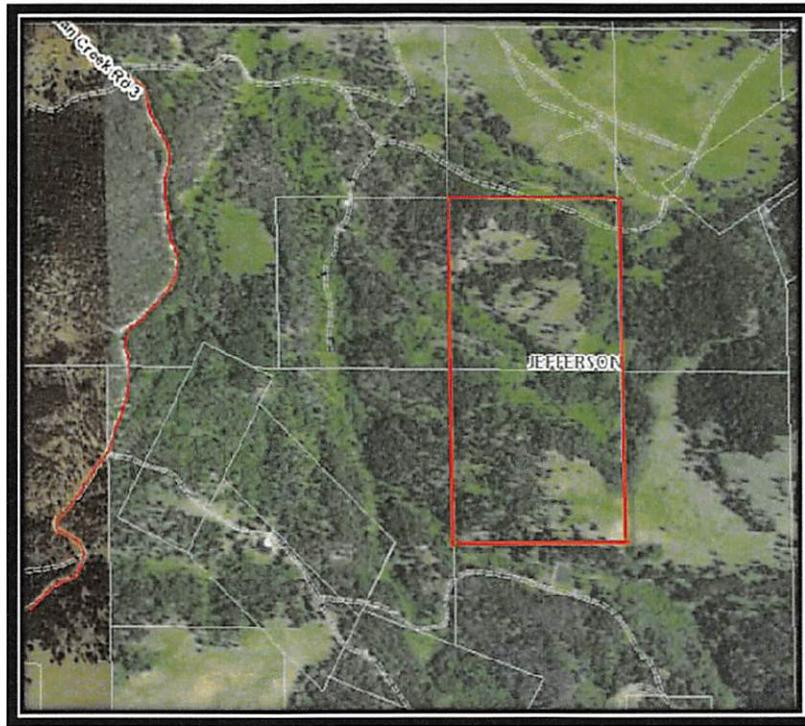
Sale #	Address	Location	Sales Price	Site Size	\$/Acre	Sales Date	Use	Influences
Subject	NHN Microwave Hill Rd Clancy, MT 59634	Clancy, MT 59634		161.57			Large Lot Residential	None
#1	NHN McClellan Creek Rd	Clancy, MT 59634	\$280,000	80.00	\$3,500	10/31/2013	Large Lot	Development
#2	NHN Black Bear Rd	Helena, MT 59601	\$262,000	100.00	\$2,620	1/24/2014	Recreational	None
#3	5280 Shedhorn Dr	Helena, MT 59602	\$340,000	170.22	\$1,939	9/16/2013	Large Lot	Development
#4	NHN Franklin Mine Rd	Helena, MT 59602	\$500,000	324.69	\$1,540	3/31/2014	Large Lot	Development
#5	NHN Duck Creek Rd	Townsend, MT 59644	\$141,000	157.00	\$898	4/1/2014	Large Lot	None
#6	16822 MT Hwy 141	Avon, MT 59713	\$161,000	156.00	\$968	6/11/2012	Recreational	None
	Survey High		\$500,000	324.69	\$3,500			
	Survey Low		\$141,000	80.00	\$898			
	Survey Mean		\$280,667	164.65	\$1,860			
	Survey Median		\$271,000	156.50	\$1,740			

Sale #1

Property Identification	Address	NHN McClellan Creek Rd	
	City	Clancy, MT 59634	
	Legal Description	NW1/4SE1/4, SW1/4NE1/4, of Section 27, Township 9 North, Range 2 West	
	Geocode	51-1787-27-1-01-01-0000	
	Property Type	Large Lot Residential	
	Location	4.5 Miles So/East of Mt. City (by Air)	
Sale Analysis	Sale Price	\$280,000	
	Sale Date	10/31/2013	
	Grantor	Sorvig	
	Grantee	Opperman	
	Deed Book/Page	Doc#167105 Recorded 10/31/2013	
	Marketing Time	167 Days	
	Conditions of Sale	Arm's Length	
	Financing	Cash	
	Verification	Helena MLS/Jefferson County	
	Land Information	Zoning	Basic Resource #2
Topography		Hillside	
Access		McClellan Creek Rd	
Water		Springs	
Utilities		Electric Available	
Taxes		Typical	
Highest and Best Use		Large Lot Residential	
Land Mix		Gross Land Size	80.0
	Irrigated		
	Dry Crop		
	Pasture		
	Rangeland		
Prices	Gross Price/Acre	\$3,500	
	Unimproved		
	Price/Acre	\$3,500	
	Improvements	\$0.00	
Comments	Rolling hillside with open meadows and natural tree coverage throughout. Located in a highly desirable area with rural amenities, however still within close proximity to city and services. The transaction included two 40 +/- acre parcels. Power and phone were located at the neighboring property.		

Sale #1 Photos

Aerial Photo
(boundaries
approximate)



Sale #2

Property Identification	Address	NHN Black Bear Rd	
	City	Helena, MT 59602	
	Legal Description	S11, T11 N, R01 W, LITTLE DAISY #5967 & DOLCOTH #5968 ELLEN #5970 & HARROW #5967 & IDA #5969	
	Geocode	05-1997-11-1-01-20-0000	
Property Type	Property Type	Recreational	
	Location	18 Miles No/East of Helena (by air)	
	Sale Price	\$262,000	
Sale Analysis	Sale Date	1/24/2014	
	Grantor	Unknown	
	Grantee	Prickly Pear Land Trust	
	Deed Book/Page	BkM48/Pg1577 Doc#3253939	
	Marketing Time	235 Days	
	Conditions of Sale	Arm's Length	
	Financing	Cash	
	Verification	Helena MLS/Appraiser	
	Land Information	Zoning	n/a
Topography		Mountainous	
Access		York Rd	
Water		Springs	
Utilities		None Available	
Taxes		Typical	
Highest and Best Use		Recreational	
Land Mix	Gross Land Size	100.00	Acres
	Irrigated	0.00	
	Dry Crop	0.00	
	Pasture	0.00	
	Rangeland Recreational	100.00	
Prices	Gross Price/Acre	\$2,620	
	Unimproved Price/Acre	\$2,620	
	Improvements	\$0	
Comments	The property includes 5 patented mining claims, sold in a single transaction. National Forest Service borders on all sides. No development potential with lack of electrical services in the area.		

Sale #2 Photos

Aerial Photo
(boundaries
approximate)

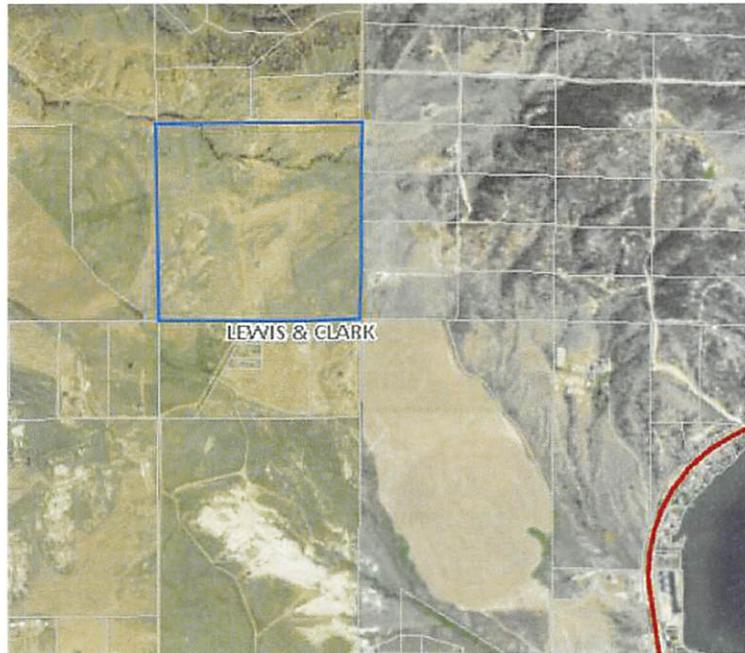


Sale #3

Property Identification	Address	5280 Shedhorn Dr	
	City	Helena, MT 59602	
	Legal Description	S21, T11 N, R02 W, C.O.S. 554945/E, PARCEL D	
	Geocode	05-1996-21-4-01-01-0000	
	Property Type	Large Lot Residential	
	Location	10 Miles No/West of Helena (by air)	
Sale Analysis	Sale Price	\$340,000	
	Sale Date	9/16/2013	
	Grantor	Gustafson	
	Grantee	Unknown	
	Deed Book/Page	BookM47Pg6781 Document #3248666	
	Marketing Time	109 Days	
	Conditions of Sale	Arm's Length	
	Financing	Contract for Deed	
	Verification	Helena MLS/Lewis and Clark County	
Land Information	Zoning	County Jurisdiction	
	Topography	Rolling Hillside	
	Access	Shedhorn Dr	
	Water	None	
	Utilities	To Property	
	Taxes	Typical	
	Highest and Best Use	Large Lot Residential/Investment	
	Land Mix	Gross Land Size	170.22
Irrigated		0.00	
Dry Crop		0.00	
Pasture		0.00	
Rangeland		170.22	
	Recreational		
Prices	Gross Price/Acre	\$340,000	
	Unimproved Price/Acre	\$1,939	
	Improvements	\$10,000	
	Comments	<p>Large parcel located in Helena's no/east valley located adjacent to established subdivision. Subdivision to 8 parcels permitted. Good access to city and services, as well as nearby Hauser Lake recreational area. Power and phone installed to the property. A 36'x40' pole frame garage was included with the sale with an estimated value of \$10,000.</p>	

Sale #3
Photos

Aerial Photo
(boundaries
approximate)



Sale #4

Property Identification	Address	NHN Franklin Mine Rd	
	City	Helena, MT 59602	
	Legal Description	Lengthy	
	Geocode	05-1887-11-2-01-16-0001	
	Property Type	Large Lot Residential	
	Location	4 Miles No/West of Helena	
Sale Analysis	Sale Price	\$500,000	
	Sale Date	3/31/2014	
	Grantor	Mountain West Bank	
	Grantee	Werner Nistler Properties, LC	
	Deed Book/Page	BkM48, Pg3826; Document 3256119	
	Marketing Time	87 Days	
	Conditions of Sale	Bank Owned Property	
	Financing	Conventional	
	Verification	Helena MLS/Grantor	
Land Information	Zoning	County Jurisdiction	
	Topography	Fairly Level	
	Access	Franklin Mine / Head Lane	
	Water	None	
	Utilities	To Property	
	Taxes	Typical	
	Highest and Best Use	Development	
Land Mix	Gross Land Size	324.69	Acres
	Irrigated	0.00	
	Dry Crop	0.00	
	Pasture	0.00	
	Rangeland	324.69	
Prices	Gross Price/Acre	\$1,540	
	Unimproved		
	Price/Acre	\$1,540	
	Improvements	\$0	
Comments	<p>Legal: S11, T10 N, R04 W, C.O.S. 463944, GOVT LTS 1-3, 5-7 E2NE4 – Total Acres: 313.73 Legal: S11, T10 N, R04 W, SAM GATY LODE MS #414, LT 44C – Total Acres: 0.46 Legal: S11, T10 N, R04 W, SAM GATY LODE MS #414, LT 44D - Total Acres: 0.45 Legal: S11, T10 N, R04 W, DOC STEELE MILLSITE MS #354, LT 39B – Total Acres: 5.0 Legal: S11, T10 N, R04 W, ACRES 5.05, DOC STEEL LODE MS #354 LT 39A – Total Acres: 5.05</p> <p>Property located just outside of Helena, in a highly desirable area surrounded by development. Purchasers bought the property with development intent.</p>		

Sale #4 Photos

Aerial Photo
(boundaries
approximate)

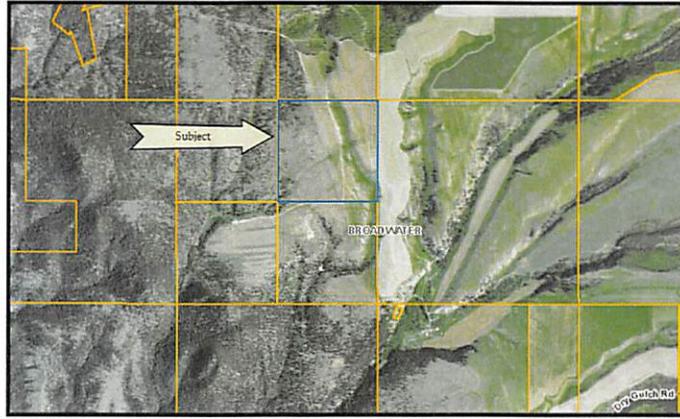


Sale #5

Property Identification	Address	NHN Duck Creek Rd	
	City	Townsend, MT	
	Legal Description	S09, T08 N, R03 E, C.O.S. 2-125, PARCEL 7	
	Geocode	43-1692-09-1-01-01-0000	
	Property Type	Large Lot Residential / Ranchette	
	Location	Approximately 5 miles east of Highway 284 and 10 miles north of Highway 12, near Townsend MT	
Sale Analysis	Sale Price	\$141,000	
	Sale Date	April 2014	
	Grantor	E&B LLC	
	Grantee	Daniel J. Thurman	
	Deed Book/Page	Unknown	
	Marketing Time	Unknown	
	Conditions of Sale	Arm's Length	
	Financing	Conventional	
	Verification	Appraiser / Broadwater County	
Land Information	Zoning	n/a	
	Topography	Fairly Level to Sloping	
	Access	Duck Creek Rd	
	Water	None	
	Utilities	Electric in the area	
	Taxes	Typical	
	Highest and Best Use	Large Lot Residential / Ranchette	
Land Mix	Gross Land Size	157.00	Acres
	Irrigated	0.00	
	Dry Crop	0.00	
	Pasture	0.00	
	Rangeland	151.55	
	Forest	5.45	
Prices	Gross Price/Acre	\$898	
	Unimproved		
	Price/Acre	\$898	
	Improvements	\$0.00	
Comments	<p>Topography ranges from fairly level open field to sloping hillside. The perimeter appears to be enclosed with wood post and barbed wire fences. Some natural trees were noted at the western portion of the site. Located outside of Townsend in a rural neighborhood with year round residents.</p>		

Sale #5 Photos

Aerial Photo
(boundaries
approximate)



Sale #6

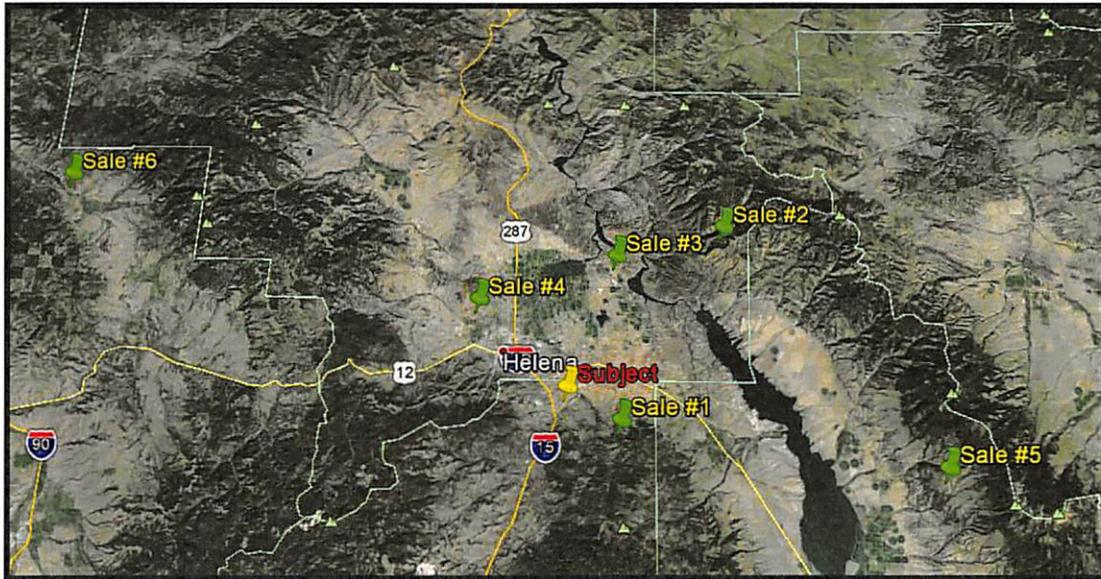
Property Identification	Address	16822 MT Hwy 141	
	City	Avon, MT	
	Legal Description	S20, T12 N, R09 W, ACRES 157, NW4 LESS 2 AC H/W	
	Geocode	28-2105-20-2-01-01-0000	
	Property Type	Large Lot/Recreational	
	Location	Hwy 141; 1 miles so/east of Nevada Lake +/-	
Sale Analysis	Sale Price	\$161,000	
	Sale Date	6/11/2012	
	Grantor	WYMT, LLC	
	Grantee	Cunningham	
	Deed Book/Page	Bk124;Pg578 Document #168209	
	Marketing Time	138 Days	
	Conditions of Sale	Arm's Length	
	Financing	Cash	
	Verification	Helena MLS / Powell County	
Land Information	Zoning	County – Large Lot	
	Topography	Fairly Level to Rolling Hillside	
	Access	Hwy 141	
	Water	Well	
	Utilities	Electric	
	Taxes	Typical	
	Highest and Best Use	Residential / Recreational	
Land Mix	Gross Land Size	156.00	Acres
	Irrigated	0.00	
	Dry Crop	0.00	
	Pasture	0.00	
	Rangeland	0.00	
	Recreational		
Prices	Gross Price/Acre	\$1,032	
	Unimproved Price/Acre	\$968	
	Improvements	\$10,000	
Comments	<p>The sale is located in a rural area near Avon, MT. Two manufactured homes included with the sale, which were estimated at \$10,000 and deducted from the sales price. The sale is included in an area subject to county zoning with restrictions on subdivision below 160.0 acres. Very close location to Nevada Lake and bordering conservation easement makes this a desirable recreational property.</p>		

Sale #6 Photos

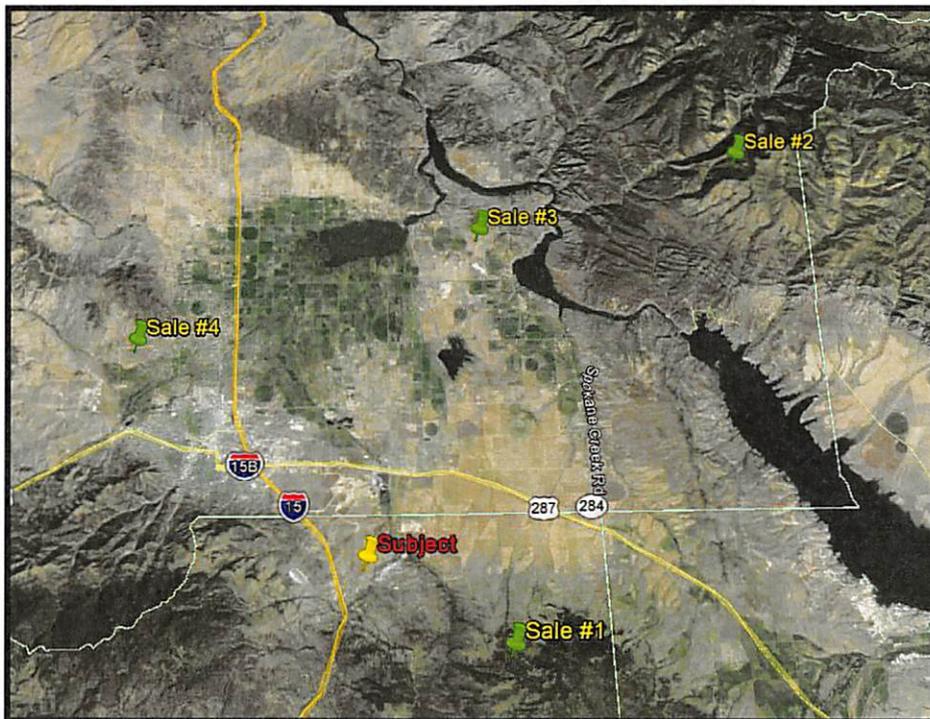
Aerial Photo
(boundaries
approximate)



Comparable Sales Map



Comparables Sales #1-4 (zoomed)



(Locations are approximate and should be considered estimates only)

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied:

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5	Sale #6
		NHN McClellan Creek Rd	NHN Black Bear Rd	5280 Shedhorn Dr	NHN Franklin Mine Rd	NHN Duck Creek Rd	16822 MT Hwy 141
Sale Price	n/a	\$280,000	\$262,000	\$340,000	\$500,000	\$141,000	\$161,000
Improvements	n/a	\$0	\$0	\$10,000	\$0	\$0	\$10,000
Sale Price Less Improvements	n/a	\$280,000	\$262,000	\$330,000	\$500,000	\$141,000	\$151,000
Size in Acres	161.57	80.00	100.00	170.22	324.69	157.00	156.00
Price Per Acre	n/a	\$3,500	\$2,620	\$1,939	\$1,540	\$898	\$968
Financing	n/a	Cash	Unknown	Owner Finance	Conventional	Conventional	Cash
Date of Sale	n/a	10/31/2013	1/24/2014	9/16/2013	3/31/2014	4/1/2014	6/11/2012
Ownership	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	Mt. City	Mt. City	Helena	Helena	Helena	Townsend	Avon
Adjustment		0.00%	0.00%	0.00%	0.00%	25.00%	25.00%
Subtotal		\$3,500	\$2,620	\$1,939	\$1,540	\$1,123	\$1,210
Site Area	161.57	80.00	100.00	170.22	324.69	157.00	156.00
Adjustment		-25.24%	-19.05%	2.68%	50.48%	-1.41%	-1.72%
Subtotal		\$2,616.50	\$2,120.79	\$1,990.56	\$2,317.28	\$1,106.73	\$1,189.08
Land Use	Large Lot Residential	Large Lot	Recreational	Large Lot	Large Lot	Large Lot	Recreational
Adjustment		0%	-15%	0%	0%	0%	-15%
Subtotal		\$2,616.50	\$1,802.67	\$1,990.56	\$2,317.28	\$1,106.73	\$1,010.72
Influences	None	Development	None	Development	Development	None	None
Adjustment		-30%	0%	-30%	-30%	0%	0%
Subtotal		\$1,831.55	\$1,802.67	\$1,393.39	\$1,622.10	\$1,106.73	\$1,010.72
Adjusted Price Per Acre		\$1,831.55	\$1,802.67	\$1,393.39	\$1,622.10	\$1,106.73	\$1,010.72

Comparable Land Sale Adjustments

Property Rights

- ▶ All of the sales were of Fee Simple Rights

Financing

- ▶ All of the sales included involved cash or similar financing.

Conditions of Sale

- ▶ None of the sales included atypical condition.

Economic Trends

- ▶ No data was found in the area to support a time adjustment for any of the sales included. See "Market Conditions" section for further discussion.

Location

- ▶ Sales #5 and 6 were located in inferior, rural areas and adjusted as such. This adjustment is based on an analysis of multiple sales in the areas of the sales, in comparison to the area of the subject. The appraiser's judgment and experience were also relied on in the basis of this adjustment. A paired sales analysis was not included, can this method is supportive of the adjustment as well.

Acres

- ▶ Site size was adjusted on a per acre basis, considering the economic principle Economies of Scale. It is typical in the market for purchasers to pay less per acre for larger acreage tracts.

As is supported by the economic theory Economies of Scale, it is typical in the local market for larger sites to bring a lower per acre price than smaller sites. An adjustment can be supported at a ratio of 25% difference in value for a 50% difference in size. This adjustment is supported by data collected for this and previous similar assignments completed by this appraiser and his appraisal office. The comparables included below are not necessary comparable to the subject properties, however are support for this adjustment. The following sales have been included in this report for demonstration of this:

Size Adjustment Support

	Location/Legal	City	Sales Price	Deeded Acres	\$/Acre	Sale Date	% Difference in Size	% Difference in Value
Sale #1	T21N R5W Sec 13: E2SW	Fairfield	\$230,600*	77.86	\$2,962	12/6/2012	52.60%	27.40
Sale #2	T21N R2W in Sec 3 & 4	Fairfield	\$353,440	164.45	\$2,149	5/16/2012		
Sale #3	TBD Wheatland Road	Three Forks	\$256,000	318.00	\$805.03	2/22/2013	15.78%	8.20%
Sale #4	117 Robbins Lane	Whitehall	\$235,000	267.79	\$877.55	10/5/2011		
Sale #5	NHN Black Bear Rd	Helena	\$262,000	100.00	\$2,620	1/24/2014	41.20%	23.70%
Sale #6	5280 Shedhorn Dr	Helena	\$340,000	170.22	\$1,997	9/16/2013		

Sale #1 is a 77.86 acre site and is 52.60% smaller than sale #2. The sale price of comparable #1 was \$2,962/acre or 27.40% higher than sale #2. The sales appear to have similar utility and desirability, and are considered similar to each other. Other than size few other variables are apparent. The sales then indicate a ratio of 52.60%/27.40%.

Likewise with sales #5 and 6, a ratio of 41.20/23.70 is indicated. Numerous other examples of this have proven this adjustment, with the selected sales included as they are of the most describable with few other variables necessary to adjust for. The lack of sales available to the appraiser in the subject's area required sales from outside the location, however this adjustment has proven accurate in all areas this appraiser has practiced in.

Additional support for this adjustment could be considered in the comparison of sales #3 and 4 of this report; with a 47.60% difference in size, a per acre price difference of 20.67% is indicated.

The adjustment is then well supported that a 50% difference in size is congruent with a 25% difference in site value. This adjustment is utilized on all comparables for consistency.

Recreational Use

▶ Sales with superior recreational desirability have been adjusted 15%. This adjustment is supported by multiple means, the following grid illustrates this:

Recreational							
	Location / Legal	Sales Price	Deeded Acres	\$/Acre	Sale Date	Variable	% Difference in Value
#1	Section 15 N2NE4 T07SR02W, Ennis MT	\$400,000	400.00	\$1,000	4/30/2013	Rec	19.50%
#2	T2N, R1E, Section 9 Three Forks, MT	\$256,000	318.00	\$805	2/22/2013	Non-Rec	
#3	Section 25, T8N, R7E White Sulphur MT	\$900,000	640.00	\$1,406	4/17/2014	Rec	15.23%
#4	Old Woman's Grave Rd, Toston MT	\$850,000	713.00	\$1,192	4/27/2012	Non-Rec	

Sales #1 and 2 reflect a difference in value of 19.50%. Sale #1 is located in a highly desirable location for recreational uses, while sale #2 is located between developed subdivisions. Both sales are of similar size time of sale.

Sales #3 and 4 reflect similar size parcels in the same general location. Sale #3 was sold as recreational property. The section is bordered on two sides by National Forest Service lands and a third side by State owned land. The difference in these two sales indicate an approximately 15% difference in value.

These analyses included indicate a range between 15.23% and 19.50% for recreational uses. A rate at the low end of this range is supported for the subject, and 15% has been used for the sales included in this report.

Development Potential

► One of the most substantial adjustments warranted was for the potential of development of the site. The subject does not have development potential due to the legal restrictions on the site. It is not uncommon for sales of properties this size to be purchased for subdivision into smaller parcels, which typically results in higher values. The following sales were included for support of this adjustment:

Development							
	Location / Legal	Sales Price	Deeded Acres	\$/Acre	Sale Date	Variable	% Difference in Value
#1	000 Prairie Dr	\$175,000	20.00	\$8,750	11/15/2012	Can	43.03%
#2	Lot B4 Sawmill Rd	\$100,000	20.06	\$4,985	8/31/2011	Can Not	
#3	York Rd & Deal Ln	\$185,300	26.08	\$7,105	10/5/2012	Can	29.84%
#4	Lot B4 Sawmill Rd	\$100,000	20.06	\$4,985	8/31/2011	Can Not	
#5	000 Prairie Dr	\$175,000	20.00	\$8,750	11/15/2012	Can	20.40%
#6	500 Holmes Gulch Rd	\$140,000	20.10	\$6,965	9/24/2013	Can Not	

With all sales being of similar size to each other, as well as no adjustment warranted for time of sale, we can observe the notable differences in sales price. Sales #1 was advertised as having the ability to be subdivided, while sale #2 was located in an area where further subdivision was not legally possible. Sales #5 and 6 are another very good example of this. These sales indicate a range of differences for subdividable property between 20.40% and 43.03% with a rate of 30% strongly supported for sales included in this report.

Comparable Sales Analysis

The sales included are considered to be the most similar sales available and the best indicators known of by the appraiser. The comparability of these sales is briefly discussed below:

Sale #1 is a recent sale located within the Montana City area, and within similar proximity to the subject. This was the only comparable larger acreage sale found within the subject's neighborhood. The property was sold as a single parcel, however is two separately recorded tracts and can be individually sold.

Sale #2 is a smaller tract located near York. An adjustment was warranted for recreational desirability, however this adjustment is somewhat limited by the inferior location further from city and lack of services. No development potential due to location. This was a recent transaction, and similar in size, and was heavily weighted in the final analysis.

Sale #3 is a similar size site located in a similar neighborhood. Topography and vegetation are very similar to that of the subject's. A large adjustment was warranted for development potential. This sale was also heavily weighted in the final analysis.

Sale #4 is a larger property located just north of Helena city limits. The property was purchased for development. While this is a very recent sale, with adjustments well supported, it was given minimal weight in the final analysis due to being a bank owned sale.

Sale #5 is a recent transaction of a similar size parcel. Adjustment was warranted for inferior location near Townsend, MT. This sale was given less weight due to location.

Sale #6 is a dated sale near Avon, MT. As with the previous sale, an adjustment for inferior rural location was warranted. This property is located in an area where further subdivision is not allowed by zoning. The sale was included due to these similar restrictions, however few other similarities exist and was given very minimal weight as such.

Reconciliation

Sales included indicate a range in value between \$1,010 and \$1,832 per acre. Statistically, a mean of \$1,461 and median of \$1,508 is reflected. All of the value indications have been considered, and in the final analysis, comparables #2 and 3 have been given the most weight in arriving at my final reconciled per acre value of \$1,545.

Individual sales are weighted as follows:

Sale	Adjusted Value	Weight	Weighted Value
#1	\$1,831.55	20%	\$366.31
#2	\$1,802.67	25%	\$450.67
#3	\$1,393.39	25%	\$348.35
#4	\$1,622.10	10%	\$162.21
#5	\$1,106.73	15%	\$166.01
#6	\$1,010.72	5%	\$50.54
		100%	\$1,544.08

As Is Market Value

Indicated Value per Acre: \$1,545

Subject Size: 161.57

Indicated Value: \$249,626

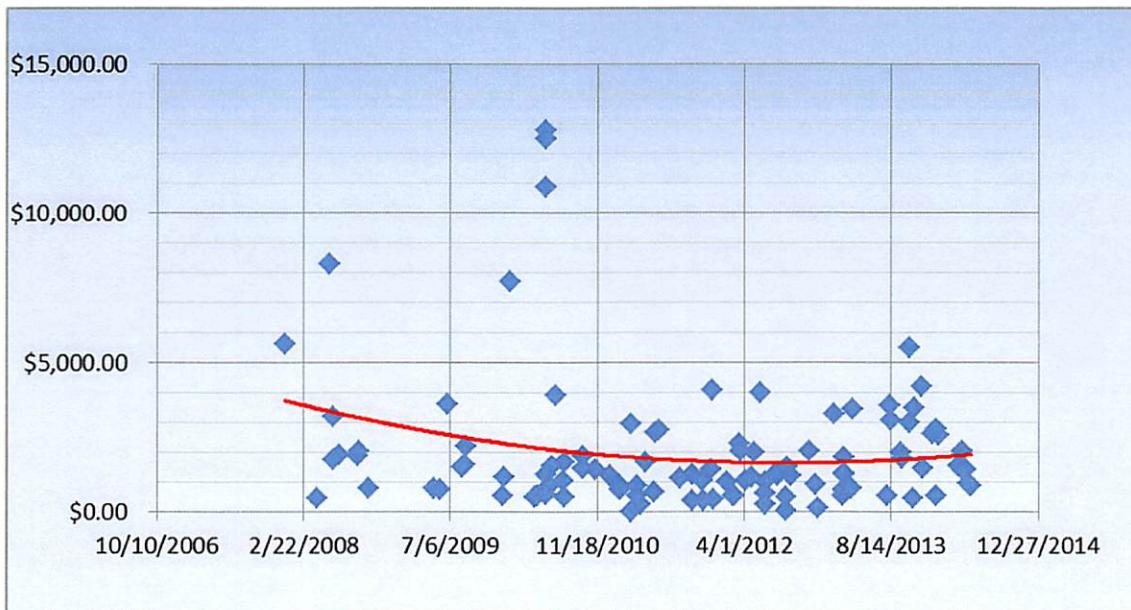
Rounded: \$250,000

Two Hundred and Fifty Thousand Dollars

Market Conditions

The subject's market area covers a large portion of So/West Montana. Market conditions within the area vary by location and property type. An analysis of large acreage tracts throughout the area provided very minimal data on which to support market changes over the past 24 months. The following data is from the Helena MLS and covers much of southern Lewis and Clark County.

Using a sampling of 139 sales from December 19, 2007 to July 26, 2013, the following chart is extracted:



The data includes vacant land sales ranging in size from 50 to over 15,000 acres. As is visually observable, the overall trend has been a decrease in value (price per acre) through 2010 where the trend somewhat stabilized. The trendline selected to illustrate this is a polynomial trendline, to the order of 1. While not an ideal measurement as it can be easily manipulated, it is a fair visual representation of the market.

This data was not used in a time adjustment for the comparables used in the completion of this report as few of these sales are similar to the subject's exact location, and were much smaller.

No rate of change over the past three years could be supported for the subject property market. This is supported by sales included in the sales comparison approach.

Reasonable Exposure Time

USPAP explains exposure time as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Large acreage tracts have averaged nearly a year on the market before sale. This is typical for these types of parcels, due partially to the lack of available or interested purchasers.

Considering the above factors, this appraisal has been completed assuming an exposure period of between twelve and eighteen months.

Marketing Time

It is also necessary to estimate marketing time for the property, that being the estimate of time required to consummate the sale of the property immediately after the effective date of appraisal. Minimal difference in marketing and exposure time is expected in the coming months, particularly as spring weather comes about. As such, the marketing time is estimated to be from nine and twelve months at the estimated value of the effective date of appraisal.

Personal Property

No personal property was considered in this appraisal.

“AS IS” Value

This report has been completed to estimate the current “AS IS” value of the subject property.

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- 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.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Shaun Moore has made an inspection of the subject property.



June 23, 2014

Shaun Moore,
MT-REA-RAG-LIC-718

Letter of Engagement

FOR DNRC USE ONLY			Approved No. <u>149089</u> Division <u>J.G.</u> Legal <u>THB</u> F.S.O. <u>CJA</u> 
Maximum amount under this agreement: \$ <u>1,500</u>			
Source of Funds			
Fund Name Trust Administration Account	Fund No. 02938		
Subclass 555HA	Org. No. 6044-01	Percent 100%	

TRUST LAND MANAGEMENT DIVISION

APPRAISAL OF POTENTIAL LAND BANKING SALE IN JEFFERSON COUNTY

THIS CONTRACT is entered into by and between the State of Montana/Department of Natural Resources and Conservation, (State/DNRC), whose address and phone number are P.O. Box 201601, (406) 444-2074 and Shaun Moore, Moore Appraisal Firm, (Contractor), whose address and phone number are P.O. Box 6734, Helena, MT 59604 and (406) 442-6180.

1. **EFFECTIVE DATE, DURATION, AND RENEWAL**

1.1 Contract Term. The contract's initial term is upon contract execution, through July 31, 2014, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has executed it in Section 27. **The appraisal report is to be completed and forwarded to Montana DNRC, Emily Cooper, and P.O. Box 201601, Helena, MT 59620-1601 by July 1, 2014.**

2. **SERVICES AND/OR SUPPLIES**

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

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

1) The appraisal report will be one document containing the parcel data and the analysis, opinions, and conclusions of value for the parcel. If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

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

3. CONSIDERATION/PAYMENT

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

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

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

4. ACCESS AND RETENTION OF RECORDS

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

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

5. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

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

6. HOLD HARMLESS/INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the State, its elected and appointed officials, officers, agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of Contractor's negligent acts, errors, or omissions in work or services performed under this Contract, including

but not limited to, the negligent acts, errors, or omissions of any Subcontractor or anyone directly or indirectly employed by any Subcontractor for whose acts Subcontractor may be liable.

7. REQUIRED INSURANCE

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

7.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

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

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

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

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

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

8. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the Department of Natural Resources and Conservation PO Box 201601, Helena, MT 59620-1601.

9. COMPLIANCE WITH LAWS

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

10. DISABILITY ACCOMMODATIONS

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

11. REGISTRATION WITH THE SECRETARY OF STATE

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

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

12. OWNERSHIP OF WORK PRODUCT

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

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

12.2 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and

derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the State (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the State before its use and to prove its ownership. If, however, Contractor fails to disclose to the State such Contractor Pre-Existing Materials, Contractor shall grant the State a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the State to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided herein or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

13. CONTRACT TERMINATION

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

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

14. EVENT OF BREACH – REMEDIES

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

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

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

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

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

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

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

15. WAIVER OF BREACH

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

16. FORCE MAJEURE

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

17. CONFORMANCE WITH CONTRACT

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

18. LIAISONS AND SERVICE OF NOTICES

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

Emily Cooper, Lands Section Supervisor is the State's liaison.

(Address): P.O. Box 201601
 (City, State, ZIP): Helena, MT 59620-1601
 Telephone: (406) 444-4165
 Fax: (406) 444-2684
 E-mail: ecooper@mt.gov

Shaun Moore is Contractor's liaison.

(Address): P.O. Box 6734
 (City, State, ZIP): Helena, MT 59604
 Telephone: (406) 442-6180
 Fax: (406) 442-6182
 E-mail: shaun@mooreappraisalfirm.net

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

19. MEETINGS

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

20. TRANSITION ASSISTANCE

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

21. CHOICE OF LAW AND VENUE

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

22. TAX EXEMPTION

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

23. AUTHORITY

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

24. SEVERABILITY CLAUSE

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

25. **SCOPE, ENTIRE AGREEMENT, AND AMENDMENT**

25.1 Contract. This contract consists of eight numbered pages, Attachment A - Scope of Work, Attachment B - Supplemental Appraisal Instructions, pages 9-12 and Attachment C - Grant of Roadway Access Easement. In the event of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same order as this contract.

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

26. **WAIVER**

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

27. **EXECUTION**

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

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

Shaun Moore, Moore Appraisal Firm
P.O. Box 6734
Helena, MT 59604

FEDERAL ID #: 46-745579

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

BY: Shaun Moore
(Name/Title)

[Signature]
(Signature)

[Signature]
(Signature)

DATE: 6/17/14

DATE: 6/10/14

ATTACHMENT A

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

CLIENT, INTENDED USERS, PURPOSE AND INTENDED USE:

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

DEFINITIONS:

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

neighborhood and market, those conditions shall be communicated to the clients and may change the scope of work required.

ASSIGNMENT CONDITIONS:

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

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

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

Legally accessible state lands are appraised as accessible only.

An existing access easement only allows for one single family residence to be built on the property. See Attachment C for a copy of the easement.

The appraisal on the state's lands must include state-owned improvements in the valuation, but exclude lessee-owned or licensee-owned improvements in the valuation. All appraisals are to describe the market value trends, and provide a rate of change, for the markets of each subject property. Comparables sales used should preferably have sales dates within one year of the appraisal and should not be over three years old. The comparable sales must be in reasonable proximity to the subject, preferably within the same county or a neighboring county.

ATTACHMENT B

**MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions**

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

Subject Property:

Sale #	Acres	Legal Description
340	160 ±	E½W½, Section 12, T9N-R3W

Unit Office Contact Information:

Gavin Anderson – Forest and Lands Program Manager
8001 N. Montana Avenue
Helena, MT 59602
Office: 406/458-3502
Fax: 406/458-3506

Attached to this email are the new easement documents showing the easement granted to Ash Grove and the easement granted to the State of Montana.

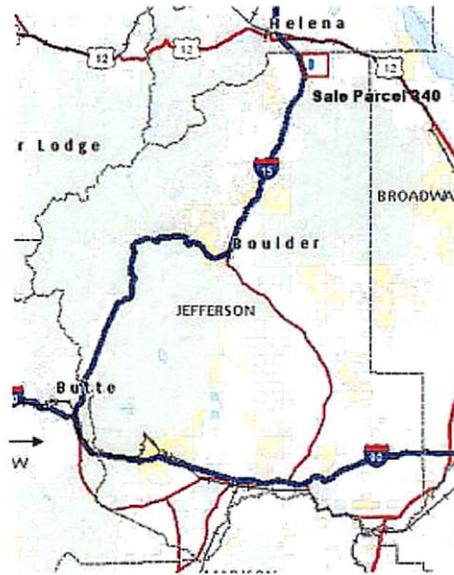
The following will be located in the body of the contract:

If deemed necessary by the contractor rather than including the specific market data in the appraisal report, a separate addendum may be submitted containing the specific market data as a stand-alone document, which must be reviewed and accepted along with the appraisal, and will be returned to the appraiser for retention in his/her files. The appraiser must submit an electronic copy as well as a printed copy of the appraisal report.

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

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

Jefferson County Sale Location Map



Land Banking Sale Parcel Map

Sale 340: E½W¼, Section 12, T9N-R3W



ATTACHMENT C

After Recording Return To:
Sullivan, Tabaracci & Rhoades, P.C.
Chris Johnson
1821 South Ave. West, 3rd Floor
Missoula, MT 59801

231569 Fee \$ 35.00
JEFFERSON COUNTY
Recorded 11/20/2008 At 10:00 AM
BONNIE RAMEY, Clerk and Recorder
By *Debra M. Mallick* Deputy

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GRANT OF ROADWAY ACCESS EASEMENT

WHEREAS the State of Montana, by and through the Montana Board of Land Commissioners, is the owner, in trust for common public schools, of a parcel of land described as the East half of the West half of Section 12, Township 9 North, Range 3 West, P.M.M., situated in Jefferson County, Montana (hereinafter referred to as the dominant tenement); and

WHEREAS litigation has arisen between Ash Grove Cement and the State of Montana, by and through the Montana Board of Land Commissioners, and the Montana Department of Natural Resources and Conservation in the action styled Ash Grove Cement Company v. Jefferson County et. al., Cause No. DV-06-10516 (Mont. Fifth Judicial District Court, Jefferson County); and

WHEREAS the parties to the above-referenced lawsuit have agreed, in order to avoid needless litigation and to promote certainty in their relations, to resolve the same on the terms and conditions set forth in that certain Settlement Agreement filed with the Court on September 29, 2008, the material terms of which are incorporated herein by this reference; and

Roadway Easement

1

JEFFERSON COUNTY
Recorded 11/20/2008 At 10:00 AM
BONNIE RAMEY, Clerk and Recorder
By _____ Deputy

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WHEREAS the Settlement Agreement requires the Plaintiff, Ash Grove Cement Company, and the Defendant State of Montana, to grant reciprocal access easements to one another to allow access to their respective parcels, subject to the terms and conditions as described herein;

NOW THEREFORE in consideration of the mutual promises contained in the Settlement Agreement, and other good and valuable consideration, the above-described Grantor hereby grants to the Grantee and its successors and assigns, and the Grantee hereby accepts, a non-exclusive access easement, for ingress and egress to the Grantee's above-described property, pursuant to the following terms and conditions, as set forth herein:

1. Parties

Ash Grove Cement Company, a corporation licensed and doing business in Montana, of 100 Montana Highway 518, Clancy, Montana, 59634, is hereinafter referred to as "the Grantor". The State of Montana, State Board of Land Commissioners, by and through the Department of Natural Resources and Conservation, of P.O. Box 201601, Helena, MT 59620-1601, is hereinafter referred to as "the Grantee".

2. Ownership of Servient and Dominant Tenements

The Grantor owns and has some right, title, and interest, both legal and equitable, in the real estate described generally as being the West ½ of the West ½ of Section 12, Township 9 North, Range 3 West, P.M.M., situate in Jefferson County, Montana, (hereinafter referred to as the "servient tenement"), excepting therefrom approximately 6 acres as noted on the Certificate of Survey referenced below. The Grantee owns and has some right, title, and interest, both legal and equitable, in the dominant tenement, which is located to the East of Grantor's above-described property.

3. Purpose

The purpose of creating and granting the Roadway Easement described below is to permit the Grantee ingress and egress its property, and as limitation on the scope of this easement, the ingress and egress provided for herein shall be to service one single-family habitable dwelling, with related outbuildings. The parties acknowledge this easement is given in conjunction with, and subject to, those existing and recorded grants of easement or right of way to American Telephone and Telegraph Company, in which Grantor's predecessor in interest and Grantee provided access to the AT&T tower site located in the Northeast ¼ of said Section 12. The parties further acknowledge existing easement rights previously granted by Grantor to property owners of the two parcels located in the North ½ of Grantor's above-described property. Nothing contained herein shall be construed as a limitation of the rights granted in those prior instruments.

4. Duration

The Easement created and granted herein shall be perpetual, assignable, and be a covenant

Roadway Easement
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231569 Fee \$ 35.00
JEFFERSON COUNTY
Recorded 11/20/2008 At 10:00 AM
BONNIE RAMEY, Clerk and Recorder
By _____ Deputy

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running with the land.

5. Description of Easement

Grantor hereby creates and grants a non-exclusive Roadway Easement for the purpose of ingress and egress, for the benefit of the owners of Grantees' property (the dominant tenement), over and across Grantor's property (the servient tenement) along the pre-existing roadway, commonly known as Microwave Hill Road, or otherwise described as the AT&T service road, and which easement is described as a 33 foot (2 rods) wide easement beginning at a point on the West boundary of Grantor's property, near the mid-section point, and continuing Easterly and Northeasterly to the East boundary of Grantor's property. Said easement is more particularly shown on that Certificate of Survey No. 169985, Folio 441-D, in the records of Clerk and Recorder's Office of Jefferson County, Montana.

6. Beneficial Interest

The Easement created and granted herein is for the benefit of the owner of the Grantee's above-described property.

7. Maintenance

No current nor subsequent Owner shall cause the placement of any structures or other physical improvements which unreasonably obstruct any portion of the said easement, inclusive of that portion of the road that crosses the dominant tenement, without the prior written consent of the other Owner. Grantor may, in its discretion, install cattle guards on any portion of the roadway and it is acknowledged that AT&T has maintenance rights as contained in prior recorded instruments. No gate may be installed on the easement without the consent of all users of the roadway. No use of the easement by any Owner may materially interfere with the use of the easement by the other Owner or the referenced holders of rights in the roadway. Grantee shall have no obligation for the maintenance of the easement so long as Grantee's property remains undeveloped or unimproved. Should the Grantee or a subsequent owner of Grantee's property erect or install a habitable dwelling on the Grantee property, that owner shall then be responsible for reasonable maintenance, grading, and graveling occasioned or required by that owner's use. It is anticipated by this provision that the regular use by such an owner of the Grantee's property will cause wear, erosion, rutting and washboards beyond that level of maintenance that currently occurs on the road. All maintenance activities shall be done in a good and workmanlike manner and conducted in a manner that does not materially interfere with use of Grantor's property. Grantee agrees to indemnify and hold harmless Grantor for any liens or liability that may arise from having such maintenance or improvement work done.

8. Enforcement

The Owners and their respective successors and assigns shall have the right to enforce, by proceedings at law or in equity, the covenants, restrictions and easements imposed by this Agreement, against any person or persons who have violated or who are attempting to violate any of the covenants or restrictions of this Agreement, to enjoin or prevent them from doing so, to

Roadway Easement
3

JEFFERSON COUNTY
Recorded 11/20/2008 At 10:00 AM
BONNIE RAMEY, Clerk and Recorder
By _____ Deputy

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of the covenants or restrictions of this Agreement, to enjoin or prevent them from doing so, to cause the violations to be remedied, and/or to recover damages for any violations. Any Owner violating any of the covenants or restrictions of the Agreement shall also be liable for attorney's fees to be fixed by the Court in favor of any party successfully bringing action based on such violation.

9. Binding Affect and to Run With the Land

The Easement created and granted herein is granted for the benefit of the parties stated above, and their heirs, successors, or assigns. In addition, said Easement shall be binding upon the parties hereto, their heirs, successors or assigns, and shall run with the land during its term.

Dated this _____ day of _____, ²⁰⁰⁸ 2006:

GRANTOR, Ash Grove Cement Company

By: Eileen J. Link
Its: Vice President

STATE OF MONTANA Kansas)
 : ss
County of Johnson)

This instrument was acknowledged before me on July 14, 2008 by
Eileen J. Link of the Ash Grove Cement Company.

Melissa S. Rusch
Notary Public for the State of Montana Kansas
Residing at Overland Park, KS
My Commission expires 10-17-12 2012



Roadway Easement
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231569 Fee \$ 35.00
JEFFERSON COUNTY
Recorded 11/20/2008 At 10:00 AM
BONNIE RAMEY, Clerk and Recorder
By _____ Deputy

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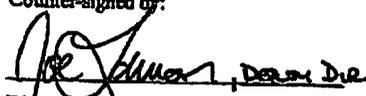
The terms of the above-described easement are hereby acknowledged, approved and accepted by the Grantee, The State of Montana, State Board of Land Commissioners

IN TESTIMONY WHEREOF, the State of Montana has caused these presents to be executed by the Governor, and to be attested by the Secretary of State, and countersigned by the Director of the Department of Natural Resources and Conservation, and the Great Seal of the State, and the Seal of the State Board of Land Commissioners to be hereunto affixed this 17 Day of August, A.D. 2008.




Governor of the State of Montana


Secretary of State

Counter-signed by:

Director, Department of Natural Resources
& Conservation



Roadway Easement
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P.O. Box 6734
Helena, MT 59604

Phone 406-442-6180
Fax 406-442-6182
Web site - www.mooreappraisalfirm.net
E-mail:
shaun@mooreappraisalfirm.net

Appraiser Qualifications

Shaun P. Moore

Education

General Courses at Marylhurst University
September 2009-2012

Advanced Individual Training at Fort Jackson, SC
*Graduated Honor Graduate
December 1997

Basic Combat Training at Fort Jackson, SC
September 1997

Graduated Jefferson High School, Boulder MT
June 1997

Appraisal Specific Education

March 2013
Practical Regression Using Microsoft Excel
Appraisal Institute

January 2012
Using Technology to Measure and Support Assignment
Results
Appraisal Institute

June 2011
The Uniform Appraisal Dataset
Appraisal Institute

August 2009
Valuing High Performance Residential Properties
Appraisal Institute
ONLINE

January 2009
Business Practices and Ethics
Appraisal Institute
Helena, MT

October 2008
FHA and the Appraisal Process
Appraisal Institute
ONLINE

September 2008
Quality Assurance in Residential Appraisals
Appraisal Institute
Fairmont, MT

October 2007
General Market Analysis and Highest and Best Use
Appraisal Institute

March 2006
Business Practices and Ethics
Appraisal Institute
Helena, MT

March 2006
National Uniform Standards of
Professional Appraisal Practice
Appraisal Institute
Helena, MT

December 2005
Log Home Appraisals
National Association of Independent Fee
Appraisers
Helena, MT

June 2005
The Professional's Guide to the URAR
Appraisal Institute
Helena, MT

November 2004
Small Residential Income Properties II
Institute for Real Estate and Appraisal
Studies
Salt Lake City, UT

November 2004
Small Residential Income Properties I
Institute for Real Estate and Appraisal
Studies
Salt Lake City, UT

October 2004
Communicating the Appraisal
Institute for Real Estate and Appraisal
Studies
Salt Lake City, UT

Louisville, KY

September 2007
General Appraiser Income Approach (Part I)
Appraisal Institute
St. Louis, MO

February 2004
9.7 Fannie Mae and Appraisal Guidelines
National Association of Independent Fee Appraisers
Helena, MT

February 5, 2004
Scope of Work
National Association of Independent Fee Appraisers
Helena, MT

July 17, 2003
120-Appraisal Procedures
Appraisal Institute
Salt Lake City, UT

February 2003
Residential Construction
McKissock
Billings, MT

February 2003
Uniform Standards of Professional
Appraisal Practice
McKissock
Billings, MT

November 2002
Principles of Residential Real Estate
Appraising
National Association of Independent Fee
Appraisers
Pryor Creek, OK

Professional Experience

September 2013 to Present
County Representative
Joint City of Helena, Lewis and Clark County Planning Board

Leadership Helena Graduate
August 2012 – May 2013

March 2005 to Present
Certified General Appraiser #718 State of Montana on
December 2, 2008

Moore Appraisals
Owner / Appraiser
Small appraisal firm practicing residential appraisals of single
family, 1-4 family, large multi-family, vacant land, large
acreage tracts, small commercial properties.

FHA Certified (approx. March 2008)

2002-2005
Moore Appraisals Inc.
Real Estate Appraiser
Trained under Tim J. Moore, IFAS. Perform real estate
appraisals of single family, 1-4 family, proposed construction
and vacant land.

1998-2002
Valley Dodge of Helena
Service Advisor
Responsible for scheduling service appointments, work closely
with service technicians to assure quality repair and customer
satisfaction.

1997-2003
Montana Army National Guard
63B Light Wheel Mechanic
Provide maintenance and repair for company motor pool
vehicles.

*Deploy February 2001 to Salt Lake City, UT. Aid in
providing force security for Joint Taskforce responsible for
protection during 2001 Winter Olympics.

*Deploy January 1998 to Panama City, Panama. Provide relief
efforts assisting in demobilization of active duty military base.

Professional memberships

Appraisal Institute; Candidate for Designation
Member June 2005 - Present
Helena Association of Realtors; Appraiser Member March
2005 - Present

Helena Building Industry Association; Affiliate Member
March 2005 - Present

Volunteer Work

East Helena Wrestling Club Board of Directors
Assistant Coach; East Helena Wrestling Club
2013-Present

Helena Association of Realtors Multiple List System Board of
Directors
2011 - Present

Helena Association of Realtors Membership Committee
2008 - Present

Helena Area Housing Task Force
2009-2011

References

First Interstate Bank
Mr. Rich Bruner
PO Box 5299
Helena, MT 59604
(406) 457-7152

Valley Bank of Helena
Ms. Connie Christofferson
PO Box 5269
Helena, MT 59604
(406) 495-2522

American Federal Savings Bank
Ms. Kathy Buckley
P.O. Box 4999
Helena, MT 59604
(406) 457-4025

Mountain West Bank
Ms. Julie Graham
P.O. Box 6013
Helena, MT 59604
(406) 442-4663

Miscellaneous Clients include:

- City of Helena
- State of Montana
- Helena Community Credit Union
- Trico Educational Credit Union
- Wells Fargo Home Mortgage
- GMAC Mortgage Corp.
- Bank of the Rockies
- Numerous Attorneys
- Country Wide Home Mortgage
- First Security Bank
- First Interstate Bank Bozeman
- U.S. Bank