

APPRAISAL REPORT
FOR
DNRC Property #758
Granite County, Montana



Prepared by:

Katie Rickett, A.R.A.

JK Appraisal & Consulting, LLC

**Certified General Real Estate Appraiser
In the State of Montana
Lic. # REA-RAG-LIC-650**

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

EFFECTIVE DATE: September 4, 2015



JK APPRAISAL & CONSULTING LLC

Katie Rickett, ARA 

President, Owner
Certified General Appraiser, MT

September 17, 2015

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

RE: Appraisal of the Montana DNRC Property (Granite County, Montana)

Dear Ms. Cooper,

Pursuant to your request, I have personally inspected and prepared appraisals of the real property associated with the State of Montana owned property located in Granite County and referred to as #758. As noted, this project a tract of land that the State of Montana is looking to sell to a private land owner in the area.

As instructed the tracts were appraised using a Hypothetical Condition that assumes that the property has legal access and it was also appraised "as-is," without legal access. A **Hypothetical Condition** is defined by the Uniform Standards of Professional Appraisal Practice as:

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

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

The property is landlocked and does not have any legal road access to the property. Although physical road access does exist.

The property was inspected on September 4, 2015. This is the effective date of the appraisal. The intended use of the appraisal is to value the subject for possible sale to the current lessee. The intended users are the State of Montana, the Montana Board of Land Commissioners, and the Department of Natural Resources and Conservation (DNRC).

Under the Hypothetical Condition that the parcels have **legal access** the values for the four tracts are as follows:

#758 – 160 acres: \$176,000 = \$1,100/acre

Uniform Agricultural Appraisal Report

Effective Date: September 4, 2015

State of Montana Sale #758
160 Deeded Acres
1 West of Drummond
Granite County, MT



Prepared For:

State of Montana (DNRC)

Intended User:

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

Prepared By:

JK Appraisal & Consulting, LLC
PO Box 691
Belgrade, MT 59714
Katie Rickett, A.R.A.

Date Prepared:

September 17, 2015

From my database of paired access sales, which totals 72 pairings, paired sales from Jefferson, Broadwater, Lewis & Clark, and Gallatin County were used to determine an access discount for the subject property to conclude an opinion of value "as-is" of the subject tract with no legal access. The pairings from the four counties totaled eighteen pairs that indicated an average discount of 46.4% for properties with no legal access. A discount of 40% is concluded and applied to the subject property for the lack of legal access. The concluded values, without legal access, are as follows:

$$\begin{aligned} &\#758 - 160 \text{ Acres} \times \$1,100/\text{Ac} = \$176,000 \\ &\text{Less } 40\% (\$70,400) = \mathbf{\$105,600} \end{aligned}$$

This value is in terms of cash and considers the fee simple ownership rights of the property. All values are exclusive of reservations of record. This value excludes specific valuation of timber, mineral or water rights; the subject market does not delineate these particular rights during sales transactions. The real property is appraised in an "as-is" condition, and the appraised value is based on a six to eighteen month exposure time assuming the property is marketed in a proper manner. This value does not include personal property, fixtures, emblements or intangible items. The appraisal assumes the property meets all requirements of county regulations.

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

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

All market data and other data discussed, presented, utilized, and disclosed in this report shall not be disclosed by any person(s) or entity reading, utilizing, and/or presenting the report by any means of communication, including but not limited to verbal, electronic, written, to any other party or entity without prior written permission of the signatory appraisers.

I trust this report will be found complete and satisfactory for your needs. If any additional information is needed, please do not hesitate to contact the office. Your confidence in allowing me to serve you is greatly appreciated, and I have considered this work a privilege.

Respectfully submitted,


Katie Rickett, A.R.A.
Montana Certified General Appraiser
License #REA-RAG-LIC-650

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Uniform Agricultural Appraisal Report

Property Identification

Owner/Occupant:	State of Montana/		Total Deeded Acres:	160.00
Property Address:	Drummond		Effective Unit Size:	160.00
State/County:	Montana	/ Granite	Zip Code:	59832
Property Location:	1 West of Drummond		Property Code #:	
Highest & Best Use:	Agriculture	"As If" Vacant	FAMC Comd'ty Gp:	
	Agriculture	"As Improved"	Primary Land Type:	Rangeland
Zoning:	None		Primary Commodity:	Cow/Calf
Unit Type:	<input checked="" type="checkbox"/> Economic Sized Unit <input type="checkbox"/> Supplemental/Add-On Unit			
FEMA Community #	300141	FEMA Map #	0216A	FEMA Zone/Date:
Legal Description:	SW4		SEC 36	TWP 11N RNG 13W Attached <input type="checkbox"/>
Purpose of Report:	To provide a credible opinion of market value			
Use/Intended User(s):	Aid in the decision making process of potential sale of property/State of Montana, Montana Board of Land Commissioners, & DNRC			
Rights Appraised:	Surface estate subject to any easements, reservations, conveyances, restrictions, and encumbrances of record.			
Value Definition:	Attached <input checked="" type="checkbox"/>			
Assignment:	Report Type: Appraisal			
Extent of Process/Scope of Work: Katie Rickett, A.R.A., inspected the subject property on September 4, 2015. Market data was researched through local courthouse records, realtors, and other market participants knowledgeable of the local market. Total acres are calculated from the Montana Cadastral Web-site and confirmed with the county assessor and legal description. Additional property and market data was researched and obtained from the DNRC web-site as well as the NRCS web-site. The sales were inspected and analyzed to arrive at an estimated value. Appropriate approaches to value were implemented.				

Summary of Facts and Conclusions

Appraisal Report Summary

Date of Inspection:	09/04/15	Effective Date of Appraisal:	09/04/15
Value Indication	- Cost Approach:	\$	0
	- Income Approach:	\$	
	- Sales Comparison Approach:	\$	SEE PAGE 17
Opinion of Value:	(Estimated Marketing Time 6-18 months)	\$	Page 17
Cost of Repairs:	\$	Cost of Additions:	\$
Allocation:	Land: \$	\$ 0	/ (0 %)
	Land Improvements: \$	\$ 0	/ (0 %)
	Structural Improvement Contribution: \$	\$ 0	/ (0 %)
	Non-Realty Items: \$	\$ 0	/ (0 %)
Leased Fee Value (Remaining term of encumbrance)	\$	\$ 0	/ (0 %)
Leasehold Value:	\$	\$ 0	/ (0 %)
	Overall Value:	\$ 0	/ (100 %)
Income and Other Data Summary:	<input checked="" type="checkbox"/> Cash Rent <input type="checkbox"/> Share <input type="checkbox"/> Owner/Operator <input type="checkbox"/> FAMC Suppl. Attached		
Income Multiplier	()	Income Estimate:	\$ 0.00 / (unit)
Expense Ratio	%	Expense Estimate:	\$ 0.00 / (unit)
Overall Cap Rate:	%	Net Property Income:	\$ 0.00 / (unit)

Area-Regional-Market Area Data and Trends:

	Above Avg.	Avg.	Below Avg.	N/A
Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Subject Property Rating:

	Above Avg.	Avg.	Below Avg.	N/A
Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soil Quality/Productivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement Rating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Property Rating	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

USPAP, Organizational, or Other Requirements

Report Type: Appraisal**Date of Inspection:** September 4, 2015 **Date of Value Opinion:** September 4, 2015 **Date of Report:**

Scope of Work (Describe the amount and type of information researched and the analysis applied in this assignment. The Scope of Work includes, but is not limited to the degree and extent of the property inspection; the extent of research into physical and economic factors affecting the property; the extent of data research; and the type and extent of analysis applied to arrive at the opinions or conclusions. Additionally, describe sales availability & ability to demonstrate market - "as vacant" - and "as improved" if applicable - or describe sales available to form value opinion "as completed" or proposed if requested; describe income sources and ability of income to support existing or proposed construction; discuss extent of third party verification of RCN, if applicable.):

This appraisal was performed according to the specific guidelines set forth by the current Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. All three approaches to value were considered and developed. All opinions of value contained herein were derived in compliance with the specific guidelines aforementioned, using a level of analysis sufficient to constitute an appraisal that complies with the reporting requirements for an Appraisal Report as set forth under Standards Rule 2-2(a). This appraisal also conforms to the Code of Professional Ethics and Standards of Professional Practice of the American Society of Farm Managers and Rural Appraisers.

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

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

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

Market Conditions (Volume of Competing Listings, Volume of Sales, Amenities Sought by Buyers): The market is very quiet for similar type properties. During the market search, which involved contacting local appraisers and realtors familiar with the area as well as pulling deeds from the Granite County Clerk and Recorder; several recent sells were found. The most active seller in the area is Stimpson Lumber Company with five cut over timber parcel sold in 2015 and several additional listings in the area north of the interstate. No additional listings could be found in the area. Two private transactions were found, but only one could be confirmed. Numerous phone calls were made to the buyers. Sellers appear to be deceased. The appraiser's phone calls were not returned and the sale was confirmed with a knowledgeable third party.

Approaches to Value (Explain Approaches Used and/or Omitted): All three approaches to value have been considered for the subject property, however, the Sales Comparison Approach is the only approach that is felt to be reliable enough to use in this particular market. Rural Residential/ Recreational properties in the market area do not have any viable economic use relative to rental values. As described, while some are used for agricultural grazing the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of properties, and cannot support land values commanded in this investment oriented market. As such, a valuation of the subject property by the Income Approach is not applicable. The use of the Cost Approach becomes a redundancy of the Sales Comparison approach because there is only one land class, rangeland, and no improvements. Therefore, the Cost Approach is not applicable to this property.

Additional Comments

Continued from Scope of Work:

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

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

The purpose of this appraisal is to provide a credible opinion of the MARKET VALUE of the subject property in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) Standard 1 and Standard 2-2(a), 2014-2015 Edition.

The appraiser completed an on-site field inspection of the subject property on September 4, 2015 and was accompanied by Brian Robbins, a representative for the State of Montana.

The region was searched for data and sales of similar amenities as the subject. The sales data are documented in the Addenda. There have been some sales recently that the buyers would not disclose any transaction price(s) on. The appraiser has inspected, photographed, and verified the data with the principals or their agents. In most cases, financial data or operating data are estimates based on interviews.

The authority for conducting the appraisal was given by the Department of Natural Resource and Conservation (DNRC). The intended users are the State of Montana, the Montana Board of Land Commissioners, and the Department of Natural Resource and Conservation (DNRC). The intended use is to aid in the decision making process concerning the potential sale of the subject property.

All market data and other data discussed, presented, utilized, and disclosed in this report shall not be disclosed by any person(s) or entity reading, utilizing, and/or presenting the report by any means of communication, including but not limited to verbal, electronic, written, to any other party or entity without prior written permission of the signatory appraiser.

USPAP includes a competency provision that states:

The Uniform Standards of Professional Appraisal Practice (USPAP) require that prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience necessary to complete the assignment competently; or alternatively:

1. Disclose the lack of knowledge and/or experience to the client before accepting the assignment;
2. Take all steps necessary or appropriate to complete the assignment competently; and
3. Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

Katie Rickett, A.R.A. has been involved in the appraisal of rural real estate in the State of Montana, South Dakota, and North Dakota since 1998. I am familiar with the geographic area in which the subject property is located and understand the nuances of the local market and the supply and demand factors related to the specific property type and the location involved. I have been engaged in many appraisal assignments involving properties similar to the subject property and believe I am qualified and competent on the basis of my knowledge and experience to complete this assignment competently. I am a Certified General Appraiser in the state of Montana and have been since 2002; License # REA-RAG-LIC-650. Please refer to my qualifications, which are attached in the Addenda of this report.

Additional Comments

Hypothetical Condition:

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

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

Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The subject property does NOT have legal access and the appraiser has been instructed to appraise the subject tract with and "as-is" without legal access. A second Hypothetical Condition is being used in regards to the existing grazing lease on the subject property does not exist and the property is free and clear of any reservations.

MARKET VALUE DEFINITION

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

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

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

Other:

EXPOSURE AND MARKETING TIME ESTIMATES

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

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

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

Comments:

Area-Regional Description

Area-Regional Boundary: Northern Granite County and southwestern Powell County, and western Deer Lodge County. With focus on rangeland type properties.

Major Commodities: Cow/calf, hay, small grains.

On and Off Property:

	Up	Stable	Down
Value Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sales Activity Trend:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Population Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Employment Trend:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Market Availability:

	Under Supply	Balanced	Over Supply	No Influence
Cropland Units:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Livestock Units:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Tracts:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Off Property Employment: Above Avg. ☐ Avg. ☒ Below Avg. ☐ N/A ☐

Change in Economic Base: Unlikely ☒ Likely ☐ Taking Place ☐

From _____ To _____

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

Granite County has a 2014 estimated population of 3,209 a 4.2% increase from the 2010 census. Phillipsburg is the county seat for Granite County. The state of Montana has an estimated population of 1,023,579 for 2014 a 3.5% increase since the 2010 census. Population density in the state measures people per square mile as 6.2, the third lowest density in the United States. Montana's 60.2 million acres of farms and ranches ranks second in the nation behind Texas in total amount of land in agriculture. The total land area of Montana is approximately 145,388 square miles, with 64.1% of the state contained in farm and ranch lands. The farm population of the state, at 45,718, averages 1.9 people per farm. Overall, the state of Montana owns approximately 6% of the state, and the federal government owns approximately 30%. Indian reservations hold 2.5% of the state, with the remaining 62% privately held. Of the 30% federal ownership, approximately 18% is under National Forest Service control, with 8.7% under the Bureau of Land Management and approximately 3% contained in national parks and other divisions. It is estimated that 80% of Montana's population is employed by agriculture and small businesses, which constitute 90% of the state's business community. Of these small businesses, 80% have one or two owners and less than ten employees.

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

Specific Market Area Boundaries: Rangeland type properties surrounding the Drummond area.

Market Area Description

Market Area:

	Rural	Suburb	Urban
Type	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value Trend	Up <input type="checkbox"/>	Stable <input checked="" type="checkbox"/>	Down <input type="checkbox"/>
Sales Activity Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Population Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Development Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Market Area:

	Above Avg.	Avg.	Below Avg.	N/A
Property Compatability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effective Purchase Power	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Development Potential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desirability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The area market is a very tightly held area with farmers and ranchers holding onto their land while the recreational buyer is beginning to increase demand once again for recreational or seasonal homesites. Given the proximity to Missoula, the area feels pressure of the expanding housing demand from the Missoula area. This pressure declined during the recession but appears to be on the rise.

AREA & REGIONAL DATA

Granite County was created on March 02, 1893 from Deer Lodge County and Missoula County. The county was named for Granite Peak, the highest point in Montana which also contained a silver mine named "Granite". Currently the Granite County Seat is located in Phillipsburg. Areas surrounding Granite County are Missoula County (north), Powell County (east), Deer Lodge County (south), Ravalli County (west). Cities and towns to be found in Granite County comprise of Drummond, Hall, Phillipsburg.

Access & Transportation:

Interstate 90 bisects the northern portion of the county, running east and west. The main highway to the south from I-90 is State Highway 1 and it provides access to the southern portion of the county. State Highway 1 is also known as Pintler Scenic Route as it drops south and circles over to Anaconda along the southern portion of the Flint Creek Mountain Range. Several secondary routes head west off of Highway 1 and provide access to the western portion of the county. However, both routes are closed during the winter months. Missoula and Butte are the two main epicenters for shopping, medical care, and airplane travel. Missoula is approximately an hour and half to the west while Butte is approximately an hour to the southeast.

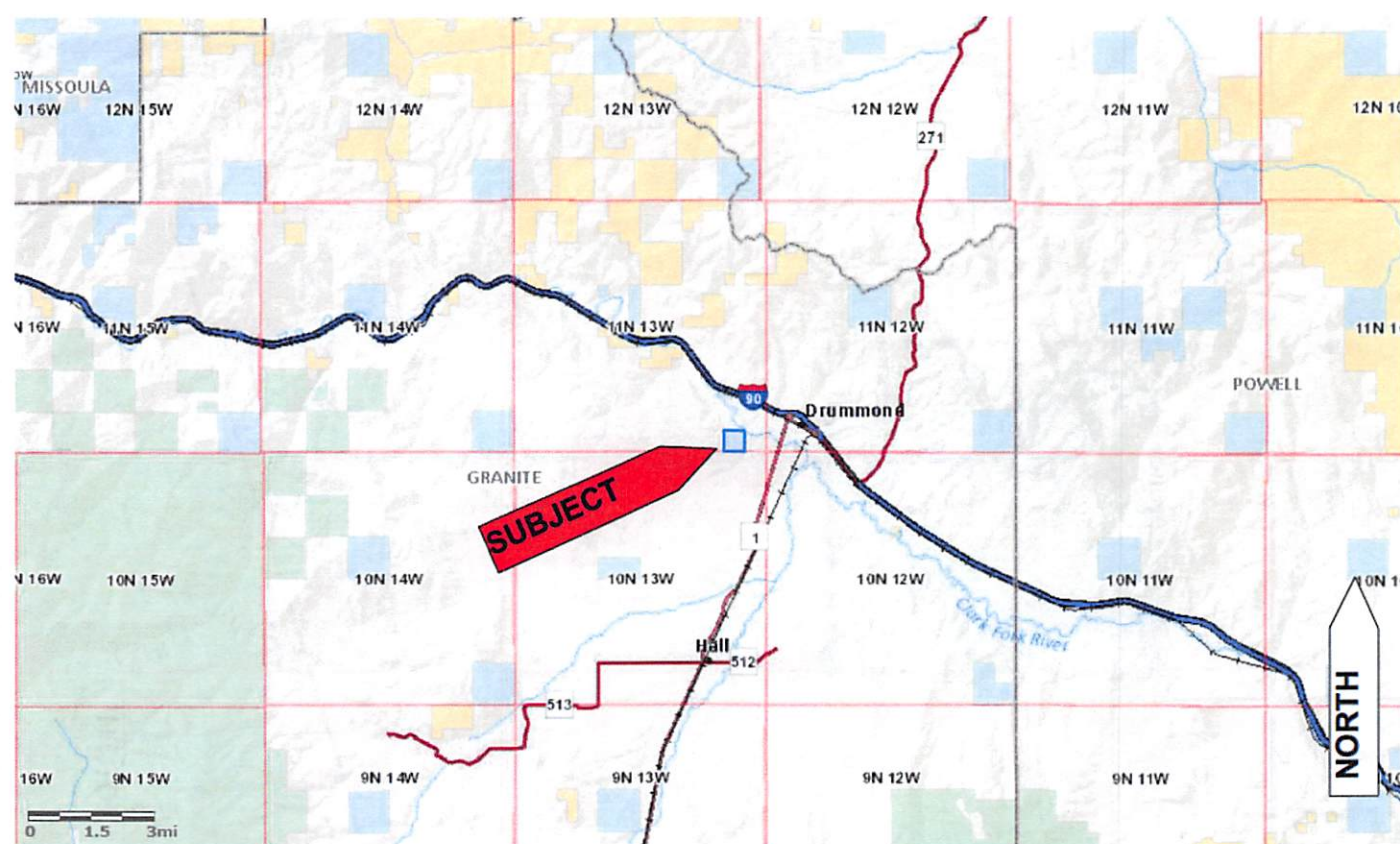
Community and Economic Features:

Much of the attraction of the area is related to natural resource features, including national forest and public lands related to the National Forest Ecosystem. As communities in areas such as the subject's have changed, there has been an increased amount of rural development for larger seasonal homes. Many landowners and individuals buying and developing homes in the area are seasonal residents who do not hold permanent residency in Montana. They spend various periods of the year in the area, and often employ caretakers or other employees to supervise properties in their absence. As this type of development continues, there has been a decrease in the amount of agricultural activity experienced in these areas. As agricultural activity has decreased, friction has developed between land users using property for agricultural purposes and those using properties for recreational purposes. Such conflicts can revolve around recreational uses of forest land versus grazing, as well as issues related to water rights and land use planning. Many communities are experiencing turmoil as residents battle over land use planning, zoning and development criteria. This is becoming even more apparent as some of the outlying counties attempt to avoid the type of unbridled development, which has been so prevalent. The basic lifestyle and natural beauty of the area still represent a substantial part of the overall attraction, and residents continue to enjoy boundless recreational and aesthetic opportunities. However, the ability to acquire larger land parcels is continually lessening for both agricultural and recreational users. Agricultural users cannot afford to compete at current value levels for the larger parcels required for agriculture; additionally, many larger parcels have been subdivided and sold into smaller units, thus precluding the opportunity to purchase larger properties. In general, the overall mindset of southwestern and central Montana has changed, as recreation and development overtake agricultural and extractive industries. Tourism dollars now are approaching the amount of dollars provided to the overall Montana economy from agriculture. The economy of the area is certainly now tied to the landscape. The most prominent employer in the area is the local, state, and Federal Government agencies, followed by the utilities industry.

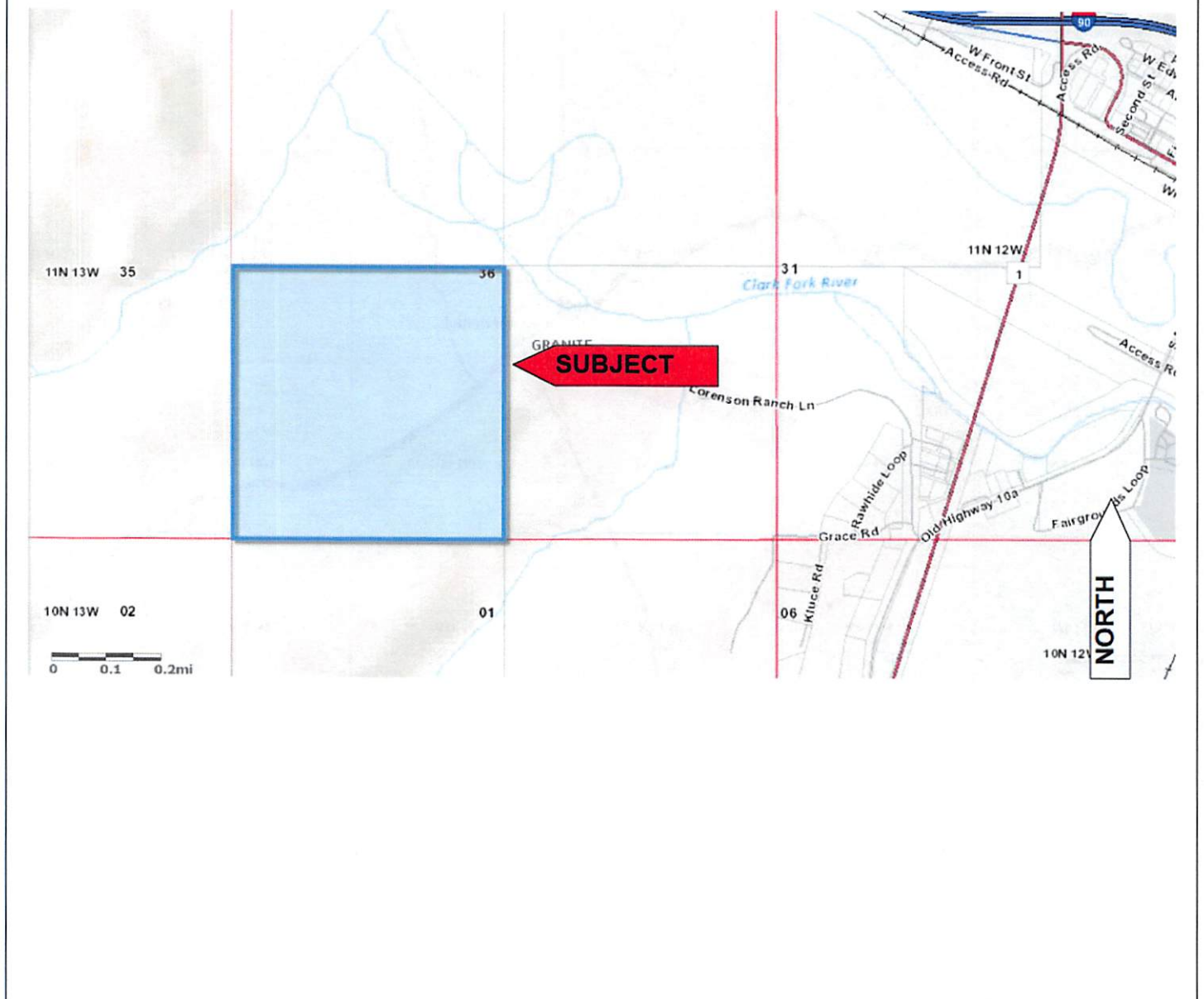
Government Considerations:

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

Location Map



Parcel Map



Property Description: (Location, use and physical characteristics) The subject property is one mile west of Drummond, MT. The property is square in shape and consists of 160 acres of State owned land. The northern portion of the property is north facing slopes that level off to fairly level terrain. This portion of the tract indicates it was irrigated crop land at one time. As the property proceeds to the south it rises in elevation to form a ridge that runs east and west through the tract. The southern half of the property becomes rolling rangeland with grass and sagebrush cover. There is an irrigation ditch that flows from west to east across the northern portion of the property as well as a secondary irrigation ditch that bisects the southeastern corner of the property known as Allendale Ditch. A few patches of juniper reside on the property along the ridge line. The subject does not have legal access and is being appraised under two separate scenarios as instructed, as having legal access under a hypothetical condition and "as-is" without legal access. The subject property has boundary fence along the east and north sides that consist of five strand smooth and barbed wire with wood posts. The fences are in average condition. No water rights could be found for the subject property on the Department of Natural Resource and Conservation (DNRC) web-site or the Ground Water Information Center (GWIC).

Land Use	Deeded Acres	Unit Type	Unit Size	Subject Description:	Above Avg.	Avg.	Below Avg.	N/A
Irrg Land			(0.0%)	Location	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry Cropland			(0.0%)	Legal Access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hay Land			(0.0%)	Physical Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tame Pasture			(0.0%)	Contiguity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rangeland	160.00	Acres	(100.0%)	Shape/Ease Mgt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Farmstead			(0.0%)	Adequacy Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roads/waste			(0.0%)	Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other			(0.0%)	Rentability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leases			(0.0%)	Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreation			(0.0%)	Market Appeal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Deeded Acres	160.00	Total Units	(100 %)	FEMA Zone/Date	July 5, 1982			
				Building Location				

Climatic: 12-24 " Annual Precipitation 3900 ' to 4200 ' Elevation 110 Frost-Free Days
Utilities: Well Water Electric Septic Sewer Propane Gas Telephone
Distance To: 2 Schools 50 Hospital 50 Markets 2 Major Hwy. 50 Service Center

Comments The subject property is currently leased by Washington Limestone, LLC which was renewed on March 1, 2015 and is good through March 1, 2025. As instructed, a second hypothetical condition is being used that the lease does not exist and the property is free and clear of any reservations. The property does demonstrate some heavy grazing across the property.

There is a private gravel road that provides physical access to the subject property. This gravel road, runs parallel with the north boundary of the subject property.

There are no hazards or detriments that materially affect the value of the subject property. The subject is susceptible to the area weather but the surrounding area receives the same type of weather. The weed liability on the property is average for this unit in this area. Should this be of concern, a weed specialist should be engaged to inspect the weeds during the growing season in order to estimate the expected liability. This appraisal assumes that the weeds are not toxic and the appraiser reserves the right to update the appraisal should the area found to be hazardous. The Appraiser is not an expert in either the detection of hazardous or toxic substances or structural engineering, and did not conduct an environmental audit of the subject property. The property is being appraised assuming there are no toxic or hazardous substances present or associated with the subject property that would affect value. The Appraiser reserves the right to reassess the situation and adjust values if deemed necessary. A detailed search was not undertaken to ascertain the exact status of the mineral estate on the subject property. The surface estate is being appraised subject to any easements, reservations, conveyances, restrictions, and encumbrances of record.

Aerial Map





View south along the east boundary fence from the northeast corner.



View southwest across the property from the northeast corner.



View west along the north boundary fence from the northeast corner.



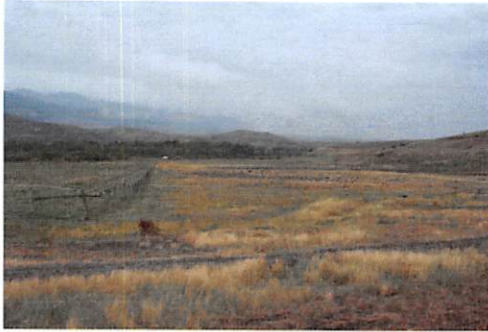
View south across the irrigation ditch near the west boundary and the northwest corner.



View southeast across the property from the northwest corner.



View southeast across tract from the northwest corner.



View east along the north boundary of property.



View southeast across the southern portion of the property.



View north from the southern portion of the property.



View east along the southern portion of the unit and the interior access road.



View east towards the east boundary of the unit.



View northeast across the southern portion of the property.

Highest & Best Use Analysis

Highest & Best Use is defined as that reasonable and probable use that supports the highest present value, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value. (Appraisal of Rural Property, 2nd Edition 2000, ASFMRA/AI, Page 148.)

Legally Permissible Use(s) *(Include deed restrictions, existing zoning and/or potential to change zoning).*

There are very few limitations upon the legal use of the subject. The land would be subject to any subdivision regulations and the growth policy as to use of smaller parcels of the property. Surrounding land use is variety of uses including predominantly agricultural land use, i.e. hay production and livestock grazing; along with some very limited small rural residential tracts closer to Drummond. The current use of the property is not foreseen as being in conflict with the best use of the site as if vacant.

Current Zoning:

Assessed Value: \$

Taxes: \$

Physically Possible Use(s) *(Discuss any limitations and/or advantages).*

The uses considered for the subject property must be physically possible. The property is being used as a grazing tract of which it is suited for. The soils, terrain, or area do not physically limit the uses for crop or grazing operations. The market activity suggests a limited range of probable uses, vacant tract land that is used for grazing, does not conflict with the highest and best use "as if" vacant. The market area does not demonstrate a need or want for an industrial or commercial type facility; nor is the market strong enough to support a subdivision of the subject property or a rural homesites at this time. The subject property does not border any public land, nor does it have any live surface water, besides the irrigation ditch, thus the lack of recreational amenities on the subject property physically limits the recreational attributes of the property.

Financially Feasible Use(s) *(Discuss any/all potential financial uses & likelihood of realization).*

The subject in its current use is supporting the concept that it is financially feasible to operate the unit as a grazing operation. This use is consistent with other land uses in the immediate and general area. The current use of the property indicated that this is probably the most financially feasible use of the tract at this time.

Maximally Productive Use(s) *(Discuss single and/or concurrent uses of the subject property).*

Given the lack of demand for rural homesites at this time in the area, the maximally productive use of the subject property at this time is a grazing unit (agriculture).

Consistent Use: *(If improved, do structures conform to Highest & Best Use "as if" vacant?)*

If the property were improved the buildings would be structures that supported the agricultural operation of the property.

Sales Comparison Approach (1-5)

Sale Data	Sale Data	Subject	Sale #1 1	Sale #2 2	Sale #3 3	Sale #4 4	Sale #5 5
	Grantor (Seller)		Confidential	Confidential	Confidential	Confidential	Confidential
	Grantee (Buyer)		Confidential	Confidential	Confidential	Confidential	Confidential
	Source		Broker	Broker	Broker	Broker	MLS/Realtor
	Date	Eff 09/15	07/15	06/15	06/15	05/15	02/12
	Eff Unit Size/Unit	160.00 / Acre	320	160	160	160	640
	Sale Price		160,000	95,000	95,000	190,000	640,000
	Finance Adjusted		Cash	Cash	Cash	Cash	Cash 0
	CEV Price		160,000	95,000	95,000	190,000	640,000
	Multiplier						
	Expense Ratio					21.78	

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

CEV Price/ Acre		500.00	593.75	593.75	1,187.35	1,000.00
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LAND AND IMPROVEMENT ADJUSTMENTS

Land Adjustment		0.00	0.00	0.00	0.00	0.00
Impvt. Adjustment		0.00	0.00	0.00	0.01	0.00
Adjusted Price		500.00	593.75	593.75	1,187.36	1,000.00

TIME ADJUSTMENTS

<input type="checkbox"/> Yr	<input checked="" type="checkbox"/> Mo	Periods	0	0	0	0	0
<input type="checkbox"/> Smpl	<input checked="" type="checkbox"/> Cmp	Rate	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Auto	<input checked="" type="checkbox"/> Man	Time Adjustment	0.00	0.00	0.00	0.00	0.00
		Time Adj. Price	500.00	593.75	593.75	1,187.36	1,000.00

OTHER ADJUSTMENTS

Cut-Over	Adjustment	Yes	Yes	Yes	No	No
		500.00	500.00	500.00		
	Adjustment					
	Adjustment					
	Adjustment					
	Adjustment					
Net Adjustments		500	500	500	0	0
ADJUSTED PRICE		1,000	1,094	1,094	1,187	1,000

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

Prior to any adjustments the five sales range from \$500 to \$1,187 per acre. All five sales are unimproved, as is the subject. With the exception of Sale 4, the remaining four sales have one land class, recreational rangeland. Sale 4 has rangeland but also irrigated ground. In speaking realtors familiar with the area market, land classes are not being recognized and buyers are paying a flat price per acre for properties of similar size. Therefore, no land or building mix adjustment is made. No market time adjustment could be extracted from the limited data. Thus, none is made. Sales 1, 2, and 3 are cut-over timber tracts that sold to recreational buyers. All three tracts have legal access that consists of a private easements across adjacent properties. In pairing Sales 1, 2, and 3 with Sales 4 and 5 a positive \$500/acre adjustment is concluded and applied to the three sales. Sale 4 is slightly superior to the subject property. It consists of rangeland land, but also supports a large acreage of irrigated hay ground. Once all the adjustments are made the five sales range from \$1,000/acre to \$1,187/acre, a fairly tight range.

Sales Comparison Approach Summary:

Property Basis (Value Range): \$ _____ to \$ _____
 Unit Basis: \$ _____ / Acre X 160.00 Acre = \$ _____
 Multiplier Basis: \$ _____ X _____ (multiple) = \$ _____

Sales Comparison Indication:

\$ _____ SEE PAGE 17

Sales Comparison Comments

As stated the subject property is being appraised using a Hypothetical Condition that the subject has legal access as well as "as-is"; the subject is a landlocked parcel with NO legal access.

Under the Hypothetical Condition that the subject property has legal access a final opinion of value of \$1,100/acre is concluded and applied to the subject property.

From my database of paired access sales, which totals 72 pairings, paired sales from Jefferson, Broadwater, Lewis & Clark, and Gallatin County were used to determine an access discount for the subject property to conclude an opinion of value "as-is" of the subject property with no legal access. The pairings from the four counties totalled eighteen pairs that indicated an average discount of 46.4% for properties with no legal access; the data ranged from 8.4% to 75% discount for the lack of legal access. There is a private gravel road that provides physical access to the subject property. This gravel road, runs parallel with the north boundary of the subject property. A discount of 40% is concluded and applied to the subject property for no legal access. A slightly less discount is applied due to the fact that a road already exists so the expense of grading a new road is void.

160 Acres x \$1,100/Ac = \$176,000

Less 40% (\$70,400) = \$105,600

Therefore, the two values for the subject property are as follows. The appraiser was instructed to value the subject property using a Hypothetical Condition that the subject property has legal access and "as-is" as a tract with no legal access.

Subject with Legal Access: \$176,000

Subject "as-is" NO legal access: \$105,600

Sale 1: Sold in July 2015 and consists of 320 deeded acres. The property is located seven miles northwest of Drummond and consists of cut-over timber ground that is mountainous. Tract has gravel road access that consists of an easement across other private land owners in the area. Overall, this property is inferior to the subject and sets the lower end of the bracketed range.

Sale 2: Sold in June 2015 and consists of 160 acres. This property is located six miles northwest of Drummond and consists of cut-over timber ground that is mountainous. Tract has gravel road access that consists of an easement across other private land owners in the area. Overall, this property is inferior to the subject and sets the lower end of the bracketed range.

Sale 3: Sold in June 2015 and consists of 160 acres. This property is located six miles northwest of Drummond and consists of cut-over timber ground that is mountainous. Tract has gravel road access that consists of an easement across other private land owners in the area. Overall, this property is inferior to the subject and sets the lower end of the bracketed range.

Sale 4: Sold in May 2015 and consists of 160 deeded acres. This property is located three miles south of the subject property and Drummond. The property is a mix of rangeland (15 acres) and irrigated hay ground (144 acres). Property is access by a county road along the southern portion of the tract with the terrain consisting of sloping ground. Overall, this property is slightly superior to the subject and sets the upper end of the bracketed range.

Sale 5: Sold in February 2012 and was included in the dataset because of its similarity to the subject property. Sale 5 is located ten miles southwest of Phillipsburg. The property is accessed by a county gravel road and the terrain is rolling foothills that becomes timber covered hills and steeper as the property proceeds to the north. This property is comparable to the subject property and gives added support to the final opinion of value.

As stated earlier, the market data for similar type rangeland sells is very limited in the market area with Stimpson Lumber being the most active seller in the area. A thorough market search was made.

Land Analysis (Land-Mix Adjustment for Sales 1-4)

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.
This Land Analysis is for use in the Pairing Adjustment Summary

Unimproved Sale #1		1	Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland	320.00	500.00				160.00	500.00			80,000
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.		160,000.00	/ Acres	320.00	=	500.00	Total	80,000	/ Acres	160.00 = 500.00
Unimproved Sale #2		2	Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland	160.00	593.75				160.00	593.75			95,000
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.		95,000.00	/ Acres	160.00	=	593.75	Total	95,000	/ Acres	160.00 = 593.75
Unimproved Sale #3		3	Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland	160.00	593.75				160.00	593.75			95,000
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.		95,000.00	/ Acres	160.00	=	593.75	Total	95,000	/ Acres	160.00 = 593.75
Unimproved Sale #4		4	Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land	144.94	1,187.35					1,187.35			
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland	15.08	1,187.35				160.00	1,187.35			189,976
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.		190,000.00	/ Acres	160.02	=	1,187.35	Total	189,976	/ Acres	160.00 = 1,187.35

Land Analysis (Land-Mix Adjustment for Sales 5-8)

Adjust each sale to the subject's land mix (land adjustment) using unimproved sales. This page allows for a "quantitative land adjustment" only.
This Land Analysis is for use in the Pairing Adjustment Summary

Unimproved Sale #5		5	Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland						160.00	1,000.00			160,000
Farmstead										
Roads/waste										
Other										
Leases										
Recreation	640.00	1,000.00					1,000.00			
Sale Land Contrib.		640,000.00	/ Acres	640.00	=	1,000.00	Total	160.000	/ Acres	160.00 = 1,000.00

Unimproved Sale #6		Pairing Land Adjustment \$				0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland						160.00				
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.		/ Acres =				Total	0	/ Acres	160.00	= 0.00

Unimproved Sale #7						Pairing Land Adjustment \$					0.00					
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total						
Irrg Land																
Dry Cropland																
Hay Land																
Tame Pasture																
Rangeland						160.00										
Farmstead																
Roads/waste																
Other																
Leases																
Recreation																
Sale Land Contrib.						/ Acres		=		Total	0	/ Acres		160.00	=	0.00

Unimproved Sale #8			Pairing Land Adjustment \$			0.00				
Land Use	Sale Acres	\$/Acre	Sale Unit Type	Sale Units	\$/Unit	Subj. Acres	\$/Acre	Subj. Units	\$/Unit	Total
Irrg Land										
Dry Cropland										
Hay Land										
Tame Pasture										
Rangeland						160.00				
Farmstead										
Roads/waste										
Other										
Leases										
Recreation										
Sale Land Contrib.						/ Acres		=		
Total						0		/ Acres		160.00 = 0.00

Reconciliation and Opinion of Value

Summary

Cost Approach	\$	0
Income Approach	\$	
Sales Comparison Approach	\$	SEE PAGE 17

Discussion & Correlation of Values

Analysis of Each Approach and Opinion of Value: Strengths and weaknesses of each approach must be redressed correlating the final estimate from the indicated values. It should be noted that an appraisal utilizes all of the data available, therefore each lends support for the other approaches.

The COST APPROACH is most applicable when appraised property's improvements are new and represent the highest and best use of the land. Additionally, the Cost Approach is useful when there is a good bank of open land sales that are dependable and reliable and when the costing information is from excellent sources. Since the subject property is unimproved and consists of one land class, rangeland, the Cost Approach becomes a redundancy of the Sales Comparison Approach and thus, no applicable.

The INCOME APPROACH is limited by the anticipated income stream and the expected rate of return. Rural Recreational properties in the market area do not have any viable economic use relative to rental values. As described, while some are used for agricultural grazing the fees generated by such uses do not justify, nor are they relevant to, an economic valuation of properties, and cannot support land values commanded in this investment oriented market. As such, a valuation of the subject property by the Income Approach is not applicable.

The SALES COMPARISON APPROACH is based on a direct comparison of similar properties which have sold in the subject area or a competing area. Given the nature of the market, similar properties for direct pairings were not available for adjustments for all factors of value but there was the ability to identify market supported adjustments for the components or factors affecting value as identified. The Sales Comparison Approach was utilized in this report and is felt to be a reliable approach to value given that it is relied upon heavily by buyers and sellers and the nature of the quantity and quality of data available.

The sales used are sales that possess features and characteristics generally similar to those of the appraised property. This sales data was used within sales comparison to value and reflect a relatively narrow range that lends a higher degree of confidence to the final appraised value. Therefore, the two values for the subject property are as follows. The appraiser was instructed to value the subject property using a Hypothetical Condition that the subject property has legal access and "as-is" as a tract with no legal access.

Subject with Legal Access: \$176,000

Subject "as-is" NO legal access: \$105,600

Allocation of Value

Opinion Of Value - (Estimated Marketing Time 6-18 months, see attached)

\$ Page 17

Cost of Repairs \$ _____

Cost of Additions \$ _____

Allocation: (Total Deeded Units: 160.00)	Land: \$	\$ 0 /	(0 %)
	Land Improvements: \$	\$ 0 /	(0 %)
	Structural Improvement Contribution: \$	\$ 0 /	(0 %)

Value Estimate of Non-Realty Items:

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

Assumptions and Limiting Conditions

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

1. The Appraiser(s) assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser(s) have made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser(s) are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. The separate valuations of components must not be used outside of this appraisal and are invalid if so used.
5. The Appraiser(s) have, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser(s) have relied on such information and assumes there are no hidden or unapparent conditions of the property, subsoll, or structures, which would render it more or less valuable. The Appraiser(s) assume no responsibility for such conditions, for engineering which might be required to discover such factors, or the cost of discovery or correction.
6. While the Appraiser(s) ☒ have ☐ have not inspected the subject property and ☒ have ☐ have not considered the information developed in the course of such inspection, together with the information provided by the ownership and client, the Appraiser(s) are not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due diligence to ensure that the property does not become otherwise contaminated.
7. Information, estimates, and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).
8. Unless specifically cited, no value has been allocated to mineral rights or deposits.
9. Water requirements and information provided has been relied on and, unless otherwise stated, it is assumed that:
 - a. All water rights to the property have been secured or perfected, that there are no adverse easements or encumbrances, and the property complies with Bureau of Reclamation or other state and federal agencies;
 - b. Irrigation and domestic water and drainage system components, including distribution equipment and piping, are real estate fixtures;
 - c. Any mobile surface piping or equipment essential for water distribution, recovery, or drainage is secured with the title to real estate; and
 - d. Title to all such property conveys with the land.
10. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser(s) are affiliated.
11. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client specified in the report without the written consent of the Appraiser.
12. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.
13. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
14. **EXCLUSIONS.** The Appraiser(s) considered and used the three independent approaches to value (cost, income, and sales comparison) where applicable in valuing the resources of the subject property for determining a final value conclusion. Explanation for the exclusion of any of the three independent approaches to value in determining a final value conclusion has been disclosed in this report.
15. **SCOPE OF WORK RULE.** The scope of work was developed based on information from the client. This appraisal and report was prepared for the client, at their sole discretion, within the framework of the intended use. The use of the appraisal and report for any other purpose, or use by any party not identified as an intended user, is beyond the scope of work contemplated in the appraisal, and does not create an obligation for the Appraiser.
16. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
17. Other Contingent and Limiting Conditions:

Appraiser Certification

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

1. the statements of fact contained in this report are true and correct.
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analysis, opinions, and conclusions.
3. I have ☒ no ☐ the specified present or prospective interest in the property that is the subject of this report and I have ☒ no ☐ the specified personal interest with respect to the parties involved.
4. I have performed ☒ no ☐ the specified services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. my engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I ☒ have ☐ have not made a personal inspection of the property that is the subject of this report.
10. ☒ no one ☐ the specified persons provided significant real property appraisal assistance to the person signing this certification.
11. Mrs. Rickett is a General Certified Real Estate Appraiser, Montana Certificate #REA-RAG-LIC-650.

Effective Date of Appraisal: September 4, 2015

Opinion of Value: \$ Page 17

Appraiser:

Signature: Katie Rickett

Name: Katie Rickett, A.R.A.

License #:

Certification #: MT Certified General REA-RAG-LIC-650

ASFMRA ASFMRA Member # 1664

Date Signed: September 17, 2015

Property Inspection: ☒ Yes ☐ No
Inspection Date: September 4, 2015

Appraiser has ☐ inspected ☒ verified ☒ analyzed the sales contained herein.

Sales 1-3 were behind locked gates

ADDENDA

Exhibit 1 - Sales

Exhibit 2 - Engagement Letter and Scope of Work

Exhibit 3 - Access Pairings

Exhibit 4 - Grazing Lease; FEMA Maps; Soil Maps

Exhibit 5 - Qualifications of Appraisers

EXHIBIT 1

Map Addendum

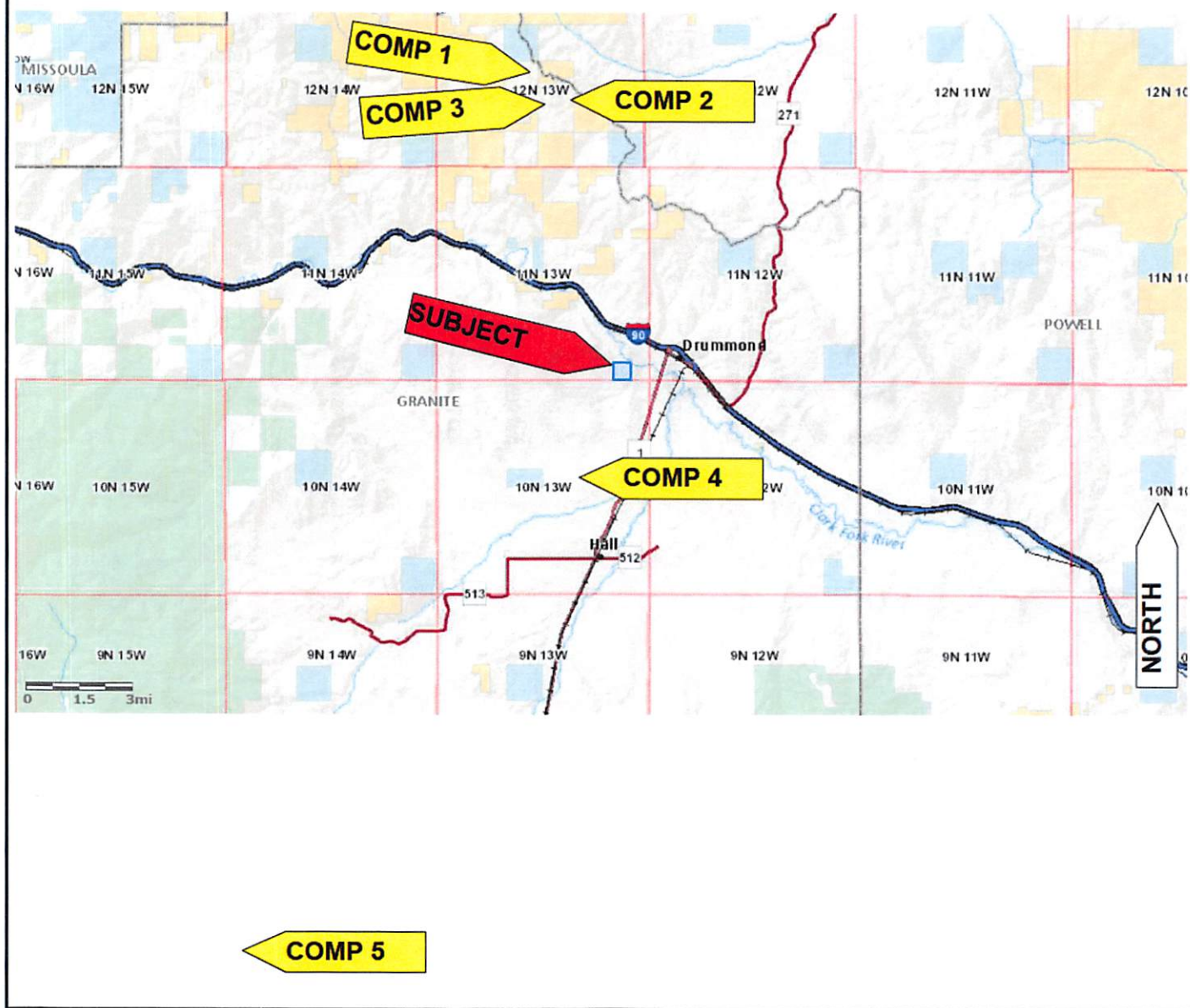


EXHIBIT 2

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

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

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

PROPERTY RIGHTS APPRAISED:

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

EFFECTIVE DATE OF VALUATION AND DATE OF INSPECTION:

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

SUBJECT PROPERTY DESCRIPTION & CHARACTERISTICS:

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

ASSIGNMENT CONDITIONS:

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

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

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

Parcels with no legal access, will be appraised with the hypothetical condition of having legal access, and should also be appraised as the property currently exists, which is without legal access. If no evidence through reasonably recent sales of comparable properties is found in the subject's market or similar markets, and thus no "as is" value can be properly supported, then state such in the report. Access typically consists of two parts; legal access and physical accessibility. The above references to access, hypothetical and "as is" are in regards to legal access. The physical accessibility to the subject parcel is to be appraised as it currently exists.

Legally accessible state lands are appraised as accessible only.

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

MONTANA DNRC TRUST LAND MANAGEMENT DIVISION
Supplemental Appraisal Instructions

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

Subject Properties (Located in Granite County):

Sale #	Acres ±	Legal Description
758	160 ±	SW¼, Section 36, T11N-R13W

Area Office Contact Information:

Liz Mullins – Land Use Planner
DNRC Southwest Land Office
1401 27th Ave
Missoula, MT 59804-4733
Phone: (406) 542-4345
lmullins@mt.gov

Lessees:

Washington Limestone LLC
Attn: Lawrence Simkins
101 International Drive
Missoula, MT 59808
P: (406) 523-1359
lsimkins@washcorp.com

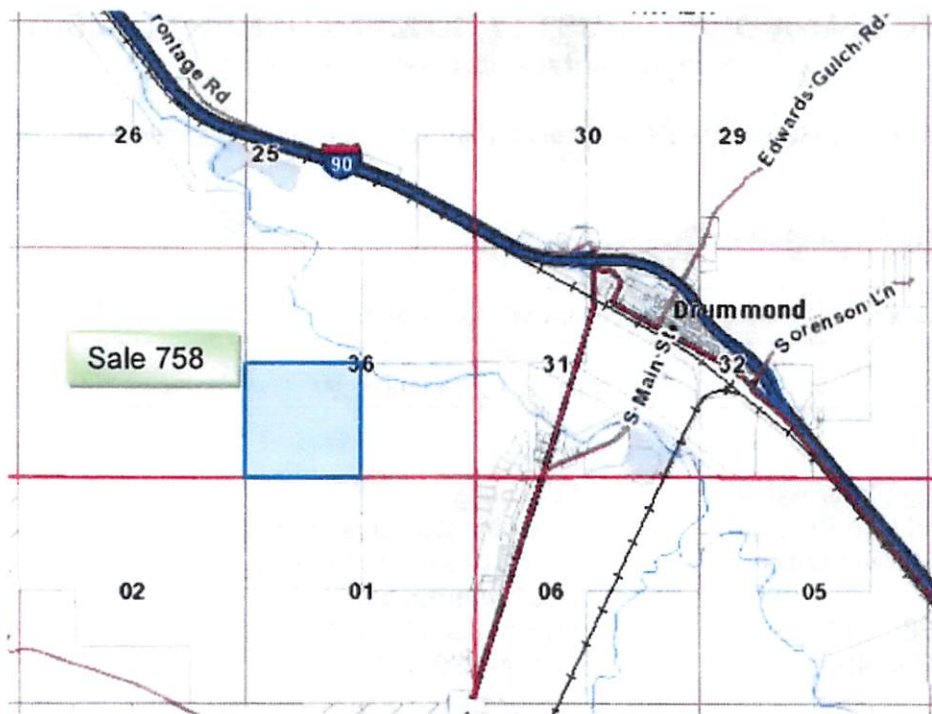
The following will be located in the body of the contract:

The appraisal report will be one document containing the parcel's data and the analysis, opinions, and conclusions of value(s) for the parcel(s). 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 may be returned to the appraiser for retention in his/her files upon request. 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, MCA.

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

Location Map of Sale Parcel



Land Banking Sale Parcel Map

Sale #758

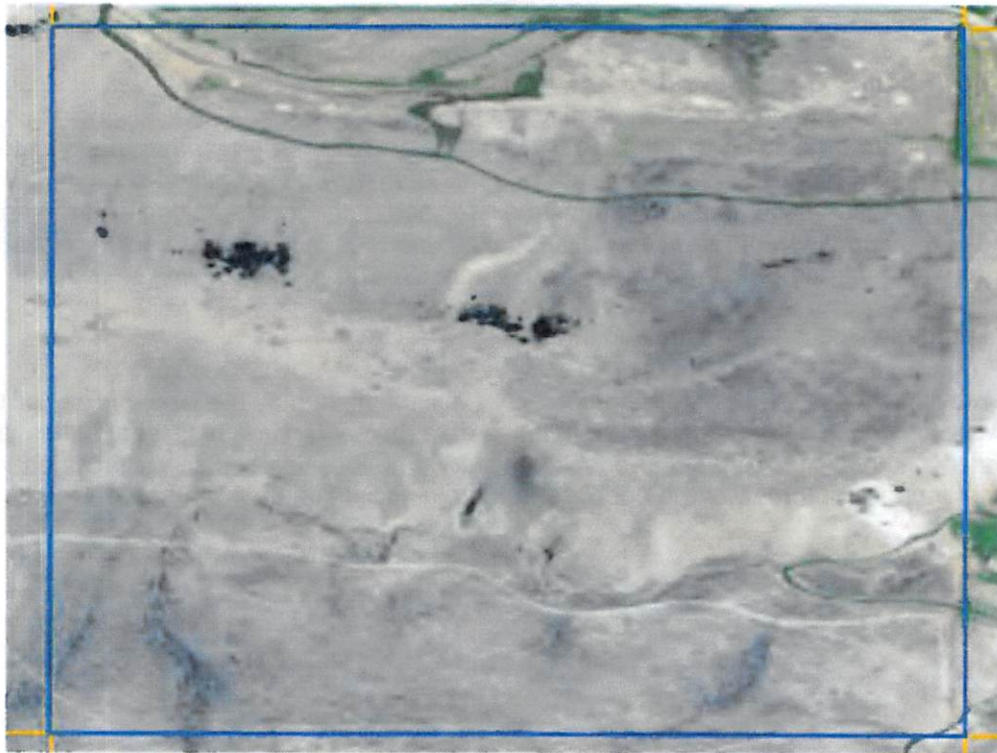


EXHIBIT 3

MARKET DATA ACCESS PAIRINGS								
Database #	Sale Date	Seller/Buyer	County	Sale Price	Deeded Acres	Access	Land Value Per Acre	Value Difference
JE-01-29	Sep-01	MT Tunnels/ Wallace	Jefferson	\$13,900	16.56	Phy/ No Legal	\$839	45.8%
JE-01-118	Sep-01	Bergsma/ Glanschneg	Jefferson	\$31,000	20	Gravel	\$1,549	
JE-01-29	Sep-01	MT Tunnels/ Wallace	Jefferson	\$13,900	16.56	Phy/ No Legal	\$839	65.8%
JE-02-74	May-02	Brooks/ Brewster	Jefferson	\$57,500	23.46	Private	\$2,451	
JE-01-29	Sep-01	MT Tunnels/ Wallace	Jefferson	\$13,900	16.56	Phy/ No Legal	\$839	49.1%
JE-01-117	Aug-01	Taylor/ Burrows	Jefferson	\$33,000	20.01	Gravel	\$1,649	
JE-01-31	Nov-01	MT Tunnels/ Pfister	Jefferson	\$26,200	17.50	Phy/ No Legal	\$1,497	38.9%
JE-02-74	May-02	Brooks/ Brewster	Jefferson	\$57,500	23.46	Private	\$2,451	
JE-01-30	Nov-01	MT Tunnels/ Counts	Jefferson	\$17,468	20.66	Phy/ No Legal	\$845	65.5%
JE-02-74	May-02	Brooks/ Brewster	Jefferson	\$57,500	23.46	Private	\$2,451	
JE-01-30	Nov-01	MT Tunnels/ Counts	Jefferson	\$17,468	20.66	Phy/ No Legal	\$845	45.4%
JE-01-118	Sep-01	Bergsma/ Glanschneg	Jefferson	\$31,000	20	Gravel	\$1,549	
JE-01-30	Nov-01	MT Tunnels/ Counts	Jefferson	\$17,468	20.66	Phy/ No Legal	\$845	48.7%
JE-01-117	Aug-01	Taylor/ Burrows	Jefferson	\$33,000	20.01	Gravel	\$1,649	
JE-02-1	Dec-01	MT Tunnels/ Conts	Jefferson	\$25,332	20.60	Phy/ No Legal	\$1,230	49.8%
JE-02-74	May-02	Brooks/ Brewster	Jefferson	\$57,500	23.46	Private	\$2,451	
JE-03-103	Sep-03	Y.T. Timber/ Adamson	Jefferson	\$278,000	505.58	Phy/No Legal	\$550	8.4%
JE-02-153	Sep-02	Y.T. Timber/ Palmer	Jefferson	\$178,200	297.00	FS Road	\$600	
JE-05-37	Aug-05	Blixseth/ Highland	Jefferson	\$150,000	384.82	Phy/No Legal	\$390	35.0%
JE-02-153	Sep-02	Y.T. Timber/ Palmer	Jefferson	\$178,200	297.00	FS Road	\$600	
JE-05-37	Aug-05	Blixseth/ Highland	Jefferson	\$150,000	384.82	Phy/No Legal	\$390	75.6%
JE-99-11	Oct-99	Highland/ Eagle Stud	Jefferson	\$486,500	540.00	Gravel	\$1,596	
HB-109	Jan-06		Jefferson	\$49,015	61.81	None	\$793	72.9%
HB-107	Apr-04		Jefferson	\$775,000	264.67	Cnty Rd	\$2,928	

[illegible]

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EXHIBIT 4

AGRICULTURAL & GRAZING LEASE OF STATE LANDS

This lease is entered into by the State of Montana, Board of Land Commissioners and Department of Natural Resources & Conservation (Department) as lessor, and the person herein named, as the lessee.

Date this lease takes effect: **March 01, 2015**

Customer #: **146740**

Name of Lessee: **WASHINGTON LIMESTONE LLC**

Address or Box No.: **101 INTERNATIONAL DR**

City/State/Zip: **MISSOULA MT 59808**

Land Located in **Granite** County.

DESCRIPTION	Sec.	Twp.	Rge.	Acres
SW4	36	11N	13W	160.00

Total number of leased acres, **160** more or less belonging to **Common Schools** Grant.

Grazing Acres: **160** Agricultural Acres: **0** Unsuitable Acres: **0**
Other Acres **0** Hayland Acres **0** CRP Acres **0**

Terms of Grazing Use and Rental Rate: **Minimum**

Terms of Agricultural Use and Rental Rate: **Minimum**

Purpose for which the land is leased: **GRAZING**

Term of lease: **10 years** Date of expiration: **February 28, 2025**

THIS LEASE HAS A CARRYING CAPACITY OF 49 ANIMAL UNIT MONTHS. THE LESSEE SHALL NOT EXCEED SUCH CARRYING CAPACITY. THE ANNUAL GRAZING RENTAL IS BASED ON THIS CARRYING CAPACITY.

The State of Montana, in consideration of the payment of rentals as specified in this lease and the mutual agreements contained in this lease hereby leases the above-described lands to the lessee(s) named above.

The lessee(s) in consideration of the lease of the above-described lands and the mutual agreements contained in this lease hereby agrees to pay the rentals as specified in the lease and to perform all the conditions as specified in this lease, the applicable rules and the applicable statutes.

The parties to this lease mutually agree to the following terms and conditions:

- ALL GRAZING RENTALS ARE DUE BY MARCH 1 EACH YEAR AND FAILURE TO PAY BY APRIL 1 AUTOMATICALLY CANCELS THE ENTIRE LEASE. A NOTICE OF RENTAL DUE OR ANY OTHER CORRESPONDENCE OR NOTICE FROM THE LESSOR WILL BE SENT TO THE ABOVE ADDRESS ONLY, UNLESS A CHANGE OF ADDRESS IS REQUESTED IN WRITING, SIGNED BY THE LESSEE AND RECORDED BY THE LESSOR.
- ALL AGRICULTURAL RENTALS ARE DUE ON NOVEMBER 15 OF THE YEAR IN WHICH CROPS OR HAY ARE HARVESTED. IF THE RENTAL IS NOT PAID BY DECEMBER 31 OF THE SAME YEAR, THE ENTIRE LEASE IS CANCELED.
- CONVERSION OF CLASSIFIED GRAZING LANDS TO CROPLAND WITHOUT PRIOR APPROVAL AS REQUIRED BY LAW SUBJECTS THIS ENTIRE LEASE TO CANCELLATION.
- SUBLEASING (allowing any other person and/or their livestock to utilize the State land) WITHOUT FILING A FORM AND RECEIVING APPROVAL FROM THE DEPARTMENT MAY SUBJECT THE LEASE TO CANCELLATION. SUBLEASING ON TERMS LESS ADVANTAGEOUS TO THE SUBLESSEE THAN THE TERMS GIVEN BY THE STATE SHALL RESULT IN CANCELLATION.
(a) SUBLEASING FOR MORE THAN TWO YEARS WILL RESULT IN LOSS OF THE PREFERENCE RIGHT.
(b) SUBLEASING FOR MORE THAN THREE YEARS WILL RESULT IN THE LEASE BEING CANCELED. (The department's rules and applicable statutes concerning subleasing and pasturing agreements should be consulted.)
- REPORTS—Lessee is required to submit reports as requested by the Director, including seeding and production reports. Failure to submit such reports may result in cancellation of the lease.
- CULTIVATION—in the case of lands leased for agricultural purposes, the lessee hereby agrees to seed and cultivate such land in a husbandman-like manner and to strip farm if the land is subject to soil blowing. The lessee further agrees to keep the land clear of weeds and care for it in accordance with approved farm methods as determined by the state. The state shall have the right to impose reasonable restrictions on all state leases as are necessary to adequately protect the land, water, air or improvements in the area. Grain crops are to be delivered free of charge to the nearest elevator to the credit of the state of Montana on or before the fifteenth of November of each year. Other crops, including hay, are to be disposed of at the going market price unless otherwise directed. If a lessee decides to graze the stubble of harvested crops or hayland or grazes unharvested crops for haylands, he must contact the Department regarding payment for such grazing in classified agricultural lands. The Department shall determine the number of animal unit months of grazing available on the land and shall bill the lessee or licensee for the grazing use based on the minimum grazing rental established under Section 77-8-507, MCA or the competitive bid amount, whichever is greater. Failure or refusal to pay said rental or to notify the department of such grazing may be cause for cancellation of the lease.

7. **FEDERAL FARM PROGRAM COMPLIANCE**—If a lessee or licensee has his lease or license canceled or terminated or for any reason is no longer the lessee or licensee, then he shall no longer be entitled to any payment or benefits from any federal farm program. If such a lessee or licensee does receive any such federal payment or benefit in connection with the state lease or license he shall be liable to the state for any amounts received after he is no longer recognized as the lessee or licensee. The lessee or licensee of any state land shall comply with the provisions of the federal farm program when applicable and shall indemnify the state against any loss occasioned by noncompliance with such provisions. In addition to any rentals provided in the lease or license, the state shall receive the same share as it receives for crops of all payments pursuant to any act or acts of the congress of the United States in connection with state lands under lease or license and the crops thereof. The state shall be entitled to such amounts annually for all leases based upon a cropshare, even if the lease states that the rental is based upon a crop share/cash basis, whichever is greater. All such leases shall be considered crop share leases for the purpose of receiving the state's share of the federal farm payments.
8. **IMPROVEMENTS**—The lessee may place a reasonable amount of improvements upon the lands under this lease upon approval of an improvement permit by the Department. A report of proposed improvements, containing such information as the Director may request concerning the cost of the improvements, their suitability for the uses ordinarily made of the land, and their character whether fixed or movable, shall be submitted to the Director before installation thereof on the premises. Failure to obtain approval prior to placement of the improvement may result in such improvements not being recognized by the Department for purposes of reimbursement of such improvements. In addition, placing improvements on state lands without receiving prior approval, may result in cancellation of the lease.
9. **LIENS ON BUILDINGS AND CROPS**—The state shall have a lien upon all buildings, structures, fences and all other improvements, whether movable or not, and also upon all crops growing upon the land for any rentals due the Department.
10. **COMPENSATION FOR IMPROVEMENTS**—(a) If the land under this lease is sold or exchanged to a party other than the present lessee, or is leased to another party while the present lessee owns improvements lawfully remaining thereon, on which the state has no lien for rentals or penalties, as herein provided, and which he desires to sell and dispose of, such purchaser or new lessee shall pay the former lessee the reasonable value of such improvements. If any of the improvements consist of approved breaking (meaning the original plowing of the land) and one year's crop has been raised on the land after the breaking thereof, the compensation for such breaking shall not exceed the sum of two dollars and fifty cents (\$2.50) per acre, and that in case two or more crops have been raised on the land after the breaking thereof, the breaking shall not be considered as an improvement to the land. In case the former lessee and the new lessee or purchaser are unable to agree on the reasonable value of such improvements, such value shall be ascertained and fixed by three arbitrators, one of whom shall be appointed by the owner of the improvements, one by the new lessee or purchaser and the third by the two arbitrators so appointed. The former lessee must initiate arbitration within 60 days of notification from the Department that there is a new lessee or purchaser. Failure to initiate this process within this time period results in all improvements becoming property of the state. The reasonable compensation that such arbitrators may charge for their services shall be paid in equal shares by the owner of the improvements and the purchaser or new lessee. The value of such improvements as ascertained and fixed shall be binding upon both parties; provided, however, that if either party is dissatisfied with the valuation so fixed he may within ten (10) days appeal from their decision to the Director who shall thereupon cause his agent to examine such improvements and whose decision shall be final. The Director shall charge and collect the actual cost of such reexamination to the owner and new lessee or purchaser in such proportion as in his judgment may be demanded.
(b) Upon the termination of a lease, the Department may grant a license to the former lessee to remove the movable improvements from the land. Upon authorization, the movable improvements must be removed within 60 days or they become the property of the state unless the department for good cause grants additional time for the removal. The department shall charge the former lessee for the period of time that the improvements remain on the land after the termination of the lease.
(c) Summer following (necessary cultivation done after the last crop grown) seeding, and growing crops on the land, which have not been harvested prior to March 1 next succeeding the date of sale or at the time of change of lessee, shall be considered as improvements. Their value shall be determined in the same manner as other improvements and shall be taken over by the purchaser or new lessee and paid for by him as other improvements.
11. **ASSIGNMENT OF LEASE**—If all rentals due have been paid and the terms of this lease have not been violated, the lease may be assigned on the forms provided for that purpose by the Director, but no such assignment shall be binding on the state unless the assignment is filed with the Director, approved by him, and the appropriate assignment fees submitted for such assignment. An assignment which is signed by both parties shall be conclusive proof that all payments for improvements have been paid to the assignor by the assignee. The leasehold interest herein may only be transferred to any other party by a properly executed assignment which must be approved by the Director prior to such transfer becoming effective. Until an assignment becomes effective, the Department will consider the lessee listed above to be the lessee for all purposes. There may be no consideration given for the assignment of a lease other than the value of the improvements, if any.
12. **RENEWAL LEASE**—If all rentals due under this lease have been paid, the lessee shall upon making proper application to the Director be entitled to have this lease renewed at any time within thirty (30) days prior to its expiration for an additional period of not exceeding ten years; and if there is no other applicant then offering to lease the land, the lease shall be issued at the minimum rental as determined under statutes then in effect. If there are two or more persons desiring to lease the same tract, the former lessee shall have the preference right to the lease to the extent that he may take the lease at the highest bid made by any other applicant. However, subleasing may cause loss of this renewal right. The department's rules concerning subleasing should be consulted. The lessee desiring to renew the lease must make application to the Department prior to January 28 of the year of expiration. Failure to do so will result in the lease becoming an unleased tract upon expiration, with the loss of the preference right and subject to competitive bidding.
13. **CANCELLATION OF LEASE BY THE STATE**—The Director shall have the power and authority in his discretion to cancel a lease for any of the following causes: For fraud or misrepresentation, or for concealment of facts relating to its issue, which if known would have prevented its issue in the form or to the party issued; for using the land for other purposes than those authorized by the lease, for overgrazing or any other misuse of the state lands involved, and for any other cause which in the judgement of the Director makes the cancellation of the lease necessary in order to do justice to all parties concerned, and to protect the interest of the state. Such cancellation shall not entitle the lessee to any refund of rentals paid or exemption from the payment of any rents, penalties or other compensation due the state. Lease cancellation for these causes is subject to appeal as provided in Section 77-6-211, MCA.
14. **LANDS MAY BE SOLD**—The Board of Land Commissioners may in their discretion exchange the lands under this lease for other lands, offer the lands under this lease for sale at any regular public sale of state lands held in the county where the land is situated upon the same terms and in the same manner as land not under lease, subject, however, to the rights of the lessee to compensation for improvements as herein provided; and subject also to the provision that the new owner will not be given possession by the state prior to March 1 next succeeding the date of exchange or sale unless the lease expires prior to that date, except through special agreement with the lessee.
15. **RESERVATION**—The state reserves all rights and interests to the land under this lease other than those specifically granted by this lease. Those reservations include but are not limited to the following.
(a) **MINERAL AND TIMBER RESERVATION**—All coal, oil, gas and other minerals and all deposits of stone, gravel, sand, gems, and other nonminerals valuable for building, mining or other commercial purposes and all timber and trees are excepted from the operation of this lease. The lessee shall not open any mine or quarry or work or dig any of the minerals or nonminerals mentioned above from any mine or any quarry, pit or diggings situated on said land whether such mine, quarry, pit or diggings was open at the date of this lease or not. The lessee shall not cut, sell, remove, use or destroy any such timber dead or alive, or standing or fallen trees without the appropriate permit, license or lease.
(b) **ADDITIONAL RESERVATIONS**—The state reserves a right-of-way to the United States over the land above-described for ditches, canals, tunnels, telephone and telegraph, and power lines now constructed or to be constructed by the United States Government in furtherance of the reclamation of arid lands. The state also reserves the right of granting rights-of-way on the above-described land for other purposes. The state also reserves to itself and its representatives and other lessees or permittees the right to enter upon the lands embraced by this lease for the purpose of prospecting and exploring for minerals and for the purpose of mining, drilling for, developing and removing such minerals and for carrying on all operations related thereto and for any other management or administrative purposes; it also reserves to itself and its permittees the right to enter upon the said lands for the purpose of cutting and removing timber, wood and other forest products, and for removing gravel, sand, building stone, and other nonminerals. The state reserves the right to grant licenses, permits or leases for any alternative uses on state lands.
16. **NOXIOUS WEEDS AND PESTS**—The lessee agrees, at his own expense and cost, to keep the land free from noxious weeds, and if noxious weeds are present, then chemical application or other appropriate weed control measures must occur in time to prevent seed-set according to state law and to exterminate pests to the extent as required by the Department. In the event the land described in this lease shall be included in a weed control and weed seed extermination district, the lessee shall be required to comply with the provisions of Section 77-6-114, MCA, which provides as follows. "It shall be the duty of the Board in leasing any agricultural state land to provide in such lease, that the lessee of lands so leased lying within the boundaries of any noxious weed control and weed seed extermination district shall assume and pay all assessments and taxes levied by the board of County Commissioners for such district on such state lands, and such assessments and tax levy shall be imposed on such lessee as a personal property tax and shall be collected by the County Treasurer in the same manner as regular personal property taxes are collected." Failure to comply with this provision when directed to do so by the Department may result in cancellation of the entire lease.

17. **FIRE PREVENTION AND SUPPRESSION**—The lessee assumes all responsibility for carrying on at his own cost and expense all fire prevention and suppression work necessary or required to protect the forage, trees, buildings and structures on the land. The lessee is not responsible for the suppression of or damages resulting from a fire caused by a general recreational user, except that he or she shall make reasonable efforts to suppress the fire or report it to the proper firefighting authority or both, as circumstances dictate.
18. **UNLAWFUL USE OF LANDS OR PREMISES**—If any part of the lands or premises under this lease are used or allowed or permitted to be used for any purpose contrary to the laws of this state or the United States, such unlawful use shall in the discretion of the Board of Land Commissioners constitute sufficient reason for the cancellation of the lease. The lessee shall not utilize or allow to be utilized any state land under the lease for purposes other than the purpose for which it is granted.
19. **SURRENDER OF THE PREMISES UPON TERMINATION OF THE LEASE**—The lessee shall upon the expiration, cancellation, or termination of this lease peaceably yield up and surrender the possession of the land to the state of Montana or its agents or to subsequent lessees or grantees.
20. **INCREASED RENTAL**—If the Montana Legislature or the Board of Land Commissioners raises the rentals on state grazing or agriculture lands during the term of this lease, the lessee agrees to pay such increased rental for the years after such increase becomes effective. Also, the state reserves the right to determine the grazing capacity of said lands annually or from time to time as the Director in his discretion shall determine necessary and increase or decrease the rental thereon accordingly. In the event the Director should increase or decrease the carrying capacity of said lands, the lessee agrees to pay an increased or decreased rental based upon the Director's determination, and to adjust livestock numbers accordingly.
21. **INDEMNIFICATION**—The lessee agrees to save harmless and indemnify the State of Montana for any losses to the state occasioned by the levy of any penalties, fines, charges or assessments made against the above lands or crops grown upon the lands, by the U.S. Government because of any violation of or noncompliance with, any federal farm program or other acts by the lessee.
22. **LAWS AND RULES**—The lessee agrees to comply with all applicable laws and rules in effect at the date of this lease, or which may, from time to time, be adopted.
23. **MULTIPLE-USE MANAGEMENT**—Pursuant to the obligations imposed by law, to administer state lands under a multiple-use management concept, the state reserves the right to dispose of any and all interests in the above-described land, subject, however to such interests granted to the lessee under the terms of this lease. The lessee may not close the land under lease at any time to the public for general recreational use, as defined in A.R.M. 36.25.145, without advanced written permission of the Department. Permission to close lands categorically closed under A.R.M. 36.25.150 is hereby granted and no further permission is required.
24. **LEASE WITHDRAWAL**—All or any portion of the land under lease may be withdrawn from this lease by the state. The lessee shall be entitled to reasonable compensation for any improvements thereon. The lands may be withdrawn to promote the duties and responsibilities of the Board of Land Commissioners.
25. **SPECIAL CONDITIONS**—

IN WITNESS WHEREOF, The State of Montana and the lessee have caused this lease to be executed in duplicate and the Director of the Department of Natural Resources and Conservation, pursuant to the authority granted him by the State Board of Land Commissioners of the State of Montana, has

hereunto set his hand and affixed the seal of the said Board of Land Commissioners this APR 17 2015 day of 20

[Signature]
LESSEE SIGNATURE

JOHN E. TUBBS
DIRECTOR, DEPT OF NATURAL RESOURCES & CONSERVATION

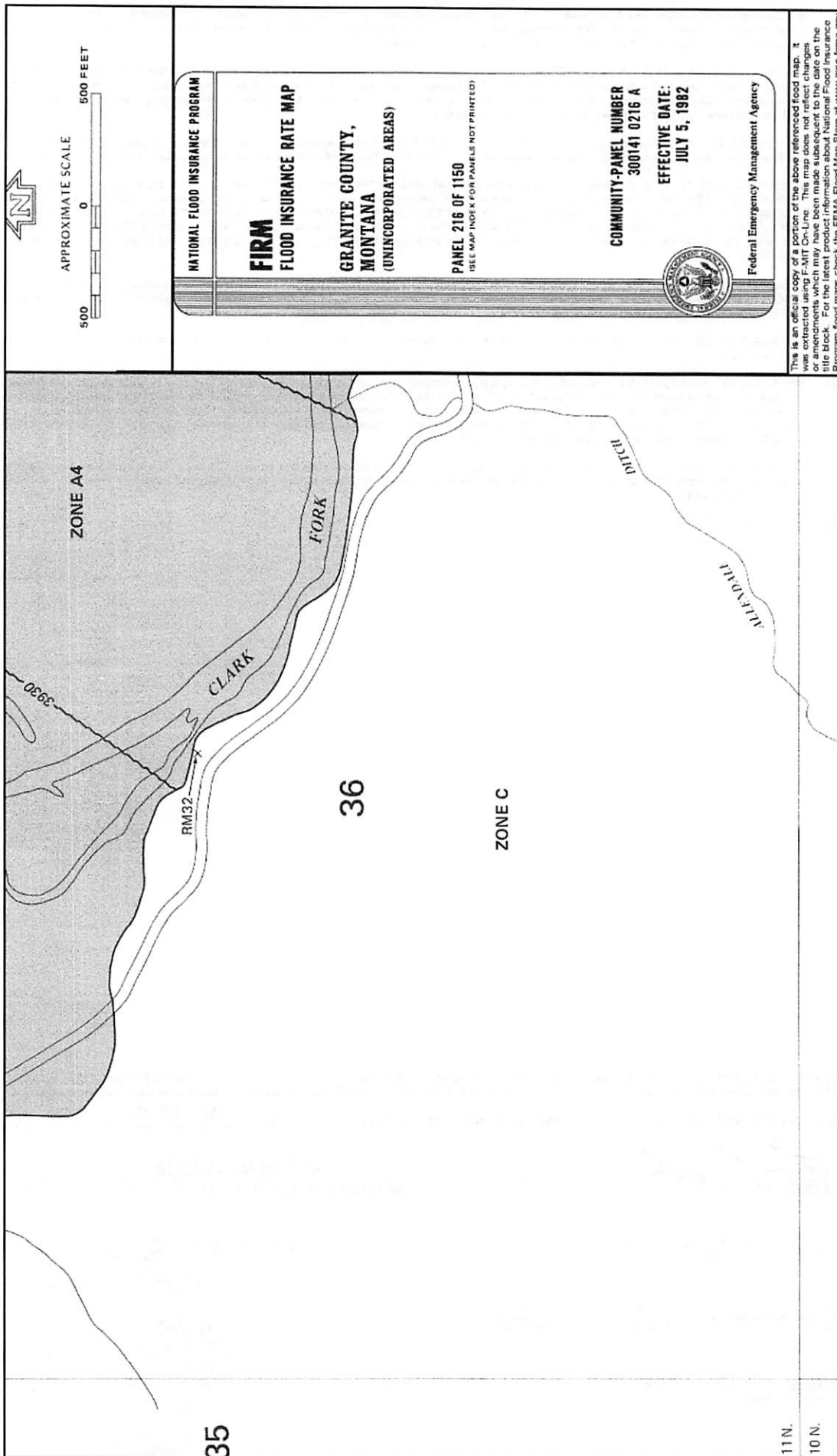
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ADDRESS OR BOX NO.

by: [Signature]

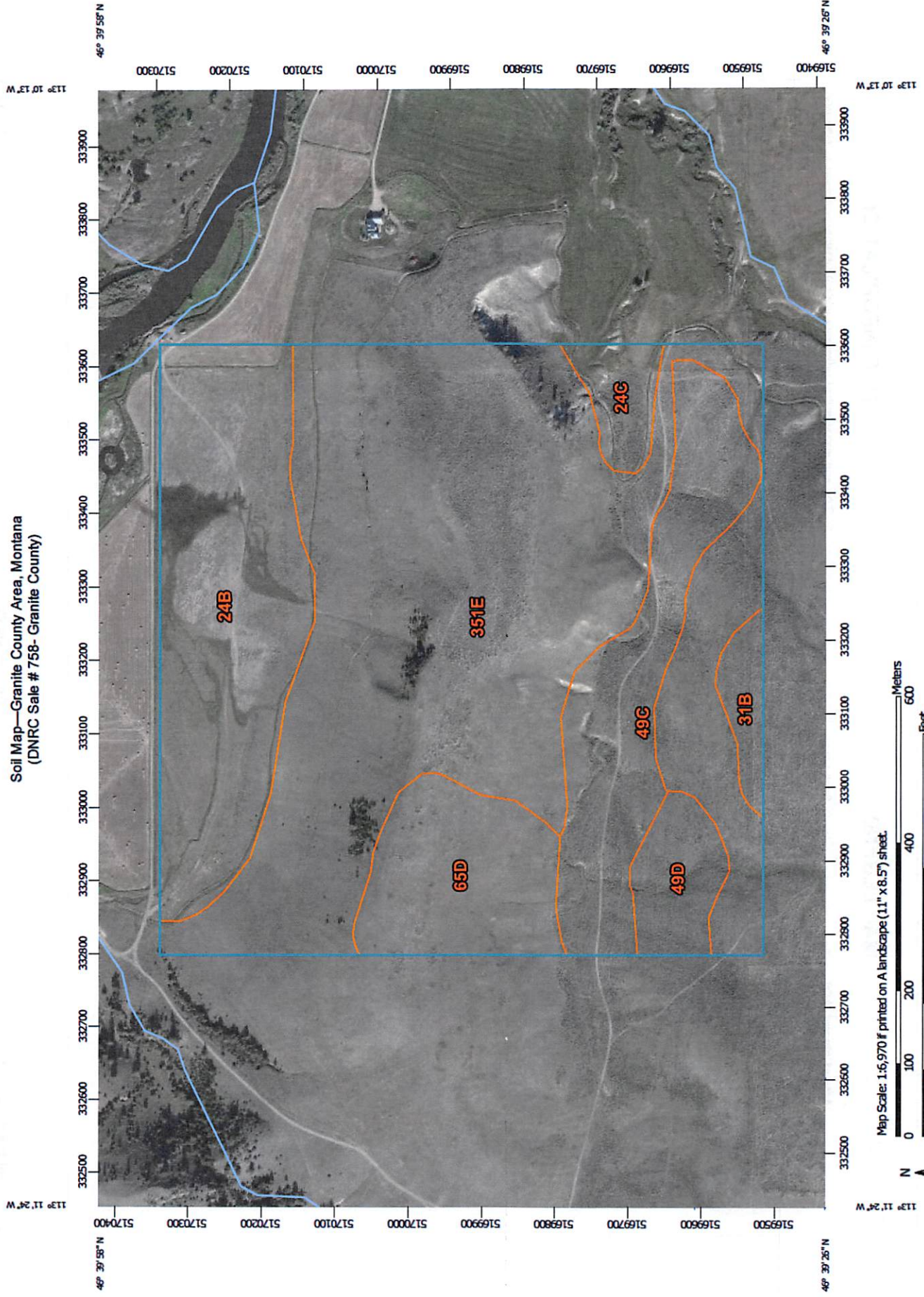
Missoula MT 59808
CITY STATE ZIP CODE

406-529-1300
PHONE NUMBER






Soil Map—Granite County Area, Montana
(DNRC Sale # 758- Granite County)



Soil Map—Granite County Area, Montana
(DNRC Sale # 758- Granite County)

MAP LEGEND


Area of Interest (AOI)

 Area of Interest (AOI)


Soils


 Soil Map Unit Polygons

 Soil Map Unit Lines


 Soil Map Unit Points


Special Point Features

 Blowout


 Borrow Pit


 Clay Spot


 Closed Depression

 Gravel Pit


 Gravelly Spot


 Landfill

 Lava Flow


 Marsh or swamp


 Mine or Quarry


 Miscellaneous Water


 Perennial Water


 Rock Outcrop


 Saline Spot

 Sandy Spot

 Severely Eroded Spot


 Sinkhole


 Slide or Slip

 Sodic Spot

 Spoil Area

 Stony Spot

 Very Stony Spot

 Wet Spot

 Other

 Special Line Features


Water Features

 Streams and Canals

Transportation

 Rails

 Interstate Highways

 US Routes

 Major Roads

 Local Roads

Background

 Aerial Photography

MAP INFORMATION

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

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

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

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

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

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Soil Survey Area: Granite County Area, Montana
Survey Area Data: Version 14, Sep 3, 2014

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

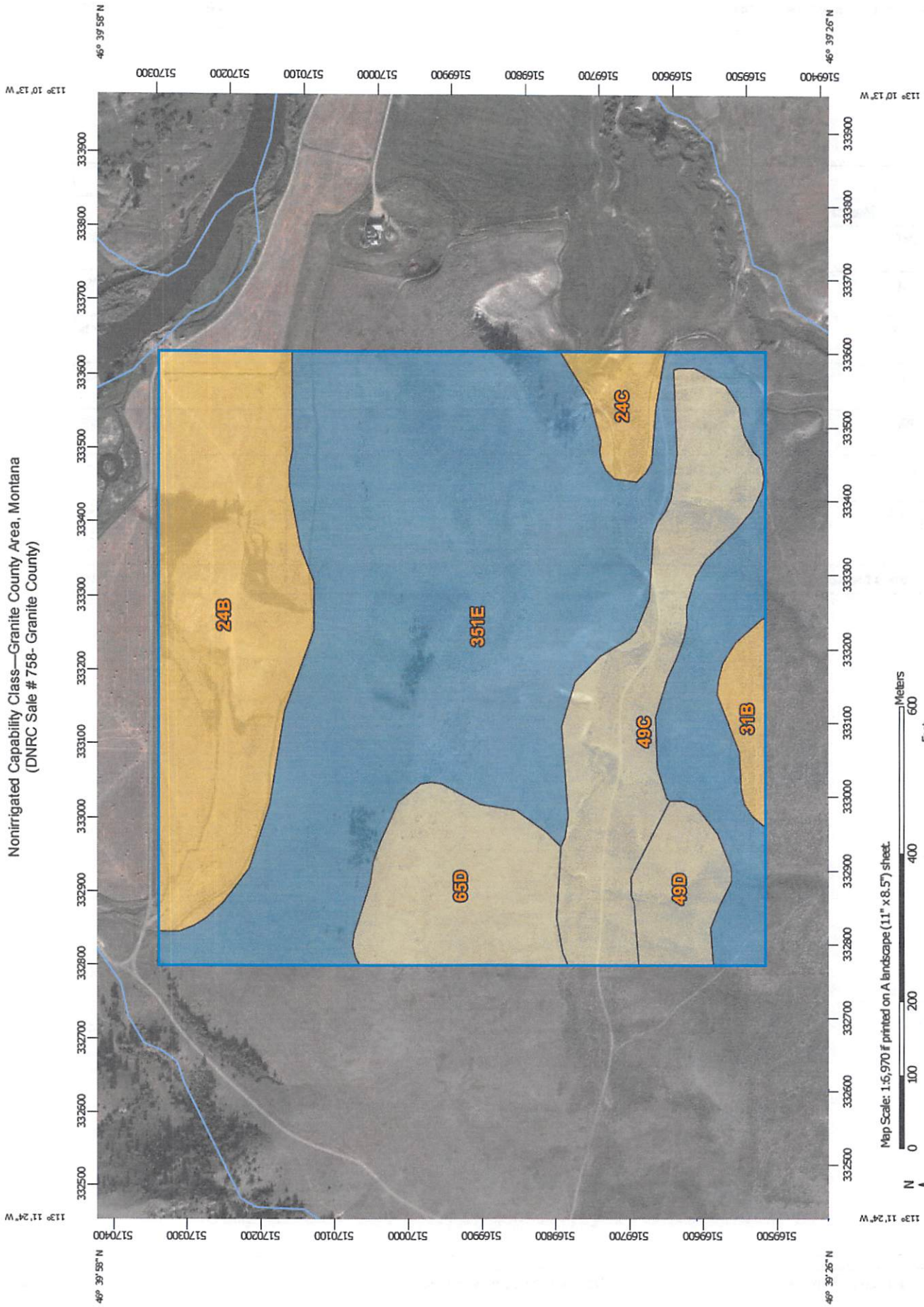
Date(s) aerial images were photographed: Jul 9, 2011—Jul 10, 2011

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Map Unit Legend

Granite County Area, Montana (MT621)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
24B	Conn loam, 0 to 4 percent slopes	32.7	19.3%
24C	Conn loam, 4 to 8 percent slopes	3.8	2.3%
31B	Varney clay loam, 0 to 4 percent slopes	2.9	1.7%
49C	Danvers clay loam, 4 to 8 percent slopes	20.5	12.1%
49D	Danvers clay loam, 8 to 15 percent slopes	5.6	3.3%
65D	Tanna loam, 8 to 15 percent slopes	14.0	8.2%
351E	Roy-Shawmut-Danvers complex, 15 to 35 percent slopes	90.3	53.2%
Totals for Area of Interest		169.9	100.0%


Nonirrigated Capability Class—Granite County Area, Montana
(DNRC Sale # 758- Granite County)



Nonirrigated Capability Class—Granite County Area, Montana
(DNRC Sale # 758- Granite County)










MAP LEGEND

Area of Interest (AOI)










 Area of Interest (AOI)

Soils

Soil Rating Polygons

-  Capability Class - I
-  Capability Class - II
-  Capability Class - III
-  Capability Class - IV
-  Capability Class - V
-  Capability Class - VI
-  Capability Class - VII
-  Capability Class - VIII
-  Not rated or not available

Soil Rating Lines


-  Capability Class - I
-  Capability Class - II
-  Capability Class - III
-  Capability Class - IV
-  Capability Class - V
-  Capability Class - VI
-  Capability Class - VII
-  Capability Class - VIII
-  Not rated or not available

Soil Rating Points

-  Capability Class - I
-  Capability Class - II

-  Capability Class - III
-  Capability Class - IV
-  Capability Class - V
-  Capability Class - VI
-  Capability Class - VII
-  Capability Class - VIII
-  Not rated or not available

Water Features

 Streams and Canals

Transportation

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

Background

 Aerial Photography

MAP INFORMATION

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

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Nonirrigated Capability Class

Nonirrigated Capability Class— Summary by Map Unit — Granite County Area, Montana (MT621)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
24B	Conn loam, 0 to 4 percent slopes	3	32.7	19.3%
24C	Conn loam, 4 to 8 percent slopes	3	3.8	2.3%
31B	Varney clay loam, 0 to 4 percent slopes	3	2.9	1.7%
49C	Danvers clay loam, 4 to 8 percent slopes	4	20.5	12.1%
49D	Danvers clay loam, 8 to 15 percent slopes	4	5.6	3.3%
65D	Tanna loam, 8 to 15 percent slopes	4	14.0	8.2%
351E	Roy-Shawmut-Danvers complex, 15 to 35 percent slopes	6	90.3	53.2%
Totals for Area of Interest			169.9	100.0%

Description

Land capability classification shows, in a general way, the suitability of soils for most kinds of field crops. Crops that require special management are excluded. The soils are grouped according to their limitations for field crops, the risk of damage if they are used for crops, and the way they respond to management. The criteria used in grouping the soils do not include major and generally expensive landforming that would change slope, depth, or other characteristics of the soils, nor do they include possible but unlikely major reclamation projects. Capability classification is not a substitute for interpretations that show suitability and limitations of groups of soils for rangeland, for woodland, or for engineering purposes.

In the capability system, soils are generally grouped at three levels—capability class, subclass, and unit. Only class and subclass are included in this data set.

Capability classes, the broadest groups, are designated by the numbers 1 through 8. The numbers indicate progressively greater limitations and narrower choices for practical use. The classes are defined as follows:

Class 1 soils have few limitations that restrict their use.

Class 2 soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices.

Class 3 soils have severe limitations that reduce the choice of plants or that require special conservation practices, or both.

Class 4 soils have very severe limitations that reduce the choice of plants or that require very careful management, or both.

Class 5 soils are subject to little or no erosion but have other limitations, impractical to remove, that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.

Class 6 soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, forestland, or wildlife habitat.

Class 7 soils have very severe limitations that make them unsuitable for cultivation and that restrict their use mainly to grazing, forestland, or wildlife habitat.

Class 8 soils and miscellaneous areas have limitations that preclude commercial plant production and that restrict their use to recreational purposes, wildlife habitat, watershed, or esthetic purposes.

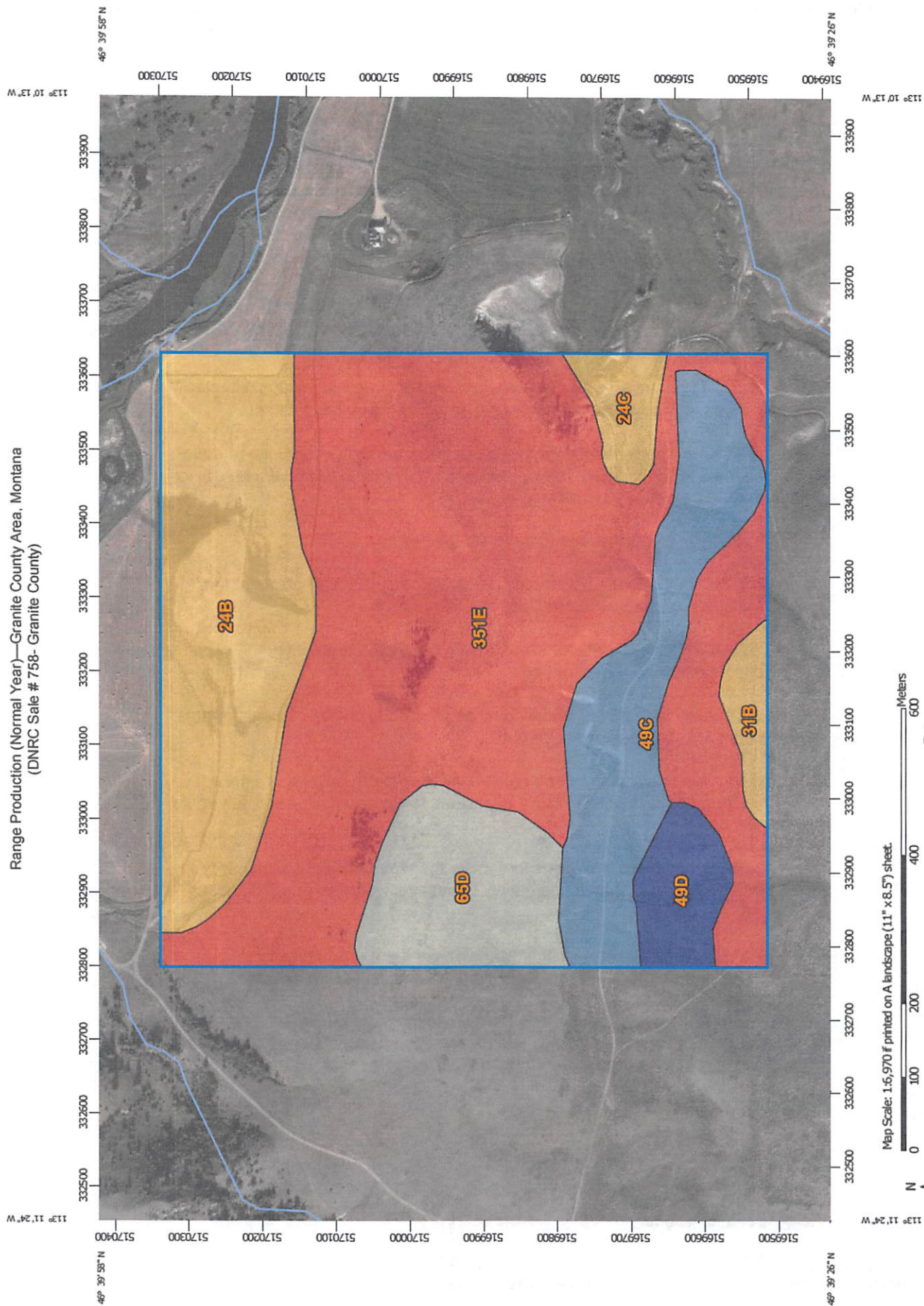
Rating Options

Aggregation Method: Dominant Condition

Component Percent Cutoff: None Specified


Tie-break Rule: Higher

Range Production (Normal Year)—Granite County Area, Montana
(DNRC Sale # 758- Granite County)





MAP LEGEND

Area of Interest (AOI)

 Area of Interest (AOI)

Soils

Soil Rating Polygons

 ≤ 1170
 > 1170 and ≤ 1185
 > 1185 and ≤ 1225
 > 1225 and ≤ 1376
 > 1376 and ≤ 1381
 Not rated or not available


Soil Rating Lines

 ≤ 1170
 > 1170 and ≤ 1185
 > 1185 and ≤ 1225
 > 1225 and ≤ 1376
 > 1376 and ≤ 1381
 Not rated or not available






Soil Rating Points

 ≤ 1170
 > 1170 and ≤ 1185
 > 1185 and ≤ 1225
 > 1225 and ≤ 1376
 > 1376 and ≤ 1381
 Not rated or not available

Water Features

 Streams and Canals

Transportation

 Rails
 Interstate Highways
 US Routes
 Major Roads
 Local Roads

Background

 Aerial Photography

MAP INFORMATION

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

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

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

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Soil Survey Area: Granite County Area, Montana
 Survey Area Data: Version 14, Sep 3, 2014

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Date(s) aerial images were photographed: Jul 9, 2011—Jul 10, 2011

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Range Production (Normal Year)

Range Production (Normal Year)— Summary by Map Unit — Granite County Area, Montana (MT621)				
Map unit symbol	Map unit name	Rating (pounds per acre per year)	Acres in AOI	Percent of AOI
24B	Conn loam, 0 to 4 percent slopes	1185	32.7	19.3%
24C	Conn loam, 4 to 8 percent slopes	1185	3.8	2.3%
31B	Varney clay loam, 0 to 4 percent slopes	1185	2.9	1.7%
49C	Danvers clay loam, 4 to 8 percent slopes	1376	20.5	12.1%
49D	Danvers clay loam, 8 to 15 percent slopes	1381	5.6	3.3%
65D	Tanna loam, 8 to 15 percent slopes	1225	14.0	8.2%
351E	Roy-Shawmut-Danvers complex, 15 to 35 percent slopes	1170	90.3	53.2%
Totals for Area of Interest			169.9	100.0%

Description

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

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

Rating Options

Units of Measure: pounds per acre per year

Aggregation Method: Weighted Average

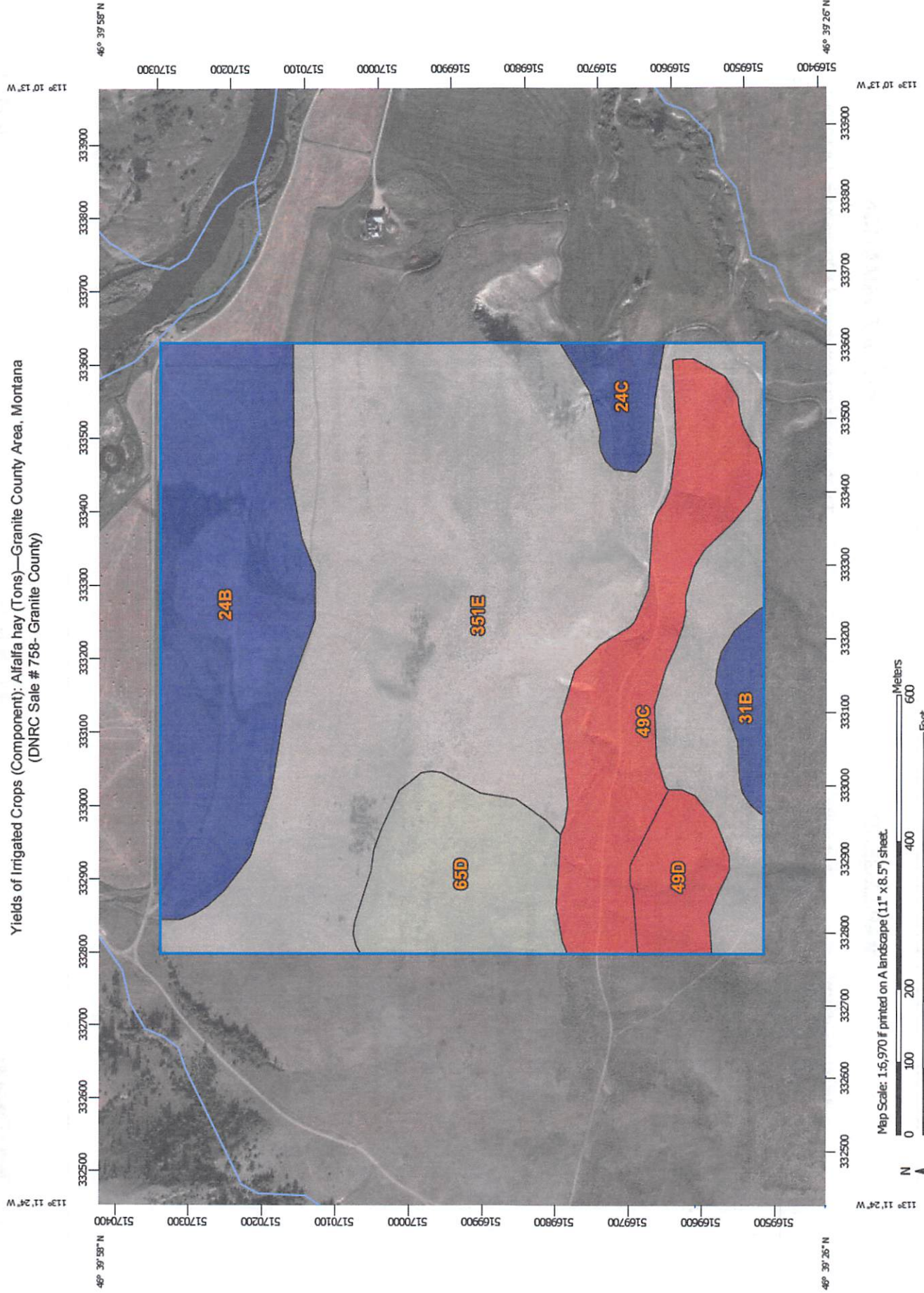
Component Percent Cutoff: None Specified

Tie-break Rule: Higher

Interpret Nulls as Zero: Yes




Yields of Irrigated Crops (Component): Alfalfa hay (Tons)—Granite County Area, Montana (DNRC Sale # 758- Granite County)



MAP LEGEND

Area of Interest (AOI)





 Area of Interest (AOI)

Background





 Aerial Photography

Soils





Soil Rating Polygons

-  ≤ 4.29
-  > 4.29 and ≤ 4.74
-  > 4.74 and ≤ 5.26
-  Not rated or not available


Soil Rating Lines

-  ≤ 4.29
-  > 4.29 and ≤ 4.74
-  > 4.74 and ≤ 5.26
-  Not rated or not available

Soil Rating Points

-  ≤ 4.29
-  > 4.29 and ≤ 4.74
-  > 4.74 and ≤ 5.26
-  Not rated or not available

Water Features

 Streams and Canals

Transportation

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

MAP INFORMATION

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

Yields of Irrigated Crops (Component): Alfalfa hay (Tons)— Summary by Map Unit — Granite County Area, Montana (MT621)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
24B	Conn loam, 0 to 4 percent slopes	5.26	32.7	19.3%
24C	Conn loam, 4 to 8 percent slopes	5.26	3.8	2.3%
31B	Varney clay loam, 0 to 4 percent slopes	5.26	2.9	1.7%
49C	Danvers clay loam, 4 to 8 percent slopes	4.29	20.5	12.1%
49D	Danvers clay loam, 8 to 15 percent slopes	4.29	5.6	3.3%
65D	Tanna loam, 8 to 15 percent slopes	4.74	14.0	8.2%
351E	Roy-Shawmut-Danvers complex, 15 to 35 percent slopes		90.3	53.2%
Totals for Area of Interest			169.9	100.0%

Description

These are the estimated average yields per acre that can be expected of selected irrigated crops under a high level of management. In any given year, yields may be higher or lower than those indicated because of variations in rainfall and other climatic factors. It is assumed that the irrigation system is adapted to the soils and to the crops grown, that good-quality irrigation water is uniformly applied as needed, and that tillage is kept to a minimum.

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

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

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

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

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

Rating Options

Crop: Alfalfa hay

Yield Units: Tons

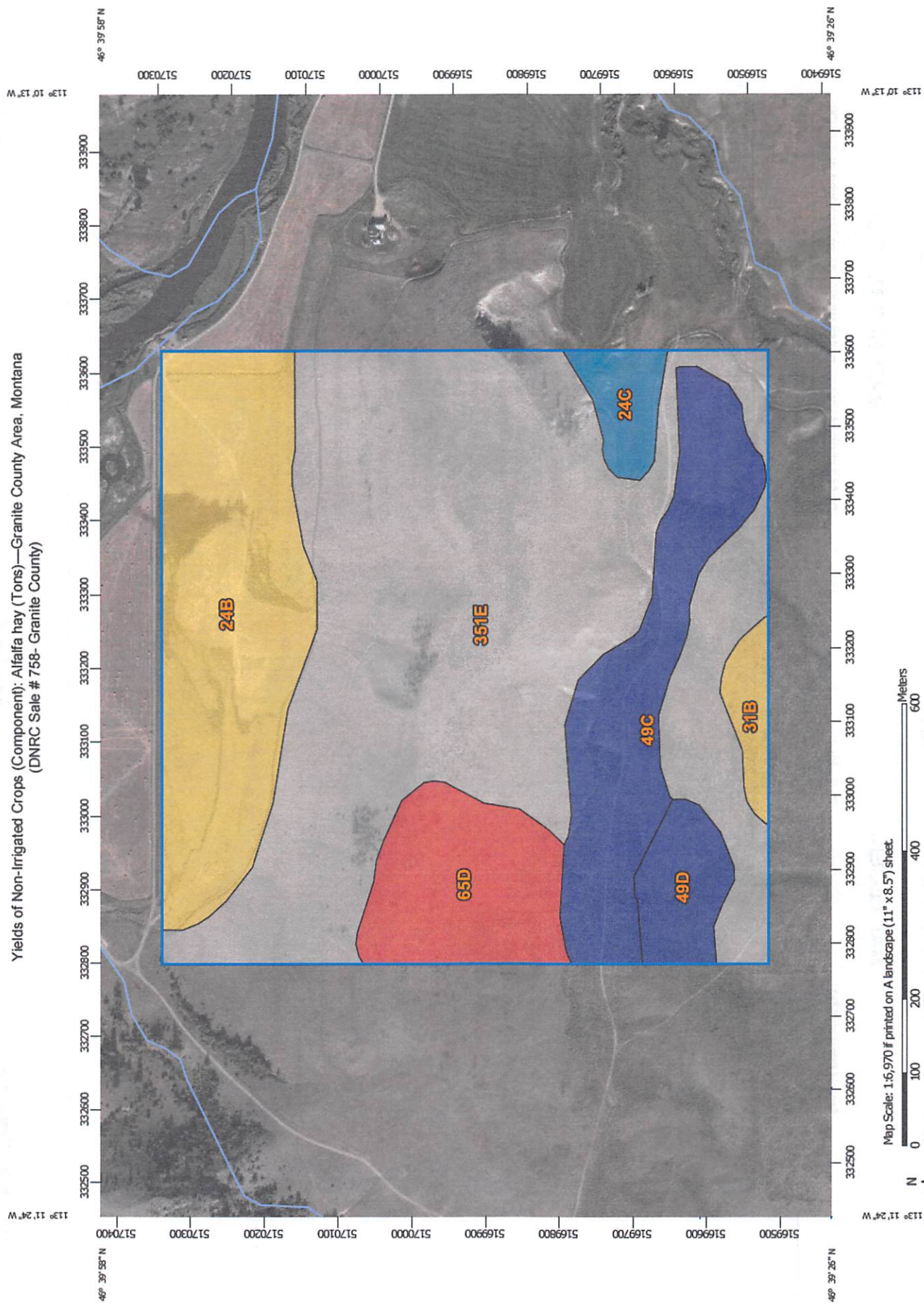
Aggregation Method: Weighted Average

Component Percent Cutoff: None Specified

Tie-break Rule: Higher

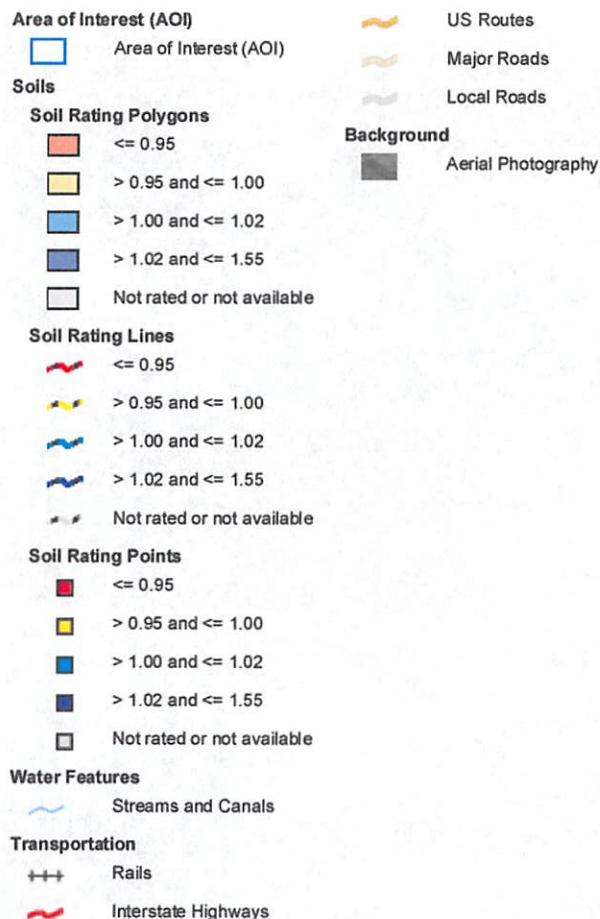
Interpret Nulls as Zero: Yes

Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)—Granite County Area, Montana
(DNRC Sale # 758- Granite County)



Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)—Granite County Area, Montana
(DNRC Sale # 758- Granite County)

MAP LEGEND



MAP INFORMATION

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

Yields of Non-Irrigated Crops (Component): Alfalfa hay (Tons)— Summary by Map Unit — Granite County Area, Montana (MT621)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
24B	Conn loam, 0 to 4 percent slopes	1.00	32.7	19.3%
24C	Conn loam, 4 to 8 percent slopes	1.02	3.8	2.3%
31B	Varney clay loam, 0 to 4 percent slopes	1.00	2.9	1.7%
49C	Danvers clay loam, 4 to 8 percent slopes	1.55	20.5	12.1%
49D	Danvers clay loam, 8 to 15 percent slopes	1.55	5.6	3.3%
65D	Tanna loam, 8 to 15 percent slopes	0.95	14.0	8.2%
351E	Roy-Shawmut-Danvers complex, 15 to 35 percent slopes		90.3	53.2%
Totals for Area of Interest			169.9	100.0%

Description

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

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

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

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

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

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

Rating Options

Crop: Alfalfa hay

Yield Units: Tons

Aggregation Method: Weighted Average

Component Percent Cutoff: None Specified

Tie-break Rule: Higher

Interpret Nulls as Zero: Yes

EXHIBIT 5

KATIE RICKETT, A.R.A.

P.O. Box 691

Belgrade, MT 59714

(406)388-0570 Office; (406)570-4450 Cell

Montana Certified General Appraiser # REA-RAG-LIC-650

Accredited Rural Appraiser (A.R.A.) & Member of ASFMRA Accredited #1664

Katie@JKranchappraisals.com



EDUCATION

Colorado State University, Fort Collins, Colorado

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

University of Colorado at Boulder Continuing Education, Boulder, Colorado

Registered Real Estate Appraiser.

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

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

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

EXPERIENCES

JK Appraisal & Consulting, LLC: Belgrade, MT Owner, President, (11/07 to Current)

* Responsibilities encompass all aspects of appraising duties. Specializing in agriculture, recreational, and other types of rural properties, including Federal acquisitions compliant with Uniform Standards for Federal Land Acquisitions a.k.a. Yellow Book appraisals; rural properties, inholdings, & conservation easements; Full narratives and Ag-Ware Form reports.

Associate Appraiser: Sub-Contract Appraiser with Terra Western Associates (11/07 to 7/14), Bozeman, MT

* Responsibilities encompass all aspects of appraising duties. Specializing in agricultural, recreational, conservation easements, and other types of rural properties. Services include real estate appraisal, financial feasibility consulting, cash flow projections, and day-to-day management consulting.

Qualified Appraiser: United State Forest Service, Bozeman, MT (3/00- 10/07)

* Responsibilities encompassed all aspects of appraising duties. Specializing in Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) Appraisals for Federal acquisitions, land exchanges, right-of-ways, and inholdings.

Apprentice Appraiser: Hall-Widdoss & Co., Inc. South Dakota (8/98-3/2000)

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

Apprentice Appraiser: Agribiz Appraisal & Consulting, Inc., Kim Colvin, A.R.A., President; Luther Appraisal Services, George Luther, Jr., A.R.A., President

* Subcontracted to perform basic appraisal duties. Researching sales, mapping of legal descriptions, proof reading reports, verifying sales with buyers, sellers, and agents. Also performed courthouse research, as well as, meeting with realtors to obtain sales information. Began to perform rural appraisals, using the three approaches to value.

Apprentice Appraiser: O'Neil & Co.: (1/98-7/98)

* During my employment I researched recent sales through the use of the Multiple Listing Service and the courthouse. I assisted in several appraisals by helping with measurements, pictures, and walk through of the subject property. I also observed and participated in the development of reports. I learned how to determine soil quality and productivity through the use of soil surveys and aerial photos.